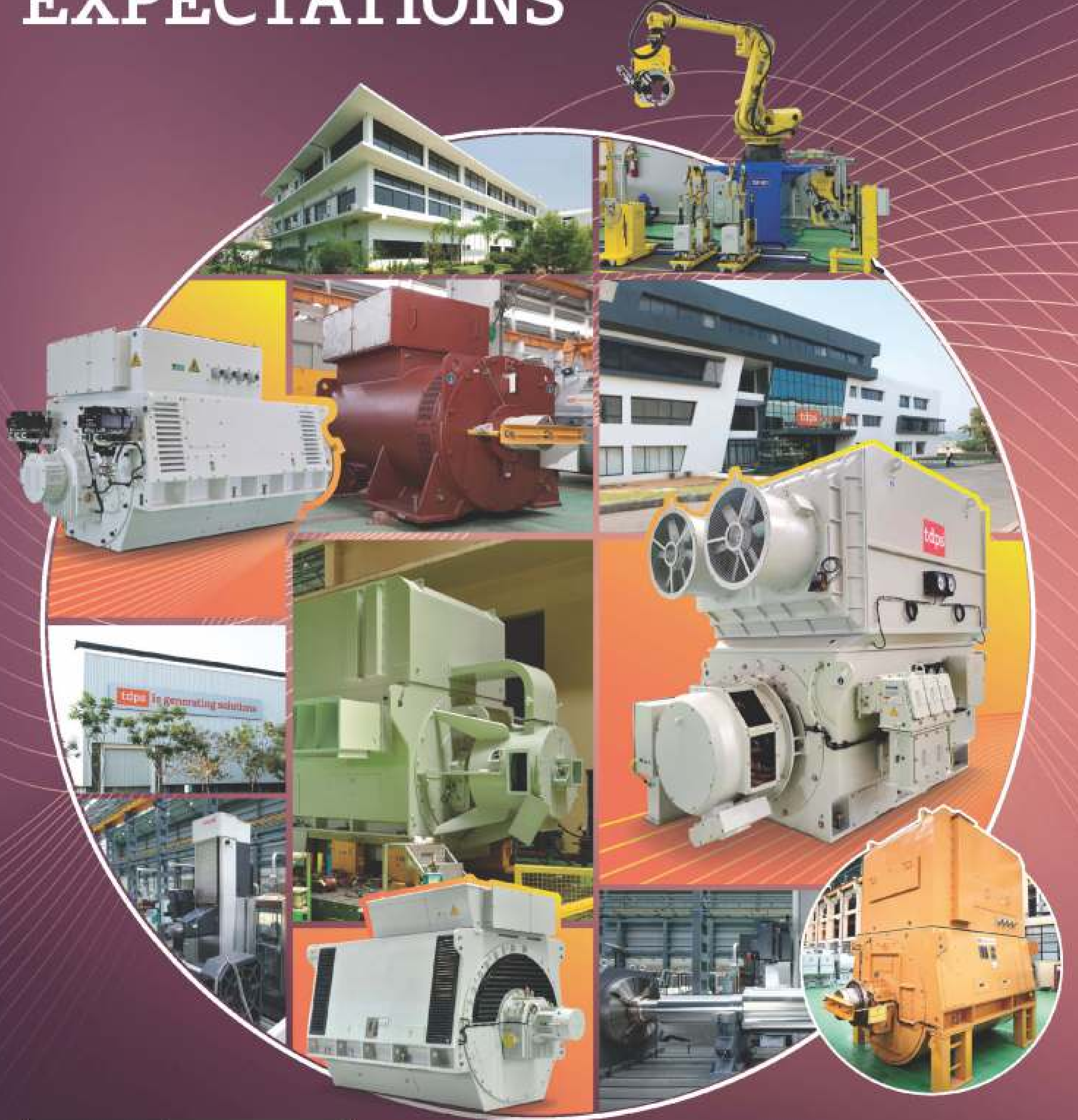
EVOLVING TO EXCEED EXPECTATIONS

tdps



Annual Report 2023

TD Power Systems Limited

Expanding our footprint, globally

42+ GW
installed capacity

5946
Machines

104
countries

OUR FOOTPRINT

Asia	4510
Europe	758
Africa	258
North America	184
South America	45
Central America	41
Oceania	150

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 Europe GmbH
TD Power Systems Jenerator Sanayi AS –Turkey

Board of Directors

Chairman
Mohib N. Khericha

Managing Director
Nikhil Kumar

Director
S. Prabhamani

Independent Directors
Nithin Bagamane
Ravi Kanth Mantha
Prathibha Sastry

Chief Financial Officer
M. N. Varalakshmi

Company Secretary & Compliance Officer
Bharat Rajwani

Bankers
Bank of Baroda
Kotak Mahindra Bank
HDFC Bank Limited

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
prathan.shetty@linkintime.co.in

Investors grievance redressal e-mail id
investor.relations@tdps.co.in

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Dear Members

Your Directors present the Twenty Fourth Annual Report (Report) together with the Audited Financial Statements of the Company (TDPS) for the fiscal 2023 (April 1 2022 to March 31 2023).

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2023	**March 31, 2022**
Revenue from operations & other Income	84,348.64	73,637.03
Earnings before interest, tax, depreciation & amortization including other income and exceptional item	14,012.38	9,708.73
Finance cost	106.37	205.70
Depreciation & amortization	1,964.46	2,123.70
Profit before Tax (PBT) including exceptional items	11,941.55	7,379.33
Tax expense	3,095.72	1,953.13
Profit after Tax (PAT) including exceptional item	8,845.83	5,426.20
Other Comprehensive Income	(4.03)	(108.58)
Total Comprehensive Income including exceptional item	8,841.80	5,317.62

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 ₹ 10,711.61 Lakhs, or 14.55%, to ₹ 84,348.64 Lakhs in Fiscal 2023 from ₹ 73,637.03 Lakhs in Fiscal 2022. Earnings Before interest, tax, depreciation and amortization including exceptional items (EBITDA) increased by ₹ 4,303.65 Lakhs or 44.33% to ₹ 14,012.38 Lakhs in fiscal 2023 as compared to ₹ 9,708.73 Lakhs in fiscal 2022. Profit before tax including exception items increased by ₹ 4,562.22 Lakhs, or 61.82%, to ₹ 11,941.55 Lakhs in fiscal 2023 from ₹ 7,379.33 in fiscal 2022. Profit after tax increased by ₹ 3,419.63 Lakhs, or 63.02% to ₹ 8,845.83 Lakhs in Fiscal 2023 from ₹ 5,426.20 Lakhs in fiscal 2022. Total comprehensive income increased by ₹ 3,524.18 Lakhs or 66.27% to ₹ 8,841.80 Lakhs in fiscal 2022 as compared to ₹ 5,317.62 Lakhs in fiscal 2022.

The net worth of the Company in fiscal 2023 stands at ₹ 59,389.25 Lakhs (including Capital redemption reserve) as compared to ₹ 52,265.72 Lakhs in fiscal 2022.

On consolidated basis, the total income increased by ₹ 7,791.29 Lakhs, or 9.57%to ₹ 89,205.17 Lakhs in Fiscal 2023 as compared to ₹ 81,413.88 Lakhs in Fiscal 2022. Earnings Before interest, tax, depreciation and amortization including other income & exceptional item (EBITDA) increased by ₹ 3,514.32 Lakhs or 30.25% to ₹ 15,131.49 Lakhs in fiscal 2023 as compared to ₹ 11,617.17 Lakhs in fiscal 2022. The Profit before tax including exceptional item increased by ₹ 3,747.13 Lakhs, or 40.70%, to ₹ 12,954.64 Lakhs in Fiscal 2023 as compared to ₹ 9,207.51 Lakhs in Fiscal 2022. The Profit after tax increased by ₹ 2,631.61 Lakhs, or 37.33% to ₹ 9,681.23 Lakhs in Fiscal 2023 as compared to ₹ 7,049.62 Lakhs in Fiscal 2022. Total comprehensive income increased by ₹ 3,310.49 Lakhs or 53.89% to ₹ 9,453.81 Lakhs in fiscal 2023 compared to ₹ 6,143.32 Lakhs in fiscal 2022.

The standalone and consolidated financial statements for the fiscal ended March 31, 2023 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

During the year ended March 31, 2023, the Company paid an interim dividend of ₹ 0.50/- (Fifty Paise) per share. Further, the Board of Directors at their meeting held on May 9, 2023 of your company has recommended a final dividend of ₹ 0.50/- (fifty paise) per equity share (face value of ₹ 2/- each) for fiscal 2023 and the said 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 total cash outflow during the year ended March 31, 2023 was ₹ 1,872.51 Lakhs on account of final dividend for fiscal 2022 and interim dividend for the fiscal 2023.

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.

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 2023.

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	2014-15
Nature of dividend	Final
Dividend per share	₹ 2.645/-
Date of Declaration	23.09.2015
Date of Transfer to IEPF	15.11.2022
Amount	₹ 17,396/-

b) SHARES TRANSFERRED

During the year, the were no share required to be transferred to IEPF on account of dividend remained unclaimed for seven consecutive years from the date of declaration, in accordance with IEPF Rules.

CHANGES IN SHARE CAPITAL & THE COMPANY'S TDPSL EQUITY BASED COMPENSATION PLAN 2019 (PLAN)

The Board of Directors of the Company at its meeting held on August 30, 2022 approved sub-division of Equity Shares of the Company and the same was also approved by the members at their Annual General Meeting held on September 27, 2022 consequently one equity share having face value of ₹ 10/- each has been divided into five equity shares having face value of ₹ 2/- each w.e.f. November 01, 2022 (record date for sub-division). Capital clause of the Memorandum of Association has been amended accordingly.

Consequent upon the aforesaid sub-division of equity shares of the Company, an appropriate adjustment as stated in clause 4 of TDPSL Equity Based Compensation Plan 2019 was made in the number of stock options and number of ESARs that have been granted & yet to be exercised such that each such stock option and ESAR shall stand converted into 5 stock options and 5 ESARs as the case may be and the respective price of each stock option and ESAR shall be one fifth (1/5) of the exercise price fixed at the time of grant of such options and ESARs.

The paid up Equity Capital of the Company as on March 31, 2023 was ₹ 31,20,85,270 (comprising 15,60,42,635 Equity Shares having face value of ₹ 2/- each) as compared to ₹ 31,10,34,980 (comprising 3,11,03,498 Equity Shares having face value of ₹ 10/- each) as on March 31, 2022.

During fiscal 2023:

a) Stock Options (ESOP):Before sub-division of Company's equity shares 1,24,495 stock options were exercised against which equivalent number of equity shares of ₹ 10/- each were transferred by the TDPSL Employee Welfare Trust in terms of the Plan to the respective ESOP grantees. However, post sub-division, 163,270 stock options (after appropriate adjustment as stated above) have been exercised against which equivalent number of equity shares having face value of ₹ 2/- each has been transferred to the ESOP grantee by the TDPSL Employee Welfare Trust.

b) Stock appreciation Rights (ESARS): Before sub-division of Company's equity shares 1,05,029 equity shares having face value of ₹ 10/- each were issued & allotted under the Plan on account of exercise of 119,600 ESARs 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 member. 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, guarantees and securities along with the purpose for which such loan or guarantee or security is provided are disclosed in Note number 5 &6 to the Financial Statements for the year ended March 31 2023.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval is obtained for the related party transactions which are repetitive in nature. In case of transactions which are unforeseen, the Audit Committee grants an approval to enter into such unforeseen transactions, provided the transaction value does exceed the limit of Rs.1 Crore per transaction, in a financial year. The Audit reviews all transactions entered into pursuant to the omnibus approvals so granted, on a quarterly basis.

All transactions with related parties entered into during the fiscal 2023 were at arm's length basis and in the ordinary course of business. During the year under review, there were no transactions for which consent of the Board was required to be taken in terms of Section 188(1) of the Act, however the details of material transaction in term of Company's policy for determining material related party transaction and Regulation 23 of SEBI Listing Regulations is disclosed in Form AOC-2 and is appended as **Annexure 2** to the Report. The said policy is available on the Company's websitewww.tdps.co.in.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter 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 (hereinafter 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.

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 (LODR).

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, 2023, 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 AnonimSirketi 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 ₹ 4.04 lakhs from Interest on deposits with bank. After accounting for other fixed costs, the earnings before interest, tax, depreciation & amortization including other income and exceptiona item amounts to a loss of ₹ 7.16 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 ₹ 55.62 lakhs as against ₹ 762.26 lakhs in the previous year ended March 31, 2022.

Net worth of the Company as at March 31, 2023 continues to be positive owing to substantial reduction of accumulated losses.

US SUBSIDIARY

The operations of this Company during the fiscal 2023 resulted in a total revenue of ₹ 4,834.63 Lakhs including other income of ₹ 53.74 as compared to ₹ 3095.07 Lakhs in Fiscal 2022. The profit after tax for the year is ₹ 388.08 Lakhs in fiscal 2023 as compared to ₹ 181.91 Lakhs in fiscal 2022. The total comprehensive income (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2023 is ₹ 345.48 Lakhs as compared to ₹ 135.22 Lakhs in fiscal 2022. During the fiscal 2023 this subsidiary has repaid $ 3,00,000 as compared $ 50,000 in fiscal 2022 which was provided as loan by the Holding Company.

Market for TDPS Generators in North America, Central America and South America continues to improve 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 of customers are 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.

Projects which were on hold due to Covid 19 situation are being executed gradually. 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 continue as 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, projects related to sugar, ethanol, paper, water and Oils and & replacement machines 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 increased participation in land based project with new machines and certain new projects including replacement. During the year, development is made on establishing customer base for synchronous and induction motors and induction generators. The effort is also made to build presence of our products in market with existing customer. The Company is reporting growing activity level with increased volume of offers going out and it is anticipated that order intake will grow in ongoing year as well.

JAPAN SUBSIDIARY

The subsidiary incorporated in March 2013 was scaled down in fiscal 2017 since conducting business through a branch of the Company was considered expedient in view of the operational convenience and business requirements & accordingly no business has been carried on in TDPS Japan since March 2022. The loss after tax for the fiscal 2023 was ₹ 10.20 lakhs as compared to ₹ 10.88 lakhs in fiscal 2022. The total comprehensive loss (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2023 is ₹ 8.23 lakhs as compared to ₹ 12.37 lakhs in fiscal 2022.

Considering the above an application to liquidate the TD Power Systems Japan Limited (TDPS Japan) was filed with appropriate statutory authorities in Japan and the TDPS Japan has been voluntary liquidated and ceased to be in existence with effect from June 26, 2023 in terms of the closed registration certificate received from the Tokyo Legal Affairs Bureau.

GERMAN SUBSIDIARY

The total revenue for the fiscal 2023 is ₹ 9,252.73 Lakhs as compared to ₹ 8,766.42 Lakhs in fiscal 2022. Profit before ax is ₹ 164.97 Lakhs in fiscal 2023 as compared to ₹ 264.71 Lakhs in fiscal 2022. The total comprehensive income (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2023 is ₹ 118.06 Lakhs as compared to ₹ 161.87 Lakhs in fiscal 2022.

The gas engine generators market continues to experience robust growth and a strong order book, indicating a promising outlook for this sector. The steam turbine generators sector remains strong with numerous projects within Europe and OEMs expanding their offerings to projects outside of Europe. Additionally, the hydro turbine generator sector has shown significant improvement, attracting new customers and boasting a strong order book for installations in Turkey and South East Asian countries, facilitated by European OEMs. We have received a breakthrough order from WWS Wasserkraft, an Austrian-based company. We are supplying 2 units of 3MW, 14-poles generators to WWS Wasserkraft for installation in Indonesia. Another notable project is a drop-in replacement of 24MW, 4-poles competitor's Geothermal generator to Maren Energy in Turkey. Maren Energy is one of the major companies with large number Geothermal power plants in Turkey. Furthermore, we have also garnered interest from other customers, and negotiations are currently underway for potential orders. The positive response from these customers reflects the strong reputation and appeal of our products in the market.

TURKEY SUBSIDIARY

In The total revenue for the fiscal 2023 is ₹ 2,759.51 Lakhs compared to ₹ 6,592.89 Lakhs in fiscal 2022. The profit before tax in fiscal 2023 is ₹ 263.89 Lakhs as compared to ₹ 493.24 Lakhs in fiscal 2022. The total comprehensive loss (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2023 is ₹ 48.53 Lakhs as compared to ₹ 357.10 Lakhs in fiscal 2022 mainly due to foreign exchange translation Loss of ₹ 180.42 Lakhs which is notional in nature due to sharp depreciation of Turkish Lira to Indian Rupee from ₹ 5.15 (TL to INR) at the beginning of the year to ₹ 4.29 (TL to INR) at the end of year, a drop of 20%.

There have been recent revisions to the incentive schemes in Turkey, leading to a more favourable environment for the local production market. The geothermal sector is expected to experience a substantial upturn, as incentives have been extended up to 15 years. Furthermore, there are anticipated incentives for the waste-to-energy market, which is projected to witness a rise in the near future. TDPS has established a good reputation in the market and is now opening up projects to TDPS India for imported generators where local generators are not required. Overall, the number of projects in Turkey has been on an increasing trend over the past year.

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 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, 2023, 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, the Company has five (5) Committees of the Board as on March 31, 2023 i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

During the fiscal 2023, 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. Mohib N Khericha (DIN: 00010365) retires by rotation at the ensuing

24th Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Mr. Mohib N Khericha, aged 71 years, is a Chartered Accountant by qualification. He is the Non - Executive Chairman of the Company since July 5, 2001. He is a Chartered Accountant with over four decades experience in capital structuring, restructuring, financial management and loan syndication. He ventured into merchant banking in the year 1994. As on date, Mr. Mohib N Khericha does not hold Equity Shares of the Company. He has attended 4 out of 5 Board Meetings of the Company held during fiscal 2023.

He is also a Non-executive Chairman of the Company's wholly owned subsidiary DF Power Systems Private Limited. He is not related to any other Director of the Company.

KEY MANAGERIAL PERSONNEL

Mr. Nikhil Kumar, Managing Director, Ms. M N Varalakshmi, Chief Financial Officer and Mr. Bharat Rajwani, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2023.

During the year, Mr. Bharat Rajwani was appointed as Company Secretary & Compliance Officer of the Company with effect from February 18, 2023 in place of Mr. N Srivatsa, who superannuated from services of the Company with effect from the close of business hours of February 17, 2023.

RISK MANAGEMENT

The Company's 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 re-appointed as Statutory Auditors of the Company at the 23rd Annual General Meeting (AGM) held on September 27, 2022 for a period of 5 years, commencing from the conclusion of 23rd AGM till the conclusion of 28th AGM.

The Auditors' Report on the financial statements for the fiscal 2023 does not contain any qualification, reservation or 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 thereunder, the Board appointed Mr. Sudhir V Hulyalkar, Practicing Company Secretary Bangalore, as the Secretarial Auditor for the fiscal 2023.

The Secretarial Auditors' Report for the fiscal 2023 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 2023. In terms of Section 148 of the Companies Act 2013, the Company has maintained cost accounts for the year ended March 31, 2023 as prescribed which are subject to a Cost Audit.

DISCLOSURE

EXTRACT 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, 2023 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 2023 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 & SUSTAINABILITY REPORT (BRSR)

The BRSR in terms of Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is disclosed as Annexure 11 of this report. The said report has been prepared in accordance with SEBI Guidelines for Business Responsibility and Sustainability Reporting. The said report indicates the Company's performance against the nine principles of the National Guidelines on Responsible Business Conduct.

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 5** 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 4** 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. Details of shares issued during this fiscal 2023 under TDPSL Equity Based Compensation Plan 2019 has been disclosed in the director report 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 2023 the Company has not transferred 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 General Circular No.10/2022 dated December 28, 2022 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 exempts companies from the provision of dispatching hard copies of annual report for this fiscal 2023, Accordingly, soft copies of the Annual Report 2023 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 prathan.shetty@linkintime.co.infor 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
July 12, 2023

Mohib N Khericha
Chairman

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

Amount in ₹ Lakhs

Name of the Subsidiary	DF Power Systems Pvt. Ltd.	TD Power Systems (USA) Inc.	TD Power Systems Japan Ltd.	TD Power Systems Europe GmbH	TD Power Systems Jenerator 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 (TL)
	Buy Rate	1 USD = ₹ 81.71	1 JPY = ₹ 0.61	1 EURO = ₹ 88.76	1 TL = ₹ 4.3
	Sell Rate	1 USD = ₹ 82.52	1 JPY = ₹ 0.62	1 EURO = ₹ 90.40	1 TL = ₹ 4.3
	Avg. Rate	1 USD = ₹ 82.12	1 JPY = ₹ 0.615	1 EURO = ₹ 89,58	1 TL = ₹ 4.3
Share Capital	600.00	481.78	122.44	414.12	159.35
Reserves and Surplus	242.18	(1,019.14)	(121.23)	403.34	1,474.29
Total Assets	843.53	1,078.19	9.43	6,067.69	3,271.53
Total Liabilities	1.35	1,615.55	8.22	5,250.23	1,637.89
Investments	Nil	Nil	Nil	Nil	Nil
Total Revenue	4.04	4,834.63	Nil	9,252.73	2,759.51
Profit/(Loss) before taxation	55.62	388.08	(9.08)	164.97	263.89
Provision for taxation	0	0	1.12	44.57	132.00
Profit/(Loss) after taxation	55.62	388.08	(10.20)	120.40	131.89
Comprehensive income	0	(42.60)	1.97	(2.34)	(180.42)
Total Comprehensive income	55.62	345.48	(8.23)	118.06	(48.53)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil
Extent of shareholding (in percentage)	100	100	100	100	100

Note: [(1)]All assets are translated at buy rate and liabilities at sell rate. Average exchange rate is applied for total revenue, profit/(loss) before taxation, profit/(loss) after taxation and comprehensive income.

[(2)]There are no subsidiaries which are yet to commence operations, or sold during the fiscal 2023. However, Pursuant to an application field with appropriate statutory authorities in Japan, the TD Power Systems Japan Limited, a wholly owned subsidiary of the Company has ben voluntarily liquidated and ceased to be in existence with effect from June 26, 2023 in terms of the Closed registration certificate received from the Tokyo Legal Affairs Bureau.

Part "B":

Associates and Joint Ventures - The Company has no Associates or Joint Ventures.

For and on behalf of the Board of Directors

	Mohib N. Khericha	**Nikhil Kumar**
July 12, 2023	Chairman	Managing Director
	Ahmedabad	Frankfurt

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 2023 were at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis for the fiscal 2023 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 transaction, Loan, Interest on loan	These contracts are limited by value of transactions and have no duration	Approved limit : ₹ 10,000/- Lakhs 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
	Direct & counter bank guarantee (BG's) towards Advance/ Performance on behalf of TDPS Europe		Approved Limit: ₹ 2,000 Lakhs Advance/Performance guarantee - Back to back with subsidiary company terms.	08.02.2023	Nil

Notes:

1) *The definition of material contract or transaction is not defined under the Companies Act, 2013 therefore the Company determines materiality of its transaction as defined in its policy for determining material related party transaction with related party and the explanation provided under regulation 23 of SEBI (Listing Obligations and disclosure requirements), Regulations 2015.*

2) *Special resolution under first proviso to section 188 of the Act is not applicable as the inter corporate transactions were entered with wholly owned subsidiary of the company.*

For and on behalf of the Board of Directors

	Mohib N. Khericha	**Nikhil Kumar**
July 12, 2023	Chairman	Managing Director

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, 2023
	Steps taken or impact on conservation of energy	A systematic energy conservation approach for both of its manufacturing units' upgraded from time to time. The following steps were taken; - Replacement of high wattage tube lights with LED Blub, use of power control mechanism, replacement of starters with less power consumption drives. - Implemented design changes in hydro horizontal generators eliminating need for heating process of certain components for long duration resulting signification power saving. - Upgradation in manufacturing process improving operational efficiency and reducing power consumption and - Training engagement program for workers on continues basis on effective use of sources. - Migrated from manual process to robotic systems for certain procedures resulting less power consumption and enhanced work efficiency. - Administrative control to maintain uses of power consumptions in shop floors and offices more effectively and on need basis. With the above measures, about 49,706 units of power (₹ 4.66 lakhs p.a) and about 125,000 units (₹12.25 lakhs p.a.) were saved in both Unit 1 & II respectively.
	Steps taken by the company for utilizing alternate sources of energy	The Company has the option to use diesel as one of alternate sources of energy during shortage of power.
	Capital investment on energy conservation Equipment	Unit-I: Capital investment ₹ 6.6 Lakhs. Payback will be in 1.5 years Unit-II: Capital investment ₹ 4.92 Lakhs. Payback will be in 2.5 years
B	**Technology Absorption**	
1	Efforts made towards technology absorption	The Company undertake R & D activities in know-how optimization and improvement of product/process/systems related equipment. During the year the Company has entered into a research agreement with Indian Institute of Science (IISc) to perform certain research and development work in the area/filed of Highspeed Rotating Machines etc. to enhance process efficiency. The details of Technology absorption collectively at both its units areas below; - Coil taping process converted from semi-automatic to fully automatic using state of the art equipment. - Implemented technically advanced brazing system for winding connections in place of conventional brazing system.

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 3 (CONTD.)

		- Semi-automatic Coil making operation in place of conventional system. - Inline process equipment Installed at various assembly stations to Improve productivity, process accuracy and energy saving. - Installed Robotic Stator Stacking Machine, Spot Welding Robot, Stator Coil Stretching Machine, CMT Welding Machine (Spatter Less Welding Machine), Semi-Automatic Rotor Coil Looping Machine, Pick & Place Automation for Varnishing Line Loading Station, Vertical Stores for Optimum Utility of Floor Space, Identification, Easy Access, Storage and accountability. - A new technology Aluminum rotor is manufactu-red, which reduces use of high cost copper material.
2	Benefits derived like product improvement, cost reduction, product development or import substitution	The initiates taken, have resulted in product quality improvement, process effectiveness, conservation of energy, substantial reduction in power consumption and consequent reduction in carbon emission, instances of mitigating risk of unsafe incidents.
3	In case of imported technology (imported during the last three years reckoned from the beginning of the FY), a. Technology Imported	Not applicable
	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 a. Capital b. Recurring c. Total d. Total R&D expenditure as a percentage of turnover	(₹ In Lakhs) Nil ₹ 587.36 ₹ 587.36 0.71%

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

C	**Foreign Exchange Earnings and Outgo**	
	Earnings in foreign Exchange [Value of Exports on FOB basis] Export of goods calculated on FOB basis Royalty, Knowhow, professional and consultancy fees	₹ 28,773.94 Lakhs ₹ 462.09 Lakhs
	Total	₹ 29,236.03 Lakhs
	Foreign Exchange outgo (Expenditure in foreign currency)	₹ 7,645.63 Lakhs

For and on behalf of the Board of Directors

	Mohib N. Khericha	**Nikhil Kumar**
July 12, 2023	Chairman	Managing Director
	Ahmedabad	Frankfurt

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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**	**Designation**	**Ratio to the Median**
		Mr. Nikhil Kumar	Managing Director	22:1
ii	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Fiscal.	**Particulars**		**% Increase**
		Mr. Nikhil Kumar	Managing Director	Nil
		Mr. N Srivatsa	Company Secretary[1]	Nil
		Mr. Bharat Rajwani	Company Secretary[2]	29%
		Ms. M N Varalakhsmi	CFO	18%
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	708		
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 8 percent.		
vi	Affirmation that the remuneration is as per the remuneration policy of the company	Yes		

[1] Retired w.e.f. February 17, 2023

[2] Appointed w.e.f. February 18, 2023

For and on behalf of the Board of Directors

	Mohib N. Khericha	**Nikhil Kumar**
July 12, 2023	Chairman	Managing Director
	Ahmedabad	Frankfurt

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 2023 including perks (₹ pa)[1]	Previous employment and designation
1	Mr. Nikhil Kumar[2]	Managing Director	Bachelor of Engineering	32 Yrs	₹ 30,899,885/-	Kirloskar Electric Company Limited
2	Mr. Ramakrishna Varna	COO	BE, MBA	30 Yrs	₹ 17,601,337/-	Kirloskar Electric Company Limited
3	Ms. M N Varalakshmi	CFO	ICWA	30 Yrs	₹ 17,094,899/-	Kirloskar Electric Company Limited
4	Mr. Vinay Hegde	Head – Marketing	BE	29 Yrs	₹ 17,080,500/-	Cummins Generator Technologies Limited
5	Mr. Vishwanath U Hangari	Head Design & Development	M. Tech	34 Yrs	₹ 16,514,686/-	GE India Technology Private Limited
6	Ms. Ramya Ramesh	Head-Sourcing	Bachelor of Engineering	14 Yrs	₹ 11,095,486/-	Not applicable
7	Mr. Krishna Murthy T R	Head SBU	DME	33 Yrs	₹ 9,768,663/-	Kirloskar Electric Company Limited
8	Mr. Govardan P	Head-Project Execution	BE-Mech	23 Yrs	₹ 9,169,271/-	GE India Technology Center
9	Mr. Srivatsa N[3]	Company Secretary	FCS	41 Yrs	₹ 8,705,727/-	Kingfisher Airlines Limited
10	Mr. Shirish Kulkarni	Head - SBU 1	DTD	33 Yrs	₹ 8,638,262/-	Nidec Industrial Automation

Notes:

[1] The remuneration from Sr. No. 2 to 8 & 10 as stated above Includes contribution to provident fund by employer & perquisite value of ESOPs and ESARs exercised during the year.

[2] 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.

[3] The remuneration of Mr. N Srivatsa is inclusive of gratuity amount and computed till his retirement from the services of the Company i.e. February 17, 2023.

For and on behalf of the Board of Directors

	Mohib N. Khericha	**Nikhil Kumar**
July 12, 2023	Chairman	Managing Director
	Ahmedabad	Frankfurt

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 from time to time, 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. The policy on CSR is uploaded on the Company's website.

   Under the CSR policy, an initiative to support Education and education related projects, healthcare and sports related projects were commenced during the year under report. This activity is a specified activity under Schedule VII of the Companies Act 2013. The Company undertakes CSR initiatives both directly as well as through NGO.

   Accordingly, during the Fiscal 2023, mandated funds were deployed on the following projects:

School Readiness program- Early Childhood Education

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;

(i) Equip the Pre-Primary Classrooms with developmentally appropriate curriculum and teaching-learning materials that are play-based, safe and contextual.

(ii) Build the capacity of the teachers through targeted training and one-on-one coaching.

(iii) 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.

Backyard Forestry- understanding of the interconnectedness of the environment and humanity

The second project chosen under this initiative is "Backyard Forestry". TDPS has partnered with Yuva Chintana Foundation and conducted this project during the year. The main purpose of the said project was to enable students from Karnataka Public School, Uttarahalli and Government School, Doddakallasandra located in the vicinity of the Thurahalli forest in rural Bangalore to access a STE(A)M curriculum that gives them digital literacy, creative problem-solving skills and an understanding of the interconnectedness of the environment and humanity. The project educated students regarding the biodiversity in their region through a series of interventions- nature walks, presentation by experts, film-screenings and workshops.

School Infrastructure and Development Project

The third project chosen under direct implementation in which Government Schools within a radius of 10 KMs from our Manufacturing facilities in Dabaspet, 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.

Health System Strengthening- Trauma Care Centre

The fourth project chosen under this initiative is related to health care "Health System Strengthening" for Trauma Care

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

Centre in Bangalore. Under this project, a significant contribution to healthcare was made at the renowned Victoria Hospital (Govt.) in Bangalore by donating essential medical equipment to the Trauma Care Centre, including an Anesthesia workstation for OT with Vaporizer, a Patient lifting trolley, and an Operation Theatre Light. The said hospital serves as a lifeline for the city, accommodating up to 1500 patients in the OPD daily. This contribution will greatly enhance healthcare outcomes for patients from across the state.

Sports Excellence Trust

The Company contributed to Sports Excellence Trust (SET) with the aim to drive sports as a culture in India. The contribution enables SETs to enter into agreements for developments of sports infrastructure in urban and backward areas with land owners, work with government bodies on advocacy and sports policy creation, work with international sports academy and trust for program exchange and collaborations and many more ways that have enhanced sportingactivities.

The list of CSR projects undertaken by the Company is disclosed on the website of the Company.

2. Composition of CSR Committee:

<table>
<tr><th>Sl. No.</th><th>Name of Director</th><th>Designation / Nature of Directorship</th><th>Number of meetings of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr>
<tr><td>1</td><td>Mr. Ravi Kanth Mantha</td><td>Chairman, Non-Executive Independent Director</td><td colspan="2" rowspan="5">No meeting was held during the Fiscal 2023. Matters related to CSR were considered through circular resolutions of CSR committee</td></tr>
<tr><td>2</td><td>Mr. Nikhil Kumar</td><td>Member, Executive Director</td></tr>
<tr><td>3</td><td>Ms. S Prabhamani[1]</td><td>Member, Non-Executive Director</td></tr>
<tr><td>4</td><td>Mr. K G Prabhakar[2]</td><td>Member, Non-Executive Director</td></tr>
<tr><td>5</td><td>Ms. Prathibha Sastry</td><td>Member, Non-Executive Independent Director</td></tr>
</table>

[1] Appointed as a member of the Committee w.e.f. November 9, 2022

[2] Ceased to be a member of the Committee due to retirement as Non-Executive Director w.e.f. September 27, 2022.

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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: CSR Policy Link: CSR Projects Link:	https://tdps.co.in/investor_crprt_grvnc.html https://tdps.co.in/csr.html#second-tab https://tdps.co.in/csr.html#third-tab
4.	Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable	Not Applicable
5.	a) Average net profit of the company as per sub section (5) of section 135.	₹ 3,223.97 Lakhs
	b) Two percent of average net profit of the company as per sub-section (5) of section 135.	₹ 64.48 Lakhs
	c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
	d) amount required to be set-off for the financial year, if any.	Nil
	e) Total CSR obligation for the financial year [(b)+(c)-(d)]	₹ 64.48 Lakhs
6	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). Amount spent in Administrative Overheads Amount spent on Impact Assessment, if applicable	₹ 65.34 Lakhs Nil Nil
	Total amount spent for the Financial Year [(a)+(b)+(c)].	₹ 65.34 Lakhs

6. (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
65.34 Lakhs/-	--------------------Not Applicable-------------------				

6. (f) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	64.48 Lakhs
(ii)	Total amount spent for the Financial Year	65.34 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(I)]	0.86 Lakhs
(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)]	0.86 Lakhs

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - 6 (CONTD.)

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lakh)	Balance Amount in Unspent CSR Account under section(6) of section 135 (in ₹)	Amount spent in the Financial year (in ₹ Lakh)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial year (in ₹ Lakh)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2021-22	16.00	16.00[(1)]	16.00	Nil	NA	Nil	-
2	2020-21	16.09	Nil	Nil	Nil	NA	Nil	-
3	2019-20	-	-	-	Nil	NA	-	-

[(1)] Approximate unspent balance as on April 1, 2022.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: ~~Yes~~ / No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) -Not applicable.

For and on behalf of the Board of Directors

Nikhil Kumar
Managing Director
Frankfurt

Ravi Kanth Mantha
Chairperson-CSR Committee
Hyderabad

July 12, 2023

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ANNEXURE - 7

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

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

To,
The Members,
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, 2023, complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by TD Power Systems Limited ("the Company") for the financial year ended on March 31, 2023, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('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, 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 Non-Convertible Securities) Regulations, 2021 (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);

(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 notices 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. The Company has issued and allotted in total 1,05,029 equity shares on various dates during the year to the eligible employees of the Company pursuant to Company's TDPSL Equity Based Compensation Plan 2019.

2. The Shareholders at the 23rd Annual General meeting held on September 27, 2022 have approved the following:

   (a) Sub-division of existing One (1) Equity Share having face value of Rs.10/- each into Five (5) Equity Shares having face value of Rs.2/- each by passing an Ordinary Resolution;

   (b) Alteration of Capital Clause (Clause V) of the Memorandum of Association of the Company, consequent to sub-division of shares as mentioned above, by passing Ordinary Resolution;

   (c) Authorization for creating charge on the Assets of the Company, by passing Special Resolutionunder 180(1)(a) of the Act;

   (d) Alteration of the Articles of Association of the Company;

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS 6040 CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040E000591361

Place : Bangalore
Date : 12-07-2023

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.

Place : Bangalore
Date : 12-07-2023

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS 6040 CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040E000591361

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ANNEXURE – 8

MANAGEMENT DISCUSSION AND ANALYSIS

In tdps we make generators for the world - catering 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. Continuous process automation initiatives & design, manufacturing and quality capabilities honed over the last two decades enable us to exceed customer expectations across a spectrum of applications – Hydro, Steam, Gas, wind, Geo thermal and special applications. -Our Generators cater to different applications, specifications, geographical and climatic challenges which proves our design, manufacturing and quality capabilities over the years. We have 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.

As end of fiscal 2023, 5886 generators have been supplied & are installed in 103 countries reflecting a leap of faith shown by customers worldwide in our design, reliability and manufacturing capabilities. This global foot print reflects that an Indian generator manufacturer can deliver a reliable product & compete effectively meeting testing standards and requirements. Majority of the Installations are in Asia (including Eurasia) & Middle East (4473) followed by Europe (746), Africa (253) North America (224), South America (44) & Oceania (146). The representative country wise installations for each of the continents as follows reflect our global footprint:

Asia & Middle East- India (3366), Thailand (127), Russia (152), Vietnam (139), Nepal (113), Indonesia (109), Japan (92), Pakistan (62), Philippines (51), China (46) Korea (32), Iraq (23), Bangladesh (29) & Singapore (8) .

Africa- Nigeria (47), Kenya (41), South Africa (28), Uganda (27)

Europe- Turkey (164), Germany (157), Norway (81), Italy (50), Austria (32) , Netherlands(45) , Belgium (44), United Kingdom (44), France (12)

Americas- United States (151), Central America-(41)-Costa Rica, Honduras, Nicaragua, Canada (18), Colombia (18),

Oceania- Australia (136), other countries (10) like Fiji, Solomon Islands and Nauru.

Some of the important breakthrough orders & qualification from OEM's/Customers during fiscal 2023 are as follows:

- An Austrian OEM – For the supply of 2 Units of 3.4MW hydro turbine generators for installation in Indonesia
- Orders from two well-known Austrian OEMS with presence in India - for the supply of 3 units of 7.1MW hydro turbine generators for installation in Nepal & 2 units of 4.95MW hydro turbine generators for installation in India.
- Orders from leading project companies from India – For supply of 1 unit of 3.25MW diesel engine generator & the supply of 2 units of 0.38MW Induction motors for installation in India
- Order for supply of 4 units of 16MW synchronous motors for installation in India from a leading Indian EPC company
- Listed as approved supplier for the generators and motors for NPCIL projects .Order for the supply of 1 unit of 1.25MW induction motor for installation in India from the NPCIL.
- Listed as approved supplier for the supply of generators for ONGC's onshore projects.
- Supplied 2 Units of 32.3 MW, 11kV, 1500rpm Gas Turbine Generators for OEM based in Japan for installation in Uzbekistan.
- Qualification of 14.8MVA, low inertia gas engine generator is successfully completed for OEM based in Europe.
- Supply and commissioning 2 units of 3MW, 11kV, 744RPM induction motors for a sugar plant based in India.

These breakthrough orders reflect promising opportunities and are expected to contribute significantly to the order book in the years to follow.

Our pending order book as on April 01, 2022 was ₹ 1,39,220 Lakhs (₹ 1,36,638 lakhs for India and ₹ 2,582 lakhs for Turkey), including traction business of ₹ 98.922 lakhs. The share of exports and deemed exports is 59% of order book excluding traction business. During fiscal 2023,the total orders inflows was ₹ 84,473 lakhs including ₹ 821 lakhs at Turkey. Domestic revenue including deemed exports accounted for 53%, while Export revenue stood at 47% of the manufacturing revenues.

The manufacturing revenue was ₹ 81,556 lakhs in fiscal 2023 as compared to ₹ 70,427 lakhs in fiscal 2022, an increase of 16%. Exports and deemed exports contributed 47% of manufacturing revenues and domestic revenues contributed 53% in fiscal 2023.

Top 10 customers contributed 78.23% of our consolidated revenues in fiscal 2023 (80% in fiscal 2022). New customers have been added in Hydro (Austria & India), Diesel & synchronous motors (India).We continue to undergo audits by OEMs for supply to Defense, nuclear, wind and Diesel applications.

A brief review of the financial results on Standalone & Consolidate basis is covered in the following sections.

STANDALONE BASIS

The manufacturing revenue was ₹ 81,556 lakhs in fiscal 2023 as compared to ₹ 70,427 lakhs in fiscal 2022, an increase of 16%. Exports contributed 47% of manufacturing revenues and domestic & deemed export revenues contributed 53% of manufacturing revenues in fiscal 2023. Considering Generator business only, export & deemed export & domestic segments contributed 61% &39% of manufacturing revenues respectively. The project business revenues was ₹ 3,352 lakhs in fiscal 2023 as compared to ₹ 1,726 lakhs in fiscal 2022.

The total income for fiscal 2023 was ₹ 84,348.64 lakhs as compared to ₹ 73,637.03 lakhs for fiscal 2022, an increase of 14.55%. The profit after tax and other comprehensive income was ₹ 8,841.80 lakhs in fiscal 2023 as compared to ₹ 5317.62 lakhs in fiscal 2022, an increase of 66.27%.

CONSOLIDATED BASIS

The manufacturing revenues are higher by 7% at ₹ 83,878.00 lakhs in fiscal 2023 as compared to ₹ 78,106.95 Lakhs in fiscal 2022. The Project business revenues increased by 94% to ₹ 3,351.70 Lakhs in Fiscal 2023 from ₹ 1,725.51 Lakhs in Fiscal 2022.

The total income is ₹ 89,205.17 lakhs in fiscal 2023 as compared to ₹ 81,413.88 lakhs in fiscal 2022 an increase of 9.57%. The profit after tax including comprehensive & exceptional income is ₹ 9,453.81 lakhs in fiscal 2023 as compared to ₹ 61,43.32 lakhs in fiscal 2022. During fiscal 2023, a write back of ₹ 62.78 lakhs was accounted in the Indian subsidiary (DFPS) in respect of dues to certain project related creditors The said profits are after accounting for a forex translation loss of ₹ 180.42 lakhs which is notional in nature in the Turkish subsidiary due to sharp depreciation of Turkish lira to Indian Rupees- from ₹ 5.15 (TL to INR) at the beginning of the year to ₹ 4.29 (TL to INR) at the end of the year, a drop of 20%. However, it is important to note that the said subsidiary posted an actual Profit after tax of ₹ 131.89 lakhs.

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	2023	2022	Change in %
Debtors Turnover Ratio	3.29	3.42	-3.77
Inventory Turnover Ratio	4.29	4.26	0.70
Current Ratio	2.42	1.88	28.79
Operating Profit Margin (%)	14.44	11.06	30.56
Net Profit Margin (%)*	10.48	7.22	45.15
Return on Net Worth (%)*	14.89	10.17	46.41

* Ratios change between fiscal 23 and fiscal 22 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

The order Book for Steam Turbine Generators grew by 55% year on year in Fiscal 22 with contributions from both from domestic as well as export segments. The domestic market continues to see revival in capex in Fiscal 23 broadly across all sectors. In the export space macro factors like transition to renewables, waste to heat, garbage burning plants etc.

continue to drive this space in Fiscal 23. Increased demand for electricity from EV sector and later domestic heating will provide long term sustained demand of new power plants.

In the Gas Engines vertical growing orders from both our engine customers will ensure sustained demand in this segment in Fiscal. Recently the Company has received a big order for supply 20 generators to Ireland. The Gas Turbines segment reflects a promising potential for growth and the Company is actively bidding for more projects with the OEMs where we approved.

The Hydro segment saw a big growth compared to Fiscal 22 & may see a growth around 60-70% in this segment mainly from Nepal, Vietnam and countries in Europe.

In the Motors segment, the first order has been received from Nuclear Power Corporation. First orders have also been received for submersible motors – another new product for TDPS. Submersible motors are used extensively in municipalities in sewage. The Company has also received a large order from local EPC contractor for 5x40MW synchronous motors to be delivered in Q2 /Q3 this year. With this supply TDPS will establish itself firmly in this segment which is expected to open up the market further the Company.

Railways Business-The six months trial of our motors has been completed with the Indian Railways(IR). A few more tests followed by documentation is expected to be completed by Q3 (September – December 23) after which a good ramp up is expected next year in this business. We reiterate that the goal is to make this business around ₹ 100 Cr in the next two years. New projects from Indian Railways are awaiting Tender closing and results. We are hopeful that the Company's partner customer will win a few of the upcoming tenders from Indian Railways translating into new orders for TDPS.

Turkey Business- the Turkish government has revised the incentives for locally made generators and made it attractive for end users to buy made in Turkey generators. This new incentive policy is expected to revive the market for Turkey made Generators in about an year since Turkey is a power shortage country.

Considering the order pipeline & new emerging opportunities we are projecting in Fiscal 2023 to reach ₹ 1,000 Crores on Consolidated basis in the manufacturing business which will contribute strongly to improvement in EBITDA based on operational leverage.

Barring unforeseen events, we expect to a 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, repairs of motors and 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.

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 factor. While dominant presence has been achieved in the domestic markets, impressive strides have been taken in the overseas markets. Our focus on overseas markets and growing relationships with leading global leaders are the drivers imparting sustainability & growth to the company's operations. Strategic focus over the years on marketing products in the global markets continues resulting in growing customer references worldwide & we are now a dominant player in certain verticals in the overseas market. We have continued to grow 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 and is entering new territories world wide.

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. 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 both in the domestic & overseas market. These large corporations have access and derive significant benefit of advanced technologies, global presence technology or brand preference and larger financial resources.

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 compete across markets & we are emerging as 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 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 supported by increased automation of the manufacturing facilities 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 specifications 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, operational and safety management systems fulfill ISO 9001-2015, 14001-2015, ISO 45001-2018 for OH&S Management system, EN ISO 3834-2 and Compliance issued by CSA International. 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 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 it/s work force on an ongoing basis which ensures that its work force is able to adopt evolving technologies, processes and techniques.

Over 500 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 Finance, Sourcing is 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 2023, the total strength of permanent employees, excluding contract basis and trainees stood at 708.

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.

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Financial Review

Consolidated basis

The results of operations for the year ended March 31, 2023 and 2022 on a consolidated basis is as follows:

Particulars	Fiscal 2023		Fiscal 2022	
	(₹ in Lakhs)	**% of Total Income**	**(₹ in Lakhs)**	**% of Total Income**
Income:				
Sales	87,229.70	97.79%	79,742.46	97.95%
Other Income	1,975.47	2.21%	1,671.42	2.05%
Total Income	**89,205.17**	**100.00%**	**81,413.88**	**100.00%**
Expenditure:				
Consumption of Raw Material, Stores, Spare parts and Components	59,473.95	66.67%	56,047.33	68.84%
Purchases for Project Business	(437.22)	-0.49%	940.96	1.16%
Operating and Other Expenses	15,171.36	17.01%	13,566.14	16.66%
Interest and Finance Charges	106.37	0.12%	205.70	0.25%
Depreciation Amortization of Technical Knowhow	2,070.48	2.32%	2,203.96	2.71%
Total Expenditure	**76,384.94**	**85.63%**	**72,964.09**	**89.62%**
Profit Before Tax & Exceptional item	**12,820.23**		**8,449.79**	
Exceptional item	134.41		757.72	
Profit Before Tax	**12,954.64**		**9,207.51**	
Provision for Taxation	3,755.76		1,992.88	
Deferred Tax	(482.35)		165.01	
Profit/(Loss) After Tax	**9,681.23**		**7,049.62**	
Other Comprehensive Income				
Exchange difference on translation of foreign operations	(234.56)		(858.48)	
Income tax on the above	2.81		15.29	
Re-measurement of defined benefit plans	5.78		(84.34)	
Income tax on above	(1.45)		(21.23)	
Total	**(227.42)**		**(906.30)**	
Total Comprehensive Income	**9,453.81**		**6,143.32**	

Fiscal 2023 compared to Fiscal 2022

INCOME

Total income increased by ₹ 7,791.29 Lakhs, or 9.57%, to ₹ 89,205.17 Lakhs in Fiscal 2023 from ₹ 81,413.88 Lakhs in Fiscal 2022, predominantly due to increase in sales volume of Manufacturing Business.

SALES

Sales increased by ₹ 7,487.24 Lakhs, or 9.39%, to ₹ 87,229.70 Lakhs in Fiscal 2023 from ₹ 79,742.46 Lakhs in Fiscal 2022, predominantly due to increased sales volume of Manufacturing Business.

Sales from our manufacturing business increased by ₹ 5,861.05 Lakhs, or 7.51%, to ₹ 83,878.00 Lakhs in Fiscal 2023 from ₹ 78,016.95 Lakhs in Fiscal 2022. Net sales of our manufacturing business contributed 94.03% and 95.83% of our Total Income in Fiscal 2023 and 2022, respectively.

Sales from our Project Business increased by ₹ 1,626.19 Lakhs, or 94.24%, to ₹ 3,351.70 Lakhs in Fiscal 2023 from ₹ 1,725.51 Lakhs in Fiscal 2022. Net sales of our Project Business contributed 3.76% and 2.12% of our Total Income in Fiscal 2023 and 2022, respectively.

Expressed as a percentage of total income, net sales remain flat at 97.79% in Fiscal 2023 from 97.95% in Fiscal 2022.

OTHER INCOME

Other income contributed 2.21% and 2.05% of our total income in Fiscal 2023 and 2022, respectively. Other income increased by ₹ 304.05 Lakhs, or 18.19%, to ₹ 1,975.47 Lakhs in Fiscal 2023 from ₹ 1,671.42Lakhs in Fiscal 2022, mainly due to increase in gains from hedging of foreign currency by ₹ 222.02 lakhs to ₹ 977.71 lakhs in fiscal 2023 as compared to ₹ 755.69 lakhs in fiscal 2022.

EXPENDITURE

Total expenditure increased by ₹ 3,420.85 Lakhs, or 4.69%, to ₹ 76,384.94 lakhs in Fiscal 2023 from ₹ 72,964.09 lakhs in Fiscal 2022, primarily due to increased sales volumes of manufacturing business.

CONSUMPTION OF RAW MATERIAL, STORES, SPARES PART AND COMPONENTS

Consumption of raw material, stores, spare parts and components expenses increased by ₹ 3,426.62 lakhs, or 6.11% to ₹ 59,473.95 lakhs in Fiscal 2023 from ₹ 56,047.33 Lakhs in Fiscal 2022, primarily due to increased sales volume of manufacturing products. Expressed as a percentage of total income, raw material consumed contributes 66.67% in Fiscal 2023 compared to 68.84% in Fiscal 2022.

OPERATING AND OTHER EXPENSES

Operating and other expenses increased by ₹ 1,605.22 lakhs, or 11.83%, to ₹ 15,171.36 lakhs in Fiscal 2023 from ₹ 13,566.14 Lakhs in Fiscal 2022.

Power and fuel expenses increased by ₹ 19.71 lakhs, or 2.38%, to ₹ 848.69 lakhs in Fiscal 2023 from ₹ 828.98 lakhs in Fiscal 2022 on account increased production.

Personnel expenses through salaries, wages and bonuses increased by ₹ 825.44 lakhs, or 13.35%, to ₹ 7,008.21 lakhs in Fiscal 2023 from ₹ 6,182.77 lakhs in Fiscal 2022 on account of salary revision coupled with additions to manpower.

Welfare expenses increased by ₹ 110.96 lakhs, or 8.98%, to ₹ 1,346.83 lakhs in Fiscal 2023 from ₹ 1,235.87 lakhs in Fiscal 2022.

Rent charges decreased by ₹ 30.10 lakhs, or 32.77%, to ₹ 61.76 lakhs in Fiscal 2023 from ₹ 91.86 lakhs in Fiscal 2022 due to vacating of rental premise .

Repair expenses increased by ₹ 272.56 lakhs, or 71.63%, to ₹ 653.07 lakhs in Fiscal 2023 from ₹ 380.51 lakhs in Fiscal 2022 due to refurbishment of factory building and repairs of old machines.

Selling expenses decreased by ₹ 364.82 lakhs, or 26.44%, to ₹ 1,015.06 lakhs in Fiscal 2023 from ₹ 1,379.88 lakhs in Fiscal 2022.

Vehicle Maintenance expenses increased by ₹ 8.95 lakhs, or 16.54%, to ₹ 63.05 lakhs in Fiscal 2023 from ₹ 54.10 lakhs in Fiscal 2022.

Insurance expenses increased by ₹ 15.46 lakhs, or 12.81%, to ₹ 136.11 lakhs in Fiscal 2023 from ₹ 120.65 lakhs in Fiscal 2022.

Printing and Stationary expenses increased by ₹ 5.14 lakhs, or 12.46%, to ₹ 46.39 lakhs in Fiscal 2023 from ₹ 41.25 lakhs in Fiscal 2022.

Travelling expenses increased by ₹ 335.24 lakhs, or 43.13%, to ₹ 1,112.86 lakhs in Fiscal 2023 from ₹ 777.52 lakhs in Fiscal 2022 due to increased travel for marketing and other business related travel.

Postage & Telephone charges increased by ₹ 3.70 lakhs, or 6.92%, to ₹ 57.18 lakhs in Fiscal 2023 from ₹ 53.48 lakhs in Fiscal 2022.

Audit Fee decreased by ₹ 0.41 lakhs, or 1.65%, to ₹ 24.40 lakhs in Fiscal 2023 from ₹ 24.81 lakhs in Fiscal 2022.

Consultancy and Professional charges increased by ₹ 194.99 lakhs, or 44.60%, to ₹ 632.19 lakhs in Fiscal 2023 from ₹ 437.20 lakhs in Fiscal 2022 due to increased product related certifications.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Bank charges decreased by ₹ 159.18 lakhs, or 31.70% to ₹ 502.17 lakhs in Fiscal 2023 from ₹ 502.17 lakhs in Fiscal 2022 due to reduction in rates for non-fund facilities.

Royalty charges decreased by ₹ 11.86 lakhs, or 65.56%, to ₹ 6.23 lakhs in Fiscal 2023 from ₹ 18.09 lakhs in Fiscal 2022 due to lower sale of product under license agreement.

Direction charges including other expenses increased by ₹ 203.35 lakhs, or 35.38%, to ₹ 778.15 lakhs in Fiscal 2023 from ₹ 574.80 lakhs in Fiscal 2022.

Manufacturing expenses increased by ₹ 45.98 lakhs, or 20.62%, to ₹ 268.97 lakhs in Fiscal 2023 from ₹ 222.99 lakhs in Fiscal 2022.

Rates and taxes increased by ₹ 67.97 lakhs, or 126.03% to ₹ 121.90 lakhs in Fiscal 2023 from ₹ 53.93 lakhs in Fiscal 2022.

Software expenses increased by ₹ 51.71 lakhs, or 21.55% to ₹ 291.70 lakhs in Fiscal 2023 from ₹ 239.99 lakhs in Fiscal 2022.

Expressed as a percentage of total income, operating and other expenses is 17.01% in Fiscal 2023 when compared to 16.66% in Fiscal 2022.

INTEREST AND FINANCE CHARGES

Our interest and finance charges decreased by ₹ 99.33 lakhs, or 48.29%, to ₹ 106.37 lakhs in Fiscal 2023 from ₹ 205.70 lakhs in Fiscal 2022, due to utilization of working capital in FCNR and surrendering of working capital loans during H2.

DEPRECIATION AND AMORTIZATION OF TECHNICAL KNOW-HOW

Our depreciation and amortization of technical know-how expense decreased by ₹ 133.48 lakhs, or 6.06%, to ₹ 2,070.48 lakhs in Fiscal 2023 from ₹ 2,203.96 lakhs in Fiscal 2022.

PROFIT BEFORE TAX AND EXCEPTIONAL ITEM

Profit before tax and exceptional item increased by ₹ 4,370.44 lakhs, or 51.72%, to ₹ 12,820.23 lakhs in Fiscal 2023 from ₹ 8,449.79 lakhs in Fiscal 2022.

EXCEPTIONAL ITEM

Exception item includes write back of payable in Indian subsidiary which amounts to ₹ 62.78 lakhs in Fiscal 2023 as compared to ₹ 757.72 lakhs in Fiscal 2022 and Profit on sale of land by holding company amounts to ₹ 71.63 lakhs in fiscal 2023.

PROFIT BEFORE TAX

Profit before tax increased by ₹ 3,747.13 lakhs, or 40.70%, to ₹ 12,954.64 lakhs in Fiscal 2023 from ₹ 9.207.51 lakhs in Fiscal 2022.

TAXATION

Our tax expense increased by ₹ 1,115.52 lakhs, or 51.69%, to ₹ 3,273.41 lakhs in Fiscal 2023 from ₹ 2,157.89 lakhs in Fiscal 2022 due to higher profits.

PROFIT AFTER TAX

Consequently, our profit after tax increased by ₹ 2,631.61 lakhs, to ₹ 9,681.23 lakhs in Fiscal 2023 from ₹ 7,049.62 lakhs in Fiscal 2022.

The consolidated net worth stands at ₹ 60,451.97 lakhs with an increase of ₹ 7,735.54 lakhs over Fiscal 2022.

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Stand-alone basis

The results of operations for the year ended March 31, 2023 and 2022 on a standalone basis is as follows:

Particulars	Fiscal 2023		Fiscal 2022	
	(₹ in Lakhs)	% of Total Income	(₹ in Lakhs)	% of Total Income
Income:				
Sales	82,148.42	97.39%	71,880.55	97.61%
Other Income	2,200.22	2.61%	1,756.48	2.39%
Total Income	**84,348.64**	**100.00%**	**73,637.03**	**100.00%**
Expenditure:				
Consumption of Raw Material, Stores, Spare parts and Components	57,071.17	67.66%	50,749.97	68.92%
Purchases for Project Business	(437.22)	-0.52%	940.96	1.28%
Operating and Other Expenses	13,651.50	16.18%	12,237.37	16.62%
Interest and Finance Charges	106.37	0.13%	205.70	0.28%
Depreciation and Amortization of Technical Knowhow	1,964.46	2.33%	2,123.70	2.88%
Total Expenditure	**72,356.28**	**85.78%**	**66,257.70**	**89.98%**
Profit Before Tax and exceptional item	**11,992.36**		**7,379.33**	
Exceptional items	(50.81)			
Profit Before Tax	**11,941.55**		**7,379.33**	
Current Tax	3,578.07		1,788.12	
Deferred Tax	(482.35)		165.01	
Profit After Tax	**8,845.83**		**5,426.20**	
Other Comprehensive Income				
Exchange difference on translation of foreign operations	(11.17)		(60.76)	
Income Tax on exchange difference on of foreign operations	2.81		15.29	
Re-measurement of defined benefit plan	5.78		(84.34)	
Income Tax on re-measurement of defined benefit plan	(1.45)		21.23	
Total	**(4.03)**		**(123.87)**	
Total Comprehensive Income	**8,841.80**		**5,317.62**	

Fiscal 2023 compared to Fiscal 2022

INCOME

Total income increased by ₹ 10,711.61 lakhs, or 14.55%, to ₹ 84,348.64 lakhs in Fiscal 2023 from ₹ 73,637.03 lakhs in Fiscal 2022, predominantly due to increase in sales volume of Manufacturing Business.

TOTAL SALES

Total sales increased by ₹ 10,267.87 lakhs, or 14.28%, to ₹ 82,148.42 lakhs in Fiscal 2023 from ₹ 71,880.55 lakhs in Fiscal 2022, predominantly due to increase in sales volume of Manufacturing Business.

Net sales from our manufacturing business increased by ₹ 8,641.68 lakhs, or 12.32%, to ₹ 78,796.72 lakhs in Fiscal 2023 from ₹ 70,155.04 lakhs in Fiscal 2022. Net sales of our manufacturing business contributed 93.42% and 95.27% of our Total Income in Fiscal 2023 and 2022, respectively.

Net sales from our Project Business increased by ₹ 1,626.19 lakhs, or 94.24%, to ₹ 3,351.70 lakhs in Fiscal 2023 from ₹ 1,725.51 lakhs in Fiscal 2022. Net sales of our Project Business contributed 3.97% and 2.34% of our total Income in Fiscal 2023 and 2022, respectively.

Expressed as a percentage of total income, net sales contributed 97.39% in Fiscal 2023 versus 97.61% in Fiscal 2022.

OTHER INCOME

Other income contributed 2.61% and 2.39% of our total income in Fiscal 2023 and 2022, respectively. Other income increased by ₹ 443.74 lakhs, or 25.26%, to ₹ 2,200.22 lakhs in Fiscal 2023 from ₹ 1,756.48 lakhs in Fiscal 2022 mainly due to increase in foreign exchange fluctuation gains by ₹ 365.44 lakhs to ₹ 1,251.44 lakhs in fiscal 2023 as compared to ₹ 886 lakhs in fiscal 2022.

EXPENDITURE

Total expenditure increased by ₹ 6,098.58 lakhs, or 9.20%, to ₹ 72,356.28 lakhs in Fiscal 2023 from ₹ 66,257.70 lakhs in Fiscal 2022.

CONSUMPTION OF RAW MATERIAL, STORES, SPARES PART AND COMPONENTS

Consumption of raw material, stores, spare parts and components expenses increased by ₹ 6,321.20 lakhs, or 12.46% to ₹ 57,071.17 lakhs in Fiscal 2023 from ₹ 50,749.97 lakhs in Fiscal 2022, primarily due to increase in sales volume of manufacturing product. Expressed as a percentage of total income, raw material consumed expense is 67.66% in Fiscal 2023 from 68.92% in Fiscal 2022.

OPERATING AND OTHER EXPENSES

Our operating and other expenses increased by ₹ 1,414.13 lakhs, or 11.56%, to ₹ 13,651.50 lakhs in Fiscal 2023 from ₹ 12,237.37 lakhs in Fiscal 2022. Expressed as a percentage of total income, operating and other expenses is 16.18% in Fiscal 2023 when compared to 16.62% in Fiscal 2022.

Power and fuel expenses has increased by ₹ 19.71 lakhs, or 2.38%, to ₹ 848.69 lakhs in Fiscal 2023 from ₹ 828.98 lakhs in Fiscal 2022 on account of increased production.

Personnel expenses through salaries, wages and bonuses increased by ₹ 729.47 lakhs, or 12.79%, to ₹ 6,431.53 lakhs in Fiscal 2023 from ₹ 5,702.06 lakhs in Fiscal 2022 on account of salary revision coupled with additional manpower.

Welfare expenses increased by ₹ 112.46 lakhs, or 9.64%, to ₹ 1,278.67 lakhs in Fiscal 2023 from ₹ 1,166.21 lakhs in Fiscal 2022.

Repair expenses increased by ₹ 272.08 lakhs, or 72.32%, to ₹ 648.31 lakhs in Fiscal 2023 from ₹ 376.23 lakhs in Fiscal 2022 due to refurbishment of factory building and repairs of old machines.

Selling expenses decreased by ₹ 362.91 lakhs, or 26.34%, to ₹ 1,015.06 lakhs in Fiscal 2023 from ₹ 1,377.97 lakhs in Fiscal 2022.

Vehicle Maintenance expenses increased by ₹ 8.84 lakhs, or 23.28%, to ₹ 46.81 lakhs in Fiscal 2023 from ₹ 37.97 lakhs in Fiscal 2022.

Insurance expenses increased by ₹ 19.54 lakhs, or 21.39%, to ₹ 110.90 lakhs in Fiscal 2023 from ₹ 91.36 lakhs in Fiscal 2022.

Travelling expenses increased by ₹ 330.44 lakhs, or 44.28%, to ₹ 1,076.70 lakhs in Fiscal 2023 from ₹ 746.26 lakhs in Fiscal 2022 due to increased travel for marketing and other business related travel.

Consultancy & Professional charges increased by ₹ 146.81 lakhs, or 49.49%, to ₹ 443.46 lakhs in Fiscal 2023 from ₹ 296.65 lakhs in Fiscal 2022 due to increased product related certifications.

Bank charges decreased by ₹ 133.42 lakhs, or 29.45% to ₹ 319.67 lakhs in Fiscal 2023 from ₹ 453.09 lakhs in Fiscal 2022 due to reduction in rates for non-fund facilities.

Royalty charges decreased by ₹ 11.86 lakhs, or 65.56%, to ₹ 6.23 lakhs in Fiscal 2023 from ₹ 18.09 lakhs in Fiscal 2022 due to lower sale of product under license agreement.

Direction charges including other expenses increased by ₹ 77.21 lakhs, or 22.77%, to ₹ 416.32 lakhs in Fiscal 2023 from ₹ 339.11 lakhs in Fiscal 2022.

Manufacturing expenses increased by ₹ 45.98 lakhs, or 20.62%, to ₹ 268.97 lakhs in Fiscal 2023 from ₹ 222.99 lakhs in Fiscal 2022.

Software expenses increased by ₹ 51.71 lakhs, or 21.55%, to ₹ 291.70 lakhs in Fiscal 2023 from ₹ 239.99 lakhs in Fiscal 2022.

Rates and taxes increased by ₹ 102.38 lakhs, or 797.35%, to ₹ 115.22 lakhs in Fiscal 2023 from ₹ 12.84 lakhs in Fiscal 2022.

INTEREST AND FINANCE CHARGES

Interest and finance charges decreased by ₹ 99.33 lakhs, or 48.29%, to ₹ 106.37 lakhs in Fiscal 2023 from ₹ 205.70 lakhs in Fiscal 2022, due to lower utilization of working capital limits and improved receivable & operating cash flow management.

DEPRECIATION AND AMORTIZATION OF TECHNICAL KNOW-HOW

Our depreciation and amortization of technical know-how expense decreased by ₹ 159.24 lakhs, or 7.50%, to ₹ 1,964.46 lakhs in Fiscal 2023 from ₹ 2,123.70 lakhs in Fiscal 2022.

PROFIT BEFORE TAX AND EXCEPTIONAL ITEM

Profit before tax and exception items increased by ₹ 4,613.03 lakhs, or 62.51%, to ₹ 11,992.36 lakhs in Fiscal 2023 from ₹ 7,379.33 lakhs in Fiscal 2022.

EXCEPTIONAL ITEM

Exceptional items include profit on sale of unused land of ₹ 71.63 lakhs and provision for diminution in the value of investments ₹ 122.44 lakhs in Fiscal 2023.

PROFIT BEFORE TAX

Profit before tax increased by ₹ 4,562.22 lakhs, or 61.82%, to ₹ 11,941.55 lakhs in Fiscal 2023 from ₹ 7,379.33 lakhs in Fiscal 2022.

TAXATION

Tax expense including deferred tax increased by ₹ 1,142.59 lakhs, to ₹ 3,095.72 lakhs in Fiscal 2023 from ₹ 1,953.13 lakhs in Fiscal 2022 due to higher profits.

PROFIT AFTER TAX

Profit after tax increased by ₹ 3,419.63 lakhs to ₹ 8,845.83 lakhs in Fiscal 2023 from ₹ 5,426.20 lakhs in Fiscal 2022 due higher profit.

Net worth stands at ₹ 59,389.25 lakhs i.e. an increase of ₹ 7,123.53 Lakhs over fiscal 2022.

For and on behalf of Board of Directors

	Mohib N Khericha	**Nikhil Kumar**
	Chairman	Managing Director
July 12, 2023	Ahmedabad	Frankfurt

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 and Nomination and Remuneration Committee& Risk Management Committee.

Our Corporate Governance Report for fiscal 2023 forms part of this Annual Report.

I. Board of Directors and Procedures

The composition of the Board of Directors as on March 31, 2023 comprised of six directors consisting of a Non-Executive Chairman, a Managing Director ("MD") a Non-Executive Non-Independent Director and three Independent Directors. The Company's Board comprises two women directors out of which one is Independent 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, 2023:

Name	Category	Board Meeting entitled or held during the tenure	Board meetings attended during the tenure	Attendance at Last AGM	Directorship in companies		Chairmanship/ Committee membership in other Companies	
					Public Company	Private Company	Chairman	Member
Mr. Mohib N. Khericha	Non-Executive Chairman	5	5	Yes	4	2	2	4
Mr. Nikhil Kumar	Managing Director	5	5	Yes	2	2	Nil	Nil
Mr. Nithin Bagamane	Independent Director	5	5	Yes	1	3	1	2
Mr. Ravi Kanth Mantha	Independent Director	5	4	No	2	6	Nil	1
Ms. Prathibha Sastry	Independent Director	5	5	Yes	1	Nil	Nil	2
Mr.K G Prabhakar(1)	Non-Executive Non Independent Director	3	3	Yes	2	Nil	Nil	Nil
Ms. S Prabhamani(2)	Non-Executive Non Independent Director	2	2	NA*	2	Nil	Nil	Nil

*** Directorship:**

(1) Resigned as a director w.e.f. September 27, 2022 and directorship above is disclosed till his retirement date.

(2) Appointed as a director w.e.f. September 27, 2022

Other disclosures:

- As required under Regulation 26 of the LODR, disclosure considers chairpersonship (in Listed Companies) and membership of Audit Committee & Stakeholders' Relationship Committee of Public Limited companies.
- The necessary disclosure regarding change in Committee positions, if any, have been made by all the 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.

- None of the Directors had any relationship inter-se.
- As on March 31, 2023, Mr. Mohib N. Khericha and Ms. S Prabhamani being Non- Executive Directors holds 1,91,54,800 and 3,72,319 equity shares of face value of 2 each of the Company respectively.
- 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.
- None of the Non-executive Directors held convertible instruments of the Company during the fiscal 2023

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, 2023.

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 five times on May 10, 2022, August 09, 2022, August 30, 2022, November 09, 2022 and February 08, 2023. 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.

D. Disclosure regarding Appointment or Reappointment of a Director

I. Mr. Mohib N Khericha (DIN: 00010365) retires by rotation

Pursuant to provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr.Mohib N Khericha (DIN: 00010365) retires by rotation at the ensuing 24th Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Mr.Mohib N Khericha, aged 71 years, is a Chartered Accountant by qualification. He is the Non - Executive Chairman of the Company since July 5, 2001. He is a Chartered Accountant with over four decades experience in capital structuring, restructuring, financial management and loan syndication. He ventured into merchant banking in the year 1994. As on date Mr. Mohib N Khericha does not hold any equity share of the company. He has attended 4 out of 5 board meetings of the Company held during fiscal 2023.

He is also a Non-executive Chairman of the Company's wholly owned subsidiary DF Power Systems Private Limited. He does not have any relationship inter-se between other directors.

iii) Appointment of S Prabhamani in place of K G Prabhakar during the year

During the Fiscal 2022 Ms. S Prabhamani was appointed in place of Mr. K G Prabhakar at Annual General Meeting held on September 27, 2022.

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 March 1, 2023 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.
6. In the opinion of the Board, the independent directors of the Company fulfilled the conditions specified under SEBI LODR 2015 and also, they were independent towards any decision of the management.

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 www.tdps.co.in.

G. Skills, expertise and competence of Directors

The table given below described the core skill, expertise and competence of directors of the Company as of March 31, 2023 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	✓	✓	✓	✓	✓
Ms. S Prabhamani	✓	-	-	✓	✓
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 2023 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)on standalone basis to Non-executive Directors for the year ended March 31, 2023:

Particulars	(₹ in Lakhs)
Mr. Mohib N Khericha	6.10
Mr. Nithin Bagamane	7.40
Mr. KG Prabhakar	3.00
Ms. S Prabhamani	2.00
Ms. Prathibha Sastry	6.80
Mr. Ravi K Mantha	5.50

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

Particulars	(₹ in Lakhs)
Salary & Allowances	99.66
Employer PF contribution	11.96
Perquisites	0.40
Commission	197.38
ServiceContract/Tenure	5 years
Notice Period	Nil
Severance Fees	Nil
Stock Options	Nil

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 wholetime 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 KanthMantha (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. Bharat Rajwani is the Secretary of the Audit Committee.

The Chairman of the Audit Committee Mr. Nithin Bagamane attended the 23rd Annual General Meeting held on Monday, September 27, 2022.

The Audit Committee met four (4) times during the fiscal ended March 31, 2023 on May 10, 2022, August 09, 2022, November 09, 2022 and February 08, 2023.Particulars of attendance by the members of the Committee during the year ended March 31, 2023 are as follows:

Date of meeting	Members Present
May 10, 2022	Mr. Nithin Bagamane, Mr. Mohib N. Khericha, Ms. Prathibha Sastry & Mr. Ravi Kanth Mantha. Mr. Mohib N Khericha did not attend the meeting held on November 9, 2022.
August 09, 2022	
November 09, 2022	
February 08, 2023	

The Managing Director and the Chief Financial Officer attends Audit committee meetings by invitation. The Statutory Auditors attends 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. Bharat Rajwani is the Secretary of the Nomination and Remuneration Committee. During the fiscal 2023, one meeting was held on August 4, 2022 and all the members were present.

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 ofa 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.

The Company Secretary Mr. N Srivatsa is the Secretary of the Stakeholders' Relationship Committee.

During the year one meeting was held on March 16, 2023 and all the members were present. The Company has not received any complaint from shareholders during the fiscal 2023.

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

Risk Management committee ("The Committee") presently consists of Mr. 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. Particulars of attendance by the members of the Committee during the year ended March 31, 2023 are as follows:

Date of meeting	Members Present
September 23, 2022 March 17, 2023	Mr. Nithin Bagamane, Mr. Mohib N. Khericha, Mr. Nikhil Kumar, Mr. Ravi Kanth Mantha & Ms. M. N. Varlakshmi. Mr. Ravi Kanth Mantha did not attend the meeting held on September 23, 2022.

The role and responsibilities of the Risk Management Committee includes functions specified in Part D of Schedule II of SEBI LODR Regulations.

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:

As of 31st March 2023 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 Ms. S Prabhamani are the directors of the Company. Ms. S Prabhamani was appointed in place of Mr. K G Prabhakar at the Annual General Meeting of DFPS held on September 15, 2022.

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 in terms of Regulation 16 of SEBI LODR Regulations.

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

The subsidiary incorporated in March 2013 was scaled down in fiscal 2017 since conducting business through a branch of the Company was considered expedient in view of the operational convenience and business requirements & accordingly no business has been carried on in TDPS Japan since March 2022. Accordingly, an application to liquidate the TD Power Systems Japan Limited (TDPS Japan) was filed with appropriate statutory authorities in Japan and the TDPS Japan has been voluntary liquidated and ceased to be in existence with effect from June 26, 2023 in terms of the Closed registration certificate received from the Tokyo Legal Affairs Bureau.

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 2023 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 Şehitleri Cad. No.37/6 Susli/Istanbul. Turkey. Mr. Nikhil Kumar, Managing Director, Ms. Prathibha Sastry, Independent Director and Mr. N. Srivatsa 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.

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 materialsubsidiary in terms of Regulation 16 of SEBI LODR Regulations.

The Company has formulated a policy on determining material subsidiaries which is available on our websitewww.tdps.co.in

IV. Related party transaction

During the fiscal 2023, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large.

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 www.tdps.co.in.

Details of transactions with related parties are provided in **Annexure 2** of the Directors Report in Form AOC 2 and note No. 43 to the Annual Accounts.

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
31.03.2022	27.09.2022 & 12.00 AM	Through video conferencing ("VC")/ other audio-visual means ("OAVM")	- Re-appointment of Ms. Prathibha Sastry (DIN 01505172) as an Independent Director. - Approve remuneration payable to the Managing Director of the Company. - Authorization for creating charge on the assets of the Company. - Alteration of Articles of Association of the Company.
31.03.2021	27.09.2021 & 10.30 AM	Through video conferencing ("VC")/ other audio-visual means ("OAVM")	- 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")	- Approve payment of remuneration to the Managing Director of the Company. - Re-appoint Managing Director of the Company for a further term of five years

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 line - All India editions) and vernacular Eesanje newspaper (Bangalore edition).

Financial results, duly approved by the Board, are filed with to the Stock Exchanges (BSE and 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) 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)) 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.

VII. General Shareholder Information

a	**Annual General Meeting Date, Time and Venue**	Wednesday, 9th day of August 2023, at 2.00 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"),
b	**Fiscal**	A twelve-month period starting from April 1, 2022 to March 31, 2023.
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.**	INE419M01027
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, 2023**	(As per Annexure C)
m	**Shareholding Pattern as on March 31, 2023**	(As per Annexure D)

CORPORATE GOVERNANCE REPORT (CONTD.)

n	**Dematerialisation of Shares and Liquidity as on March 31, 2023**	(see table below)
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)**	Unit I: # 27, 28 & 29 KIADB Industrial Area, Dabaspet, Nelamangala Taluk, Bangalore, Karnataka - 562 111 Unit II: Sy. No. 59/2, Yedehalli Village Nelamangala Taluk, Sompura Hobli Dabaspet, Bangalore, Karnataka - 562 111
r	**Compliance Officer & Company Secretary**	Bharat Rajwani
s	**Address for correspondence**	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; **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

Dematerialisation of Shares and Liquidity as on March 31, 2023:

Description	No. of Holders	No. of Shares	% of Equity
Physical	1	10	0.00%
NSDL	8174	90613305	58.0696
CDSL	20099	65429320	41.936
Total	**28274**	**156042635**	**100.00**

Annexure A

Market Price Data: High, Low, close, volume during each month of the fiscal 2023

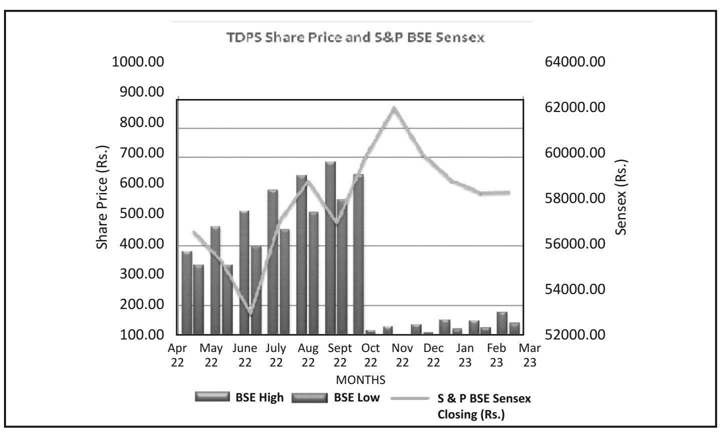
A summary containing monthly high/low/close and total volume of share prices at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) is as under:

Months	BSE				NSE			
	High (₹)	Low (₹)	Close (₹)	Volume (Qty.)	High (₹)	Low (₹)	Close (₹)	Volume (Qty.)
Apr - 22	380.70	332.75	348.80	78,631	381.80	316.15	348.10	115,400
May - 22	464.80	335.00	457.25	301,248	465.00	335.15	457.35	2,90,400
Jun - 22	519.00	399.15	465.45	147,073	518.65	400.90	466.65	129,300
Jul - 22	589.95	455.40	567.55	167,780	588.85	452.10	567.00	143,800
Aug - 22	638.35	512.10	586.95	286,183	638.00	510.55	588.40	267,900
Sep - 22	684.95	557.00	611.40	346,609	684.80	556.10	610.75	308,000
Oct - 22*	640.30	115.20	124.20	176,035	642.20	110.65	124.10	143,200
Nov - 22*	126.90	95.90	110.50	894,447	126.90	95.85	110.20	115,400
Dec - 22*	133.10	109.15	118.80	1,003,421	133.25	108.60	118.60	1,067,500
Jan - 23*	149.80	118.90	131.15	1,953,667	149.45	118.75	131.45	1,399,400
Feb - 23*	147.30	212.45	140.00	2,492,528	147.35	121.25	140.00	1,078,000
Mar - 23*	174.90	137.25	158.30	2,153,389	174.85	137.25	158.80	21,13,400

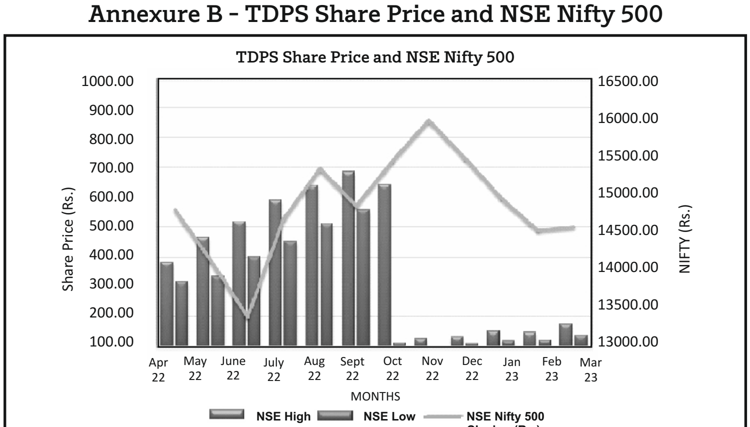
*Each equity share of face value of ₹ 10/- has been sub-divided into 5 equity shares of face value of ₹ 2 each with effect from November 01, 2022 (record date of sub-division)

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, 2023

Shareholding of Nominal Shares	Shareholders	% to Total Shareholders	Total Shares	% of Paid up Capital
1 to 500	23371	82.659	2297365	1.4723
501 to 1000	1702	6.0197	1338234	0.8576
1001 to 2000	1202	4.2513	1747753	1.1200
2001 to 3000	588	2.0796	1474048	0.9446
3001 to 4000	266	0.9408	949473	0.6085
4001 to 5000	258	0.9125	1214367	0.7782
5001 to 10000	412	1.4572	2978659	1.9089
Above 10000	475	1.68	144042736	92.3099
Total	28274	100	156042635	100

Annexure D

Shareholding pattern as on March 31, 2023

Sl. No.	Category	Number of Shares	% of Holding
(A)	**Promoters & Promoters Group**		
1	Promoters		
1(a)	Individual (Indian Nationals)	42348120	27.14
1(b)	Individual (Foreign National)	16176270	10.37
1(c)	Body Corporate	25132165	16.11
2	Promoters Group	7635040	4.89
	Total (A1 + A2)	**91291595**	**58.51**
(B)	**Public Shareholdings**		
1	Mutual Funds	22775292	14.60
2	Alternate Investment Funds	291846	0.19
3	Foreign Portfolio Investor (Corporate)	2873494	1.84
4	Financial Institutions	0.00	0.00
5	Individuals	30639036	19.63
6	Others	7854037	0.05
	Total (B)	**64433705**	**39.26**
(C)	**Non Promoter - Non Public shareholder**		
	TDPSL Employee Welfare Trust	317335	0.20
	Grand Total (A +B+C)	**156042635**	**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:

1) 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.

2) 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 and 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, 2023. 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 and 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 2023	Fiscal 2022
Audit Fees (including audit of consolidated financial statements)	13.00	13.00
Limited Review (quarterly financial results including consolidated financial results)	8.25	7.75
Other services - Certifications fees	2.45	3.36

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	Nil
c	No. of complaints pending as on end of the fiscal	Nil

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 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 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 financial statements for the Fiscal 2023.

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
July 12, 2023

Mohib N. Khericha
Chairman

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 562 111

This is to certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial Reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial Reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

   1. 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.

	Nikhil Kumar	**M N Varalakshmi**
Frankfurt	Managing Director	Chief Financial Officer
May 9, 2023		

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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, 2023, 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 9, 2023

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, 2023.

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
July 12 2023

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS No: 6040. CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040E000591306

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 Securities 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 web sites 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, 2023 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India and other statutory authorities.

Bengaluru
July 12. 2023

Sudhir V Hulyalkar
Company Secretary in Practice
Membership No. : FCS 6040. CP No: 6137
Peer Review Certificate No. 607/2019
UDIN: F006040E000591229

ANNEXURE – 10

Disclosure with respect to Employees Stock Option Scheme (ESOS) & Stock Appreciation Rights scheme (SAR) of the Company as on March 31, 2023 (Pursuant to regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021:

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, 2023	
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, 2023	
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	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 fullfilment of conditions as stated in the said plan and performance criteria as may be decided by Nomination and Remuneration Committee (NRC). 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	
	(d) Exercise/SAR price or pricing formula	The exercise price decided by NRC for each Option and ESAR is ₹ 67.25/- and face value of share i.e ₹ 10/- respectively. However, owing to sub-division of shares of the Company during the year, the price of each stock option and ESAR has been adjusted to one fifth (1/5) of the exercise price fixed at the time of grant of such options and ESARs. 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).	
	(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

ANNEXURE - 10 (CONTD.)

	(g) Variation in terms of options / Scheme	During the year, no amendment/modification/variation has been made in the terms of options and ESARs granted by the Company. However, pursuant to the sub-division of each equity share having face value of ₹ 10/- each into five equity shares having face value of ₹ 2/- each w.e.f. November 01, 2022 (record date for sub-division), an appropriate adjustment as stated in clause 4 of TDPSL Equity Based Compensation Plan 2019 was made in the number of stock options and number of ESARs that have been granted & yet to be exercised such that each such stock option and ESAR shall stand converted into 5 stock options and 5 ESARs as the case may be and the respective price of each stock option and ESAR shall be one fifth (1/5) of the exercise price fixed at the time of grant of such options and ESARs.	
(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. 01.04.2022	Nil	26,197
	Number of options/SAR granted during the year i.e. 2022-23	Nil	
	Number of options/SAR forfeited / lapsed during the year i.e. 2022-23	Nil	
	Number of options/SAR vested during the year i.e. 2022-23	187,962 Options	1,26,478 ESARs.
	Number of options/SAR exercised during the year i.e. 2022-23	157,149 Options	119,600 ESARs
	Number of shares arising as a result of exercise of options during i.e. 2022-23	During the year 157149 equity shares held by TDPSL trust have been transferred to ESOP allottees. Further on account of exercise of ESAR, 105,029 Equity Shares were issued & allotted by the Company.	
	Money realized by exercise of options (INR), if scheme is implemented directly by the company during 2022-23	Not applicable as the scheme is implemented by TDPSL Trust.	
	Loan repaid by the Trust during the year from exercise price received	₹ 105.68 Lakhs	
	Number of Stock options/SAR outstanding at the end of the year	30,813 Options	33,075 ESARs
	Number of options/SAR exercisable at the end of the year	Nil	33,075 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. Mr. Ramakrishna Varna[(1)] 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	₹ 48.34/- lakhs
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	Nil
6	Any other contribution made to the Trust during the year	Nil

[(1)] Appointed as Trustee of TDPSL Employee Welfare Trust with effect from September 12, 2022 in place of Ms. S Prabhamani.

[(2)] 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;	1,87,962 Equity Shares having face value of Rs. 10 each
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;	**Primary Issuance:** During the year, before sub-division of Company's shares 1,05,029 equity shares having face value of ₹ 10/- each and post sub-division, 90,035 equity shares having face value of ₹ 2/- were issued & allotted. These shares were transferred to ESAR allottees through off- market transaction. The weighted average cost of acquisition pre sub-division was ₹ 10/- per share and post sub-division ₹ 2/- per share respectively. **Secondary Acquisition:** No secondary acquisition during the fiscal 2023
3	Number of shares transferred to the employees / sold along with the purpose thereof;	Pls refer S.No. 2 above for the fresh issued shares transferred to employees against ESARs exercised. With respect to ESOP Exercise, before sub-division of Company's equity shares 1,24,495 shares having face value of ₹ 10/- each and post sub-division,163270 shares having face value of ₹ 2/- respectively were transferred to ESOP allottees through off- market transaction.
4	Number of shares held at the end of the year.	317335 Equity Shares having face value of Rs.2 each.

(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	Nil
Sold during the year	Nil
Transferred to the employees during the year	0.51%
Held at the end of the year	0.10%

For and on behalf of the Board of Directors

Ahmedabad
July 12, 2023

Mohib N. Khericha
Chairman

ANNEXURE - 11

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) 2022-23

SECTION A: GENERAL DISCLOSURES

1. Details of the listed entity

Sr. No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L31103KA1999PLC025071
2	Name of the Listed Entity	TD Power Systems Limited
3	Year of incorporation	April 16, 1999
4	Registered office address Corporate address	# 27, 28 and 29, KIADB Industrial Area, Dabaspet, Nelamangala Taluk, Bangalore – 562111
5	E-mail	tdps@tdps.co.in
6	Telephone	080-22995700/6633 7700
7	Website	www.tdps.co.in
8	Financial year reported	April 01, 2022 - March 31, 2023
9	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11	Paid up capital	₹ 3,120.85 Lakhs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Bharat Rajwani Email: investor relations@TDPS.co.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report are made on a Standalone Basis.

II. Products/services

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

Sr. no.	Description of Main Activity	Description of Business activity	% of Turnover of the entity
1	Manufacturing	Electrical equipment, General Purpose and Special purpose Machinery & equipment, Transport equipment	95.33

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	AC Generator	27101	95.33

III. Operations

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

Location	Number of plants	Number of offices	Total
National	2	1	3
International	1	3	4

ANNEXURE - 11 (BRSR CONTD.)

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	103

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

Response: 47% of our total turnover comes from export.

c. A brief on types of customers

Response: TDPS is an original equipment manufacturer (OEM) of prime movers (AC Generators and Electric Motors) for captive plants.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	386	349	90.4%	37	9.6%
2	Other than Permanent (E)	0	0	0.0%	0	0.0%
3	Total employees (D + E)	386	349	90.4%	37	9.6%
WORKERS						
4	Permanent (F)	268	268	100.0%	0	0.0%
5	Other than Permanent (G)	284	268	94.4%	16	5.6%
6	Total workers (F + G)	552	536	97.1%	16	2.8%

Note: Permanent employees (D) include staff

Permanent workers (F) include workmen.

Other than permanent workers (G) include Fixed Term Employees (FTE)/Temporary Trainees (TT).

Staff represent management category (white collared) employees.

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	0	0	0.0%	0	0.0%
2	Other than Permanent (E)	0	0	0.0%	0	0.0%
3	Total employees (D + E)	0	0	0.0%	0	0.0%
WORKERS						
4	Permanent (F)	0	0	0.0%	0	0.0%
5	Other than Permanent (G)	0	0	0.0%	0	0.0%
6	Total workers (F + G)	0	0	0.0%	0	0.0%

19. Participation/ Inclusion/ Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33.3%
Key Management Personnel[1]	3	1	33.3%

[1] Key Management Personnel includes Managing Director, Chief Financial Officer and Company Secretary.

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):

	Turnover rate in fiscal 2023 (in %)			Turnover rate in Fiscal 2022 (in %)			Turnover rate in the Fiscal 2021 (in %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.4	2.6	1.4	1.1	1.6	1.1	0.7	0.9	0.7
Permanent Workers	0.1	0.0	0.1	0.6	0.0	0.6	0.03	0.0	0.3

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

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

Refer to Annexure 1 of the Annual Report for details of Subsidiary, Joint Ventures and Associate Companies. The subsidiaries of the Company are in overseas jurisdiction and do not participate directly in the Business Responsibility initiatives, However, all these subsidiaries adopt same practices generally as carried out the Company.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹ lakhs) 82,148.42

(iii) Net worth (in ₹ lakhs) 59,389.25

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

		FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide weblink for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, The details are disclosed in Essential Indicator 3 of principle 8			Yes			
shareholders	Yes, Company is registered on Scores portal of SEBI to redress grievance of shareholders also a tab is created on the Company's website exclusively for investors related queries & grievance.			Nil			
Employees and workers	Yes, group email ID, suggestion box, grievance form, drop box						
Customers	Yes, customer complaint handling flowchart						
Value Chain Partners	No						
Others (Please specify)	No						

ANNEXURE - 11 (BRSR CONTD.)

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity(Indicate positive or negative implications)
1	Waste	Risk, Opportunity	Risk: Manufacturing of heavy equipment leads to significant waste generation, which could have a negative impact on the environment. Lack of waste related initiatives could lead to decrease in operational efficiency. Opportunity: By implementing waste management initiatives, waste disposal cost can be reduced. Resource recovery can be done with the implementation of waste management initiatives.	We have a sewage treatment plant (STP) and an effluent treatment plant (ETP), which basically treats common effluents (CETP). We also reuse water for gardening purposes, to minimise unwanted discharge. The sludge which is released during operations is handled over to the authorised agency for safe disposal.	Positive: Material cost reduction, resource utilisation, revenue generation.
2	Environmental Compliance	Risk	Risk: Non-compliance to relevant environmental laws and regulations could lead to the imposing of fines and penalties, which could affect the business financially.	TDPS is certified with ISO 14001:2015 which is widely accepted standard internationally and mandate to follow the local regulations.	Negative: Increased compliance and operational costs, increased fines and penalties, decreased brand reputation.
3	Product Safety & Quality	Opportunity	With compliance to relevant norms and regulations during product make, safety and quality of the product can be ensured, and can meet customer requirements.	-	Positive: Increased customer demand, increased brand reputation, financial profits incurred.

ANNEXURE - 11 (BRSR CONTD.)

Sr. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity(Indicate positive or negative implications)
4	Occupational Health & Safety	Risk, Opportunity	Risk: Lack of adherence to safety protocols can lead to occupational hazards and accidents, thereby leading to production downtime and workforce absenteeism. Opportunity: Following on the job safety protocols can lead to reduction in workplace accidents and improve employee/worker health and safety.	We regularly conduct training and awareness programs related to occupational health and safety. We have displayed safety posters and installed robots to automate most of our operations to reduce the risk of accidents. We also conducted promotional activities such as National Safety Week. We also conduct HIRA and maintain a register for the same. Our facilities are certified with ISO 45001:2018	Positive: Increased occupational productivity, reduced cost of accident recovery, reduction in legal and regulatory fines Negative: Increased production downtime, increased cost of insurance premiums, reduced employee morale and retention, increased training costs
5	Customer Relations	Opportunity	Complying to relevant laws and regulations pertaining to environment, quality, health and safety, can lead to increased customer satisfaction and improve product demand for the business.	-	Positive: Increased customer demand, brand reputation, increased revenue generation

ANNEXURE - 11 (BRSR CONTD.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	https://tdps.co.in/investor_crprt_grvnc.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	ISO 9001-2015, ISO 14001-2015, ISO 45001-2018								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	No								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	No								

Governance, leadership and oversight

7. Statement by director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

   Response: The prime focus of TDPS is to build an energy sustainable future. To achieve this, we intend to deliver the best products and services in our business line by converging technology and quality to meet customer delight. We will optimise resources through operational and design excellence driven by continuous innovation to add economic value and provide a conducive environment of growth and value to all our stakeholders. Our mission is to maintain market leadership by encouraging innovation and nourishing young talents to provide high product quality with superior customer support.

   TDPS is renowned as a top workplace due to its unwavering dedication to diversity and inclusion. At TDPS, employees experience a sense of value as their contributions are acknowledged and esteemed. We have fostered an environment that empowers individuals to flourish and advance, thereby enabling TDPS to attract and retain exceptional talent within the industry.

   TDPS's success can be attributed to its people-centric strategy. The company's achievement is fuelled by a diverse and passionate workforce, a culture of inclusivity, and a strong emphasis on employee growth and development. These factors have enabled TDPS to develop innovative products that help in driving progress and keep the world in motion.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

   Response: The Board of Directors are responsible for implementation and oversight of business responsibility, which constitutes of various policies that align with how our business is to be conducted.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

   Response: No, we do not have a specified committee. The Board of Directors are responsible for decision making on sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All our policies are reviewed by the board of directors on an Annual Basis.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	TDPS is in compliance with external regulations, as applicable.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No								

ANNEXURE - 11 (BRSR CONTD.)

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	5	1. Company sales, marketing, business outlook and strategies 2. Update on compliance status of applicable laws and cost audit report 3. Update on secretarial audit and compliance report 4. Updates on code of conduct under SEBI PIT regulations 5. Regulatory amendments under FEMA, MCA, and SEBI listing regulations	50%
Employees other than BoD and KMPs	395	1. Skill upgradation through relevant domain specific trainings 2. General trainings on company policies 3. Health and safety related trainings	58.4%
Workers	545	1. Skill upgradation through relevant domain specific trainings 2 Health and safety related trainings	49%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No
Penalty/ Fine	Not applicable				
Settlement					
Compounding fee					
Non-monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not applicable				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Response: Yes, the Company has an anti-bribery policy which highlights the categories of bribery and corruption, guidance to employees for adhering to the policy, and actions pertaining to violation of the policy.

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

   Response: There have been no disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors, KMP, employees and workers of the Company.

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

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	No cases			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	No cases			

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Response: Not applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Company has not conducted any awareness programs for our value chain partners. However, by certain practices and set of documentation, the Company ensures that, value chain partners are complied with the Company's standards and business ethics.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   Response: The Company, within its governance ecosystem, has implemented best practices concerning the review of Directors' conflicts of interest. The Company evaluates periodic disclosure received by Board of Directors with respect to their interest in other entities and ensures the requisite approval wherever required, are in place before transaction with such entities.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D (in ₹ Lacs.)	100%	100%	1. Cooler Design and Drawing Automation: New Automation Developed is used to design the highly optimised coolers used in Synchronous Generators. These optimised coolers reduce the fabricated material usage, cooler tube material reduction, cooling water requirement reduction and generator losses reduction which improves the efficiency and reduce the fuel (diesel/coal/water-Hydro) consumption. 2. Ansys Simulation tool and EMTP Electrical System Simulation Tool added newly and used for simulation of Synchronous Generators to estimate the transient characteristics of Motors during Staring or fault conditions or Grid disturbances (LVRT) etc. This allows to Design the machine optimally and ensure the safe and reliable operation of machine during its lifetime.
Capex (in ₹ Lacs.)	100%	100%	

			3. Invested on Ventilation and Thermal design simulation software - Flownex and is being used for cooler design and generator/Motor thermal design. This software helps in optimising the Ventilation and Thermal circuits and hence reduce the material content, noise reduction and water usage for water cooled machines. 4. Modified Air circuit with double end axial fan to meet specific customer site requirement of hot air exhaust at Top towards Turbine end. This ensures the reliable operation of the Generator inside Enclosure with double end cooling with weight reduction of complete machine. 5. Generator Shaft mounted fan to circulate the secondary air circuit of a CACA cooled generator with intermediate adaptor to supply re-cooled air to DE and NDE side (both ends of the generator) for cooling. This gives uniform cooling of generator improving the reliability. Electric blowers were replaced by shaft mounted fan and thus eliminating additional power required to drive the blowers. Reduced maintenance and thus increased Generator availability. 6. Designed, manufactured, and supplied highest rating tandem coupled Wound rotor motor Induction motor for Fabriser application. 7. In house designed and developed thrust bearings for vertical machines with reduction in cost, temperature, and weight.

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

   Response: Yes

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

   Response: More than 70% of our resources were sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   Response: In TDPS there is no product or the parts which needs to be recycled back to manufacturing process. Once it is dispatched to site/customer, the customer has to follow the Operation and Maintenance manual and respective regulatory requirements as per the local rule.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Response: Yes, EPR is applicable to the entity's activities and the waste collection plan is in line with the EPR plan as submitted to the Karnataka State Pollution Control Board (KSPCB), after which, the company has received consent.

ANNEXURE - 11 (BRSR CONTD.)

Leadership Indicators:

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
No LCA has been conducted.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Since no product life cycle assessment has been conducted and certified by NIC code, it is not applicable. However, process waste items such as copper, steel, resin, oil, cotton waste mixed with oil/resin is disposed off via authorised agencies.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
We use original mill certified material to achieve the specified efficiency results. Hence, no input material is recycled/reused.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

<table>
<tr><th rowspan="2"></th><th colspan="3">FY 2022-23</th><th colspan="3">FY 2021-22</th></tr>
<tr><th>Reused</th><th>Recycled</th><th>Safely disposed</th><th>Reused</th><th>Recycled</th><th>Safely disposed</th></tr>
<tr><td>Plastics (Including packaging)</td><td colspan="6" rowspan="4">All products are packed using fresh material (plywood, pinewood) and sent to the customers situated in our national and international business locations. It is neither feasible nor economically viable, to bring back the scrapped/damaged parts. Therefore, we have not reclaimed any of our products at their end life.</td></tr>
<tr><td>E waste</td></tr>
<tr><td>Hazardous waste</td></tr>
<tr><td>Other waste</td></tr>
</table>

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
All products are packed using fresh material (plywood, pinewood) and sent to the customers situated in our national and international business locations. It is neither feasible nor economically viable, to bring back the scrapped/damaged parts. Therefore, we have not reclaimed any of our products at their end life.	

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators:

1. a. Details of measures for the well-being of employees:

		% of employees covered by									
Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	349	Nil		349	100.0	Not applicable		Nil		-	
Female	37	Nil		37	100.0	37	100.0	Not applicable		-	
Total	386	Nil		386	100.0	37	9.6	-		-	
Other than Permanent Employees											
Male Female Total	Not applicable										

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

		% of workers covered by									
Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	268	268	100	268	100	Not applicable		Nil			
Female	-										
Total	268	268	100	268	100		-	Nil		-	
Other than Permanent Workers											
Male	268	Nil		268	100	Not applicable		Nil			
Female	16	Nil		16	100	16	100	Nil		-	
Total	284	Nil		284	100	16	5.6	-		-	

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

	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.0	100.0	Yes	100.0	100.0	Yes
Gratuity	100.0	100.0	Yes	100.0	100.0	Yes
ESI	100.0	100.0	Yes	100.0	100.0	Yes
Others- plese specify						

ANNEXURE - 11 (BRSR CONTD.)

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Response: Yes, our premises/offices are accessible to differently abled employees and workers. We do not employ anyone under such category and have hired everyone based on merit.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Response: Yes, the company has an internal policy on non-discrimination, the objective of which is to prevent discrimination at the workplace and ensure equal opportunity and diversity.

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

	Permanent Employees		Permanent Workers	
Gender	Return to work rate	Retention rate in %	Return to work rate	Retention rate
Male	0	0.0	0	0.0
Female	4	50.0	0	0.0
Total	4	50.0	0	0.0

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Permanent Workers and Other than Permanent Workers	Workers can directly approach HR/IR for any type of grievances.
Permanent Employees and Other than Permanent Employees	Permanent Employees can send their grievances through mail or on a one-to-one basis.

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

Category	FY 2022-23			FY 2021-22		
	Total employees /workers in respective category	No. of employees / workers in respective category,	% (B / A)	Total employees /workers in respective category	No. of employees / workers in respective category,	% (D / C)
	(A)	who are part of association(s) or Union (B)		(C)	who are part of association(s) or Union (D)	
Total Permanent Employees						
Male	349	Nil	-	342	Nil	-
Female	37			35		
Sub Total A	386			385		
Total Permanent Workers						
Male	268	262	97.7%	272	270	99%
Female	Nil					
Sub Total B	268	262	97.7%	272	270	99%
Total (A+B)	654	262	41%	657	270	42%

8. Details of training given to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (AL	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employee										
Male	355	39	10.9%	170	47.9%	340	34	10.0%	101	29.7%
Female	40	0	0%	22	55.0%	34	0	0.0%	18	52.9%
Total	395	39	9.8%	192	48.6%	374	34	10.0%	119	31.8%
Workers										
Male	528	266	50.3%	64	12.1%	534	53	9.9%	27	5.1%
Female	17	0	0.0%	0	0.0%	17	0	0.0%	0	0.0%
Total	545	266	48.8%	64	0.0%	551	53	9.9%	27	4.9%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No (B)	% (B/A)	Total (C)	No. (C)	% (C/A)
Employees						
Male	337	305	91.0%	326	253	78.0%
Female	38	38	100.0%	32	32	100.0%
Total	375	343	91.4%	358	285	79.6%
Workers						
Male	268	Nil	-	274	Nil	-
Female	0			0		
Total	268			274		

Note : All workers are unionised and under wage management

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Response: Yes, we have implemented an occupational health and safety management system in our entity wide operations. We also have policies and procedures in place to adhere to such systems, one of which is the integrated management system (IMS) policy. As per the policy, we adhere to and operate in accordance with ISO 45001:2018 health and safety management system standard.

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

Response: We have in place the hazard identification and risk assessment (HIRA) register which explicitly details about the safety activity, its potential hazard and the risk associated with the same. Preventive actions are also laid out in the register to mitigate the hazard to reduce potential safety risks.

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

Response: Yes, we regularly conduct safety meetings which is overseen by the safety committee. The outcome of such meetings is to identify hazards occurring during work, and exposure to various risks, and report such incidents if any.

ANNEXURE - 11 (BRSR CONTD.)

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

Response: Yes, we have collaborated with two medical centres namely Ravi Kirloskar hospital and Narayana Nethralaya. All our employees and workers have access to avail relevant medical facilities at both of these centres.

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.5	2.26
	Workers	6.04	6.79
Total recordable work-related injuries	Employees	2	3
	Workers	8	9
No. of fatalities	Employees	Nil	
	Workers	Nil	
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	
	Workers	Nil	

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

Response: To ensure a safe and healthy workplace, we have various initiatives and measures in place, some of which are very proactive in approach. We display the PPE matix for everyone on the facility to ensure their safety. We also conduct capacity building programs that include training and awareness on various safety related aspects. A list of dos and don'ts as well as other engineering controls are put in place to ensure safe handling of any equipment or product.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	36	6	Unsafe working conditions leading to replacement of certain equipment.	29	Nil	
Health & Safety	9	2	Physical health (sprains and strains) leading to retrofits in equipment (use of trolleys)	18	Nil	

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

    Response: We impart training on various safety topics to avoid potential risks. One of the prominent initiatives is 'National Safety Week' which is organised to create awareness on safety issues. Wherever necessary, throughout the facility we have placed safety posters for all our employees and workers to follow and potentially avoid being exposed to any unsafe incident. Besides this, we have automated certain areas of our facility by deploying robots, thereby reducing the risk of exposure to unsafe working conditions.

Leadership Indicators:

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   Response: Yes, Statutory coverage such as EDLI, Gratuity & EGI

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   Response: Nil

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil		Nil	
Workers	Nil		Nil	

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   Response: Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Company is yet to opt practice for the assessment of its value chain partners. However, before onboarding any supplier/value chain partner, due diligence is conducted.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners:

   Response: Not applicable

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators:

1. Describe the processes for identifying key stakeholder groups of the entity.

   Response: Stakeholder groups are determined according to their level of involvement with the entity. Core stakeholders encompass individuals, groups, or institutions that contribute value to the Company's business chain. This includes employees, investors, customers, suppliers, and various other stakeholders.

ANNEXURE - 11 (BRSR CONTD.)

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

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, suggestion boxes	Employee engagement surveys, career development surveys conducted annually	Information about company's business growth plan and performance
Investors	No	Emails, post	Need based and quarterly	To understand company's major events, and results
Customers	No	Emails, communication from customer care department	Need based	Information on business offerings
Suppliers	No	Emails	Need based	To get information about new market trends and responsible procurement

Leadership Indicators:

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

   Response: Yes, conference calls are conducted with the investors and the Board, addressing the economic performance of the company. It is the Managing Director who steers these interactions.

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

   Response: No

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   Response: We don't recognise any stakeholder as a vulnerable/marginalised group. Therefore, no such concerns have been raised.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators:

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of Employees/ Workers covered (B)	%(B/A)	Total (C)	No. of Employees/ Workers covered (C)	%(C/A)
Employees						
Permanent	395	395	100.0%	374	0	0.0%
Other than Permanent	34	0	0.0%	32	0	0.0%
Total	429	395	92.9%	406	0	0.0%
Workers						
Permanent	545	545	100.0%	551	0	0.0%
Other than Permanent	199	152	76.05%	256	0	0.0%
Total	744	697	93.6%	777	0	0.0%

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (e/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	349	0	0.0%	349	100.0%	340	0	NA	340	100.0%
Female	37	0	0.0%	37	100.0%	35	0	NA	35	100.0%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	0	0	NA	0	NA	0	0	NA	0	NA
Female	0	0	NA	0	NA	0	0	NA	0	NA
Workers										
Permanent										
Male	268	0	0.0%	268	100.0%	272	0	0.0%	272	100.0%
Female	0	0	NA	0	NA	0	0	NA	0	NA
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	268	0	0.0%	268	100.0%	261	0	0.0%	261	100.0%
Female	16	0	0.0%	16	100.0%	17	0	0.0%	17	100.0%

ANNEXURE - 11 (BRSR CONTD.)

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective	Number	Median remuneration/ salary/ wages of respective
		category		category
Board of Directors (BoD)	6	₹ 3.09 lakhs p.a.	2	NA
Key Managerial Personnel	2	₹ 22.00 lakhs p.a.	1	₹ 50.00 lakhs p.a.
Employees other than BoD and KMP	347	₹ 5.09 lakhs p.a.	36	₹ 4.71 lakhs p.a.
Workers	536	₹ 3.15 lakhs p.a.	16	₹ 2.22 lakhs p.a.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Response: Yes, our focal point for handling human rights impacts/issues is the human resources department.

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

   Response: We have a grievance policy, in adherence to which, were dress grievances related to human rights.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil		-	Nil		-
Discrimination at workplace	Nil		-	Nil		-
Forced Labour/ Involuntary Labour	Nil		-	Nil		-
Wages	Nil		-	Nil		-
Other human rights related issues	Nil		-	Nil		-

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

   Response: Yes, we have a grievance policy which guides us to take necessary actions and prevent adverse consequences pertaining to cases rising from discrimination and harassment.

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

   Response: Yes, we take into consideration all relevant human rights criteria when doing business engagements and singing contracts.

9. Assessments for the year:

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Child Labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify*	100%

*Others include overtime policies such as slavery/human trafficking prohibition, and anti-bribery.

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

    Response: There were no significant risks/ concerns arising from the assessments stated in point no.9 above.

Leadership Indicators:

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   Response: Nil

2. Details of the scope and coverage of any Human rights due diligence conducted.

   Response: It is our customers who conduct any relevant human rights due diligence.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Response: Not applicable in two of our units, unit 01 is not accessible to differently abled visitors, located on the first and second floors. But unit 02 has amenities such as lifts and ramps which makes it accessible to differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0%
Discrimination at workplace	0%
Child Labour	0%
Forced Labour/Involuntary Labour	0%
Wages	0%
Others-please specify*	0%

*Others include overtime policies such as slavery/human trafficking prohibition, and anti-bribery.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Response: There has been no assessment of value chain partners hence no corrective actions is taken place.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	29,74,64,40,000 kJ	29,60,73,00,000 kJ
Total fuel consumption (B)	59,78,23,200 kJ	71,26,52,400 kJ
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	30,34,42,63,200 kJ	30,31,99,52,400 kJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	3.69 kJ/ ₹	4.22 kJ/ ₹
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Response: No

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

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(I) Surface water	0	0
(ii) Groundwater	45,500 kl	37,000 kl
(iii) Third party water	6,823kl	6,202 kl
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	52,323	43,202
Total volume of water consumption (in kilolitres)	52,323	43,202
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000636 kl/₹	0.00000601 kl/₹
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

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

   Response: Yes, we have a sewage treatment plant (STP) and an effluent treatment plant (ETP), which basically treats common effluents (CETP). We also reuse water for gardening purposes, to minimise unwanted discharge. The sludge which is released during operations is handled over to the authorised agency for safe disposal.

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Nox	Ppm	17.4	14.85
Sox	Ppm	7.6	7.5
Particulate Matter (PM)	Ppm	72.8	74.2
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	-	0	0
Hazardous air pollutants (HAP)	-	0	0
Others – please specify	-	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

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

Parameter	Unit	FY2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, FCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	41.51	49.49
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	6,734.2	6,702.7
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	0.000000824MTCO$_2$e/₹	0.000000939 MTCO$_2$e/₹
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, Bangalore Analytical Research Centre.

Scope 1 emissions include DG power consumption.

Scope 2 emissions include BESCOM power consumption.

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

   Response: Yes, in FY 2022-23 there were total of 1,74,706 units (i.e., 1,74,706 kWh) of energy saved due to energy saving initiatives. This has resulted in GHG emission reduction of 142MT pertaining to Scope 2. For more information, refer to Annexure-3, Section A of the Annual Report.

ANNEXURE - 11 (BRSR CONTD.)

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

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	3 303	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	362.37	10.45
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G+ H)	365.673	10.45
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	Not applicable	Not applicable
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
(i) Incineration	Not applicable	Not applicable
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Response: We have a scrap yard for storage of hazardous waste. We monitor the amount of scrap generated. Currently, there are no reduction targets set to minimise the amount of waste being generated.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No. Our entity is situated in Karnataka Industrial Areas Development Board (KIADB) approved land and is developed by the govt.			

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

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines /penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, the entity is compliant with the applicable environmental law/regulations/guidelines in India, for which, the company has received the consent from KSPCB.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed from renewable sources (A+B+C)	NA	NA
From non-renewable sources		
Total electricity consumption (D)	29,74,64,40,000kJ	29,60,73,00,000 kJ
Total fuel consumption (E)	59,78,23,200kJ	71,26,52,400 kJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	30,34,42,63,200 kJ	30,31,99,52,400 kJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

ANNEXURE - 11 (BRSR CONTD.)

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(I) To Surface water	Not used	Not used
- No treatment		
- With treatment– please specify level of treatment		
(ii) To Groundwater		
- No treatment	0	0
- With treatment– please specify level of treatment	705	735
(iii) To Seawater		
- No treatment	No	No
- With treatment - please specify level of treatment		
(iv) Sent to third parties	No	No
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	No	No
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	705	735

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):
   For each facility / plant located in areas of water stress, provide the following information:
   (I) Name of the area; Sewage Plant, TD Power systems Limited (Unit-1 and Unit-2)
   (ii) Nature of operations: Manufacturing and Testing of AC Generators
   (iii) Water withdrawal, consumption, and discharge in the following format:

ANNEXURE - 11 (BRSR CONTD.)

Parameters	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	45,500 kl	37,000 kl
(iii) Third party water	6,823 kl	6,202 kl
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	52,323 kl	43,202 kl
Total volume of water consumption (in kilolitres)	52,323 kl	43,202 kl
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000636 kl/₹	0.00000601 kl/₹
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not applicable	Not applicable
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	705	735
(iii) Into Seawater	Not applicable	Not applicable
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	Not applicable	Not applicable
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	705	735

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Particulars	Unit	FY 22-23	FY 21-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not applicable	Not applicable
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent		

ANNEXURE - 11 (BRSR CONTD.)

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

   Response: Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	CETP	To ensure zero liquid discharge, we have a common effluent treatment plant.	The outcomes of such initiatives are not significant to be reported.
2	Rain harvesting	We have implemented rainwater harvesting at our facility to use the rainwater into our operations efficiently.	
3	LED Lighting	Some energy efficiency initiatives have been implemented such as the use of LED lighting, to minimise energy consumption, and therefore, emissions. Refer annexure 3 of the Directors Report for detailed disclosure.	

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   Response: Yes, the entity has a business continuity and disaster management plan. It comprises of three business areas which are manufacturing activities, data and IT infrastructure, and outsourced process materials. As per the plan, each of these areas have a disaster situation enlisted, with their probability of occurrence being 'Low' and 'Medium', and the severity ranging from 'Low' to 'Very High'.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   Response: Many factors pose an adverse impact on the environment that arise from our supply chain. These are mainly due to raw material consumption, energy consumption, and emissions pertaining to transportation. In order to mitigate such impacts, we initiated a cost reduction drive to reduce the consumption of resources, thereby improving efficient utilization.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   Response: Data not captured.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators:

1. a. Number of affiliations with trade and industry chambers/ associations.

      Response: 2

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Bangalore Chamber of Industry and Commerce (BCIC)	National
2	Indo German Chambers of Commerce	International

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

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

Leadership Indicators:

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others-please specify)	Web Link, if available
Nil					

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

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

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R &R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

ANNEXURE - 11 (BRSR CONTD.)

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

   Response: We have a dedicated line of communication where community grievances can be contacted by accessing https://tdps.co.in/contact.html#cntct.

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	24.77%	23.36%
Sourced directly from within the district and neighbouring districts	30%	30%

Leadership Indicators:

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
	Nil		

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   (b) From which marginalized /vulnerable groups do you procure?

   (c) What percentage of total procurement (by value) does it constitute?

   Response:(a) No

   (b) Not applicable

   (c) Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared Yes / No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Backyard Forestry Project	504 students	100
2	Health System Strengthening (HSS)	2,000 patients	100
3	STEM Education	500 students	100

Note: the brief details of each CSR project are provided in Annexure 6 of the Annual Report.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators:

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

   Response: We have a dedicated customer care department that regularly handles complaints arising from the grievances of consumers. In line with this, we have a standard operating procedure for handling such complaints along with warranty handling which can be found here.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Not applicable

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

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	There were no consumer complaints in respect of these aspects.					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

ANNEXURE - 11 (BRSR CONTD.)

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

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Response:TDPS has a privacy policy which covers aspects pertaining to safeguarding customer data, the details of which, have been mentioned in the privacy policy on the Company's website. In addition to this, the company also has a defined approach to identify and assess potential risks arising from various IT issues that can impact the assets and mitigate them. The likelihood of occurrence of these risks and their impact on the business have been categorised ranging from 'Very Low' to 'Very High'.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products/services.

   Response: Not applicable to our products.

Leadership Indicators:

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

   Response: All the relevant information about our products and services can be found on the company's websitewww.tdps.co.in.

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

   Response: Significant number of initiatives are taken to provide consumers with the safety of handling our products and responsibly availing our services. Such as, during the provision of generators, we provide an operation and maintenance manual describing on how to operate the equipment. We also attach 'warning' stickers wherever necessary on the generators.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Response: Consumers are informed about any risk of disruption/discontinuation of essential services via email.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Response: Yes, we include the product information on the product (Name plate - Includes power rating, machine serial number, Purchase order number, Statutory requirements (CE/CSA etc.,). Any statutory requirements required for the product as per the local (destination country) guidelines is compiled and mentioned on the name plate. We also conduct customer satisfaction surveys and the feedback from customers is used to improve our service and performance of the product if applicable.

5. Provide the following information relating to data breaches:
   a. Number of instances of data breaches along-with impact
   b. Percentage of data breaches involving personally identifiable information of customers

      Response: There have been no instances of data breach.

For and on behalf of the Board of Directors

Ahmedabad
July 12, 2023

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, 2023, 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 standalone 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 31,2023, 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 (a) and 50 (b) to the audited standalone financial statements, which describes the basis on which the going concern assumption in the preparation of financial statements of two subsidiaries is considered appropriate 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.

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 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.

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 standalone 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.
- 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

INDEPENDENT AUDITORS' REPORT (CONTD.)

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 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.

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.4,499.15 Lakhs as at 31st March, 2023 and total revenues of Rs.2,840.79 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 as amended from time to time;
   f. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 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:

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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. (a) The final dividend paid by the Company relating to FY 2021-22 is in accordance with Section 123 of the Act, to the extent it applies to the payment of dividend as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with the section 123 of the Companies Act, 2013.

(c) As stated in note no 46, the Board of Directors of the Company have proposed final dividend for the financial year 2022-23 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with the section 123 of the Act to the extent it applies to proposed dividend, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

ABRAHAM BABY CHERIAN
Partner
M. No. 218851
UDIN : 23218851BGXHBQ1988

Place : Bangalore
Date : 9th May 2023

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 2023.

I. In respect of its property, plant and equipment and intangible assets:

a) A. The Company has maintained proper records which are showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. 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.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 all immovable properties (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, 2023 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 Rs 234.23 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 USA Inc	INR 234.23	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.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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, employees' 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 2023, 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	2011-12	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	1,942.67	2016-17	High Court of Karnataka
Goods and Service Tax Act, 2017	Goods and Service Tax	6.89	July 2017 to March 2018	Joint Commissioner of Commercial Taxes (Appeal)

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.

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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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. There are no amount remaining unspent in respect of ongoing projects at the end of the financial year 2022-23. Hence. clause (xx)(b) of the Order is not applicable.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

ABRAHAM BABY CHERIAN
Partner
M. No. 218851
UDIN : 23218851BGXHBQ1988

Place : Bangalore
Date : 9th May 2023

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 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 authorizations of management and directors of the Company; and

(3.) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2023, 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

ABRAHAM BABY CHERIAN
Partner
M No. 218851
UDIN : 23218851BGXHBQ1988

Place: Bangalore
Date : 9th May 2023

BALANCE SHEET AS AT MARCH 31, 2023

Amount in ₹ Lakhs

	Note No.	As at 31.03.2023		As at 31.03.2022	
I. ASSETS					
Non - current assets					
Property, plant and equipment	2	14,949.81		15,388.79	
Capital work in progress	3	23.50		63.47	
Intangible assets other than goodwill	4	819.54		586.91	
Financial assets					
Investments	5	3,649.19		3,771.63	
Loans to subsidiaries	6	776.25		1,017.36	
Other financial assets	7	127.27		118.87	
Other non-current assets	8	2,008.22	22,353.78	2,043.02	22,990.05
Current assets					
Inventories	9	19,125.04		19,152.93	
Financial assets					
Trade receivables	10	25,476.08		24,508.09	
Cash and cash equivalents	11	2,439.42		3,846.35	
Bank balances other than cash and cash equivalents	12	12,717.93		10,594.99	
Other financial assets	13	1,124.61		2,062.78	
Other current assets	14	3,760.87	64,643.95	5,154.18	65,319.32
TOTAL			**86,997.73**		**88,309.37**
II. EQUITY AND LIABILITIES					
Equity:					
Equity share capital	15	3,120.85		3,110.35	
Other equity	16	56,268.40	59,389.25	49,155.37	52,265.72
Non - current liabilities					
Provisions	17	594.46		499.39	
Deferred tax liabilities (Net)	18	309.87	904.33	792.22	1,291.61
Current Liabilities					
Financial Liabilities:					
Borrowings	19	-		7,096.51	
Trade payables					
- total outstanding dues of micro enterprises and Small enterprises	20	112.66		64.34	
- total outstanding dues of creditors other than micro enterprises and Small enterprises		12,339.58		14,613.91	
Other financial liabilities	21	7,550.58		7,677.23	
Other current liabilities	22	5,495.43		4,141.42	
Provisions	23	439.54		432.50	
Current tax liability - Net	24	766.36	26,704.15	726.13	34,752.04
TOTAL			**86,997.73**		**88,309.37**

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

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Bangalore

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

Date: 9th May 2023

This is the balance sheet referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

		Note No.	Year ended 31.03.2023		Year ended 31.03.2022	
I	Revenue from operations	25		82,148.42		71,880.55
II	Other income	26		2,200.22		1,756.48
III	**TOTAL REVENUE (I+II)**			**84,348.64**		**73,637.03**
IV	**Income**					
	Cost of materials consumed	27	54,903.34		52,580.48	
	Purchases for project business, net of changes in inventories of stock in trade	28	(437.22)		940.96	
	Changes in inventories of finished goods, work in progress and stock in trade	29	2,167.83	56,633.95	(1,830.51)	51,690.93
	Employee benefits expense	30		8,051.82		7,273.31
	Finance costs	31		106.37		205.70
	Depreciation and amortization expense	32		1,964.46		2,123.70
	Other expenses	33		5,599.68		4,964.06
	TOTAL EXPENSES			**72,356.28**		**66,257.70**
V	**Profit before exceptional items and tax (III-IV)**			**11,992.36**		**7,379.33**
VI	Exceptional Items	34		(50.81)		-
VII	**Profit before tax (V+VI)**			**11,941.55**		**7,379.33**
VIII	**Tax expense:** (Refer Note No. 38(a) & (b))					
	Current tax		3,578.07		1,788.12	
	Deferred tax		(482.35)	3,095.72	165.01	1,953.13
IX	**Profit for the year (VII-VIII)**			**8,845.83**		**5,426.20**
X	**Other comprehensive income**					
	Items that will not be reclassified to profit or loss					
	Remeasurement of defined benefit plans		5.78		(84.34)	
	Income tax on defined benefit plans (Refer Note No. 38(a))	35	(1.45)	4.33	21.23	(63.11)
	Items that will be reclassified to profit or loss					
	Exchange difference on translation of foreign operations	36	(11.17)		(60.76)	
	Income tax on exchange difference on translation of foreign operation (Refer Note No. 38(a))		2.81	(8.36)	15.29	(45.47)
	Total			**(4.03)**		**(108.58)**
XI	**Total comprehensive income for the year (X+XI)**			**8,841.80**		**5,317.62**
XII	Earnings per equity share of ₹ 2/- each ((Refer Note No. 51)					
	Basic (in ₹)	37		5.70		3.53
	Diluted (in ₹)			5.68		3.50

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 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

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

M N Varalakshmi
Chief Financial Officer
Place: Bangalore

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

Date: 9th May 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

Particulars	Equity Share Capital (Equity Shares of Rs.2 each issued, subscribed and fully paidup)	Other Equity							Total other equity attributable to equity share holders of the company
		Reserves and surplus							
		Securities Premium	Retained earnings	General reserve	Capital Redemp-tion Reserve	Stock option Outstanding Account	Shares Purchased by ESOP Trust	Exchange difference on translation of foreign operations	
As at 1st April 2022	**3,110.35**	**19,201.04**	**26,752.60**	**2,939.63**	**230.42**	**256.93**	**(263.55)**	**38.30**	**49,155.37**
Shares issued during the year to ESOP Trust	10.50	-	-	-	-	-	-	-	-
Profit for the year 1st April 2022 to 31st March 2023	-	-	8,845.83	-	-	-	-	-	8,845.83
Remeasurement of defined benefit plans for the year (net of tax)	-	-	4.33	-	-	-	-	-	4.33
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(8.36)	((8.36)
Transfer from Share Option Outstanding to Securities premium on exercise of ESAR	-	95.76	-	-	-	(95.76)	-	-	-
Transfer to Stock Options Outstanding account during the year (Refer Note No.49)	-	-	-	-	-	32.62	-	-	32.62
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	105.68	-	105.68
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	(126.82)	126.82	-	-
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	0.99	-	-	-	-	-	-
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	5.44	-	5.44
Interim Dividend	-	-	(780.21)	-	-	-	-	-	(780.21)
Dividend for the year (Refer Note No. 46)	-	-	(1,092.30)	-	-	-	-	-	(1,092.30)
As at 31st March 2023	**3,120.85**	**19,296.80**	**33,731.24**	**2,939.43**	**230.42**	**66.97**	**(26.60)**	**29.94**	**56,268.40**
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 1st April 2021 to 31st March 2022	-	-	5,426.20	-	-	-	-	-	5,426.20
Remeasurement of defined benefit plans for the year (net of tax)	-	-	(63.11)	-	-	-	-	-	(63.11)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(45.47)	(45.47)
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**	**26,752.60**	**2,939.63**	**230.42**	**256.93**	**(263.55)**	**38.30**	**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

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

M N Varalakshmi
Chief Financial Officer
Place: Bangalore

Date: 9th May 2023

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

		Year ended 31.03.2023		Year ended 31.03.2022	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax		11,941.55		7,379.33
	Adjustments for				
	Depreciation	1,727.91		1,934.62	
	Amortisation	236.55		189.08	
	(Profit) / Loss on disposal of Property, Plant and Equipments	(78.04)		(0.06)	
	Unbilled Revenue	(1.58)		26.68	-
	Interest income on bank deposits	(694.82)		(642.22)	
	Interest income on financial assets (Non-convertible debentures carried at amortised cost)	(80.87)		(81.10)	
	Interest income accrued on financial assets (Non-convertible debentures carried at amortised cost)	(94.43)		(94.43)	
	Interest on the loan given to subsidiaries	(47.65)		(41.18)	
	Finance cost (including foreign exchange difference recorded as adjustment to borrowing cost)	106.37		205.70	
	Compensation expenses under Employee Stock Option / Appreciation Rights Scheme	32.62		133.61	
	Profit on Sale of land (Refer No. 54)	(71.63)		-	
	Provision for diminution in the value of investment (Refer Note No. 50)	122.44		-	
	Unrealised foreign exchange loss / (gain) (net)	290.51		(1,154.21)	
	Provision for warranty claim+s	54.66		102.36	
	Provision for leave encashment	175.64	1,677.68	54.36	633.21
	Operating profit before working capital changes		**13,619.23**		**8,012.54**
	Adjustments for				
	Decrease/(Increase) in trade receivables	(783.57)		(6,897.93)	
	Decrease/(Increase) in other receivables	(100.73)		(976.32)	
	Decrease/(Increase) in inventories	27.89		(4,578.47)	
	(Decrease)/Increase in trade payables	(2,228.47)		4,511.71	
	(Decrease)/Increase in other payable & provisions	1,104.93	(1,979.95)	612.20	(7,328.81)
	Cash generated from operations		**11,639.28**		**683.73**
	Direct taxes paid including TDS receivable		(3,439.27)		(1,623.07)
	Net Cash from/(used in) Operating Activities		**8,200.01**		**(939.34)**
B	**Cash flow from investing activities**				
	Payment for property, plant and equipments (net of transfer of CWIP to Property, plant and equipment)	(1,591.62)		(802.75)	
	Payment for intangible assets	(469.18)		(376.70)	
	Proceeds from disposal of freehold land	429.75		-	
	Proceeds from disposal of property plant and equipments	25.45		2.50	
	Proceeds from repayment of loan given to subsidiary (gross)	275.47		37.68	
	Interest received on loan given to subsidiary	47.65		41.18	
	Interest received on bank deposits	579.37		958.95	
	Net Cash from/(used in) investing activities		**(703.11)**		**(139.14)**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Amount in ₹ Lakhs

	Year ended 31.03.2023		Year ended 31.03.2022	
C. Cash flow from financing activities				
Proceeds from / (Repayment of) working capital borrowings (net)	(7,096.51)		1,865.84	
Proceeds from ESOP exercised received	105.68		126.40	
Proceeds from issue of shares to ESOP Trust	10.50		17.01	
Interest paid	(64.80)		(149.60)	
Dividend Received by ESOP Trust	5.44		4.95	
Dividend Paid	(1,872.51)		(776.49)	
Net Cash from/(used in) financing activities		**(8,912.20)**		**1,088.11**
Net Foreign exchange difference on translation of foreign operations		8.36		60.76
Net increase/(decrease) in cash and cash equivalents		**(1,406.94)**		**70.39**
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		0.01		(1.85)
Cash and cash equivalents at the beginning of the period		3,846.35		3,777.81
Cash and cash equivalents at the end of the period		**2,439.42**		**3,846.35**
Cash and cash equivalents at the end of the year- constitute				
Balances with banks				
In current accounts		1,710.49		1,430.28
In EEFC account		21.36		701.21
In deposit accounts with less than 3 months maturity		700.00		1,709.54
Cash on hand		7.57		5.32
		2,439.42		**3,846.35**

Note: Cash flows are reported using the indirect method. Cash and cash equivalents is after adjusting translation gain/loss.

Expenditure towards CSR activities ₹ 81.34 lakhs (PY: ₹ 26.28 lakhs)

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: Bangalore

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

Date: 9th May 2023

This is the cash flow statement referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2023

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, 2023 were approved by the Board of Directors and authorised for issue on 9th May 2023.

The company's subscription to the Share Capital of its Wholly Owned Subsidiaries included in investment under non-current assets as at 31st March 2023 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 Jenerator 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 ('Rs. /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 confirmity 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

- 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 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 directly attributable expenses relating to the acquisition and bringing the assets to the location and condition of use net of any sale proceeds 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 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.

1.8 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 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

Property, plant and equipments 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.

1.11 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 overheads. Net realizable value represents the estimated selling price for inventory less all estimated cost of completion and cost necessary to make the sale.

1.12 Employee Benefits

Employee 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 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.

1.14 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 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.

1.16 Foreign Currency

a. Functional and presentation currency

The Standalone financial statement is presented in Indian Rupee (Rs/₹), 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 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 nstrument 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 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.

1.20 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.

1.26 Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE-2: PROPERTY, PLANT AND EQUIPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2022	Additions	Disposal	As at 31.03.2023	As at 01.04.2022	For the year	Disposal	As at 31.03.2023	As at 31.03.2023
Free hold land (Refer Note No.54)	1,950.92	-	323.62	1,627.30	-	-	-	-	1,627.30
Buildings	11,178.98	143.16	-	11,322.14	3,691.91	322.65	-	4,014.56	7,307.58
Plant and machinery	22,943.84	1,313.01	201.89	24,054.96	17,711.47	1,170.40	185.24	18,696.63	5,358.33
Office equipments	357.24	32.61	1.84	388.01	279.51	20.36	1.74	298.13	89.88
Furniture and fixtures	360.94	31.10	-	392.04	315.25	31.71	-	346.96	45.08
Computers	840.26	86.78	3.69	923.35	626.44	107.15	3.50	730.09	193.26
Communication equipments	16.91	0.14	-	17.05	16.24	0.01	-	16.25	0.80
Motor vehicles	524.38	24.79	42.00	507.17	261.09	38.48	39.90	259.67	247.50
TOTAL - A	38,173.47	1,631.59	573.04	39,232.02	22,901.91	1,690.76	230.38	24,362.29	14,869.73

PROPERTY, PLANT AND EQUIPMENT - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2022	Additions	Disposal	As at 31.03.2023	As at 01.04.2022	For the year	Disposal	As at 31.03.2023	As at 31.03.2023
Plant and machinery	1,600.92	-	-	1,600.92	1,324.45	37.15	-	1,520.84	80.08
TOTAL - B	**1,600.92**	**-**	**-**	**1,600.92**	1,324.45	**37.15**	**-**	**1,520.84**	**80.08**
TOTAL - C=A+B	**39,774.39**	**1,631.59**	**573.04**	**40,832.94**	**24,385.60**	**1,727.91**	**230.38**	**25,883.13**	**14,949.81**

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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:

The borrowings and non fund based facilities from Bank of Baroda & Kotak Mahindra Bank are secured by way of:

1. 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 Dabaspet Industrial Area, Yedehalli Village, Bengaluru Rural District, Bengaluru.
2. 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortagage 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. 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortagage 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. 1st Pari passu hypothecation charge with Kotak Mahindra Bank on entire plant and machinery of the company.

   Also, the borrowings and non fund based facilities from HDFC Bank are secured on above securities. This remain un-utilised on account of non-ceding of pari-passu charge and no due certificate from Bank of Baroda
5. The Company does not hold any Benami Property which is either recorded or not recorded in the books of account and there are no proceedings initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act,1988 and rules made thereunder. Accordingly, no disclosure made in this regard.

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
3 CAPITAL WORK-IN-PROGRESS		
Plant and Machinery	23.50	63.47
TOTAL	**23.50**	**63.47**
Capital work-in-progress ageing schedule		
Projects in progress - Less than 1 year		
Plant and Machinery	23.50	63.47
TOTAL	23.50	**63.47**
4 INTANGIBLE ASSETS - (OTHER THAN GOODWILL)		
Softwares:		
Gross block (at deemed cost)	105.10	73.00
Additions during the year	148.22	32.10
Gross block at the end of the year	**253.32**	**105.10**
Accumulated amortisation at the beginning of the year	36.18	18.25
Amortisation for the year	31.61	17.93
Accumulated amortisation at the end of the year	**67.79**	**36.18**
NET CARRYING VALUE - A	**185.53**	**68.92**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

INTANGIBLE ASSETS - (OTHER THAN GOODWILL) Contd...	As at 31.03.2023	As at 31.03.2022
Other Intangible assets - Technical knowhow		
Gross block (at deemed cost)	1,557.66	1,213.06
Additions during the year	320.96	344.60
Gross block at the end of the year	**1,878.62**	**1,557.66**
Accumulated amortisation at the beginning of the year	1,039.67	868.52
Amortisation for the year	204.94	171.15
Accumulated amortisation at the end of the year	**1,244.61**	**1,039.67**
NET CARRYING VALUE - B	**634.01**	**517.99**
NET CARRYING VALUE - A+B	**819.54**	**586.91**

FINANCIAL ASSETS
5 INVESTMENTS

Details of Investments	Currency	Per Security	Number of Securities		Amount in Lakhs	
			As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
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)
Less: Provision for diminution in the value of T D Power Systems Japan Limited (Refer Note No. 50)					(122.44)	-
Total investment in equity of subsidiaries - A					**1,655.25**	**1,777.69**
B Investments in Non-convertible Debentures carried at amortised cost - (quoted)						
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, 2023

FINANCIAL ASSETS

5 INVESTMENTS CONTD...

Details of Investments	Currency	Per Security	Number of Securities		Amount in Lakhs	
			As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
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)					**3,649.19**	**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					2,089.08	2,174.00
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					1,655.75	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.

6 LOANS

(Unsecured, considered good)

Loans to related parties	776.25	1,017.36
TOTAL	**776.25**	**1,017.36**

Details of Loans

Particulars	Rate of Interest	Period of loan	Currency	As at 31.03.2023	% of Loan	As at 31.03.2022	% of Loan
TD Power Systems USA Inc	SOFR+ 3% p.a.	24 Months	USD	776.25	100.00%	942.00	92.59%
TD Power Systems Jenerator Sanayi Anonim Sirketi	12% p.a.	36 Months	USD	-	0.00%	75.36	7.41%

Unsecured loan given to wholly owned subsidiary is to meet their operating expenses and working capital requirement.

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
7 OTHER FINANCIAL ASSETS		
(Unsecured, considered good)		
Security deposits- electricity deposit	125.19	116.79
Security deposit for Others	2.08	2.08
TOTAL	**127.27**	**118.87**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
8 OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
Capital advances*	943.27	895.45
Advance tax (net of provision)	535.25	665.63
Balance with Government authorities-GST Refund receivable	183.04	183.04
Others-VAT input credit refund receivable	6.01	6.01
Prepaid expenses	2.70	-
Gratuity - Excess of fair value of plan assets over defined benefit obligation	337.95	292.89
TOTAL	**2,008.22**	**2,043.02**

*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 ₹ 882.26 lakhs (PY ₹ 856.63 lakhs) represents ₹ 182.26 lakhs (PY ₹ 156.63 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.

	As at 31.03.2023	As at 31.03.2022
9 INVENTORIES		
Raw materials	9,245.86	8,625.67
Work in progress	7,252.60	9,646.43
Work in progress - Spares	809.63	583.63
Stock in trade	1,478.69	288.19
Goods in transit:		
Raw materials	338.26	9.01
TOTAL (Refer accounting policy No. 1.11 for valuation of inventories)	**19,125.04**	**19,152.93**
10 TRADE RECEIVABLES (unsecured)		
Trade receivables, considered good and covered under letter of credit	2,070.38	3,272.08
Trade receivable, Unsecured and considered good	23,405.70	21,236.01
Trade receivable, Unsecured and considered doubtful	636.27	633.83
Less: Expected credit loss allowance Refer Note 39(c)	636.27	633.83
TOTAL Trade receivables considered good	**25,476.08**	**24,508.09**
Trade Receivables ageing schedule		
Undisputed Trade receivables - considered good		
Not Due	21,330.89	16,645.82
Less than 6 months	2,899.31	6,853.20
6 months - 1 years	594.76	488.37
1 - 2 years	302.38	168.67
2 - 3 years	136.42	66.98
More than 3 years	212.32	285.05
Undisputed Trade Receivables - which have significant increase in credit risk		
More than 3 years	636.27	511.22
Less: Expected credit loss allowance (on receivables considered doubtful)	(636.27)	(633.83)
	25.476.08	**24,385.48**
11 CASH AND CASH EQUIVALENTS		
Balances with banks:		
In current accounts	1,710.49	1,430.28
In EEFC accounts	21.36	701.21
In deposit accounts with less than 3 months maturity	700.00	1,709.54
Cash on hand	7.57	5.32
TOTAL	**2,439.42**	**3,846.35**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

		As at 31.03.2023	As at 31.03.2022
12	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	Balance in unclaimed dividend account	2.25	2.04
	Balance with bank in respect of TDPS ESOP Trust	16.29	12.77
	Bank deposits with less than 12 months maturity	7,645.00	8,013.00
	Deposits (Under lien) with bank as Margin money towards bank guarantee	5,054.39	2,567.18
	TOTAL	**12,717.93**	**10,594.99**
13	**OTHER FINANCIAL ASSETS (Unsecured , considered good)**		
	Earnest money deposit	76.45	120.26
	Security deposit for rented premises	20.13	20.16
	Balance with Government authorities - GST Refund receivable	407.00	678.74
	Interest accrued on term deposits	353.69	62.94
	Interest accrued on Non Convertible Debentures	94.43	94.43
	Accrued Export incentive	130.50	88.13
	Unbilled revenue	4.32	2.74
	Mark to market gain on forward contracts (Refer Note No. 39B)	-	980.51
	Employee advance	38.09	14.87
	TOTAL	**1,124.61**	**2,062.78**
14	**OTHER CURRENT ASSETS (Unsecured, considered good)**		
	Advance paid to suppliers (other than capital advances)	2,987.81	3,450.82
	Balance with Government authorities - Input Tax credit	636.31	1,523.07
	Prepaid expenses	134.02	148.51
	Expenditure tax - (Relating to foreign operations)	2.73	31.78
	TOTAL	**3,760.87**	**5,154.18**
15	**EQUITY SHARE CAPITAL**		
	Authorized		
	Equity shares of ₹ 2/- each		
	Number of equity shares	17,50,000.00	17,50,000.00
	Amount of equity share capital (in INR)	3,500.00	3,500.00
	Issued, subscribed and fully paid up		
	Equity shares of ₹ 2/- each		
	Number of equity shares	15,60,426.35	15,55,174.90
	Amount of equity share capital (in INR)	3,120.85	3,110.35
	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	15,55,174.90	15,46,670.70
	Shares issued during the year	5,251.45	8,504.20
	Shares outstanding at the end of the year	**15,60,426.35**	**15,55,174.90**
	Amount of equity share capital:		
	Share capital outstanding at the beginning of the year	3,110.35	3,093.34
	Shares issued during the year	10.50	17.01
	Share capital outstanding at the end of the year	**3,120.85**	**3,110.35**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Other Information

I The Company has only one class of equity shares having par value of ₹ 10/- each (sub-divided into ₹ 2/- 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 (Refer Note 51).

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:

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

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 group Refer Note 15(1) above

	As at 31.03.2023		As at 31.03.2022		% Change
Promoter Name	**No of shares**	**%**	**No of shares**	**%**	**during the year**
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	2,51,32,165	16.11%	2,51,32,165	16.16%	-0.05%
Nikhil Kumar	2,31,93,320	14.86%	2,31,93,320	14.91%	-0.05%
Mohib N Khericha	1,91,54,800	12.28%	1,91,54,800	12.32%	-0.04%
Hitoshi Matsuo	1,61,76,270	10.37%	1,61,76,270	10.40%	-0.04%
Promoter Group					
Aarya Sankaran Kumar	2,45,530	0.16%	2,45,530	0.16%	0.00%
Chartered Capital & Investment Ltd.	56,71,260	3.63%	56,71,260	3.65%	-0.01%
Lavanya Sankaran	6,38,250	0.41%	6,38,250	0.41%	0.00%
Sagir Mohib Khericha	80,000	0.05%	-	0.00%	0.05%
Sofia Mohib Khericha	10,00,000	0.64%	10,00,000	0.64%	0.00%

VII Particulars of equity share holders holding more than 5% of the total paid up equity share capital:	As at 31.03.2023		As at 31.03.2022	
	%	**No of shares**	**%**	**No of shares**
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	16.11%	2,51,32,165	16.16%	2,51,32,165
Nikhil Kumar	14.86%	2,31,93,320	14.91%	2,31,93,320
Mohib N Khericha	12.28%	1,91,54,800	12.32%	1,91,54,800
Hitoshi Matsuo	10.37%	1,61,76,270	10.40%	1,61,76,270
Nippon Life India Trustee Limited	7.23%	1,12,75,320	8.57%	1,33,21,325

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, 2023

Amount in ₹ Lakhs

		As at 31.03.2023	As at 31.03.2022
16	**OTHER EQUITY**		
	Reserves & Surplus		
16.1	**Securities Premium**		
	As at the beginning of the year	19,201.04	19,027.49
	Add: Transfer from Share option outstanding account	95.76	173.55
	As at the end of the year - A	**19,296.80**	**19,201.04**
16.2	**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**
16.3	**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**
16.4	**Retained earnings**		
	As at the beginning of the year	26,752.60	22,169.68
	Less: Dividend (₹ 3.50 per share (Previous year: ₹ 2.50 per share))	(1,092.30)	(776.49)
	Less: Interim Dividend - ₹ 0.50 per equity share of ₹ 2 each (Previous Year: NIL)	(780.21)	-
	Add: Profit for the year as per statement of profit and loss	8,845.83	5,426.20
	Add/(less): Remeasurement of defined benefit plan for the year (net of tax)	4.33	(63.11)
	Less : Balance carrying value of shares in respect of ESOP exercised during the period transferred to Retained Earnings	0.99	(3.68)
	As at the end of the year - D	**33,731.24**	**26,752.60**
16.5	**Stock Options Outstanding Account**		
	As at the beginning of the year	**256.93**	**443.68**
	Add: Addition during the year	32.62	133.60
	Less : Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	(126.82)	(146.80)
	Less: Amount transferred to securities premium on exercise of ESAR by the employees of the Company	(95.76)	(173.55)
	As at the end of the year - E	**66.97**	**256.93**
16.6	**Shares Purchased by ESOP Trust**		
	As at the beginning of the year	**(263.55)**	**(545.38)**
	Adjustment for		
	Proceeds from ESOP exercised received	105.68	126.40
	Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	126.82	146.80
	Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	(0.99)	3.68
	Dividend received during the year on the shares held by the ESOP Trust	5.44	4.95
	As at the end of the year - F	**(26.60)**	**(263.55)**
	Other Comprehensive Income		
16.7	**Exchange difference on translation of foreign operations (Refer Note No.1.16)**		
	As at the beginning of the year	**38.30**	**83.77**
	Transferred from statement of profit and loss	(8.36)	(45.47)
	As at the end of the year - G	**29.94**	**38.30**
	Total (A+B+C+D+E+F+G)	**56,268.40**	**49,155.37**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
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	(77.56)	(14.45)
Remeasurements gain/(loss) on defined benefit plans	5.78	(84.34)
Income tax effect on above	(1.45)	21.23
Balance at the end of the year	**(73.23)**	**(77.56)**
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.		
17 PROVISIONS		
Provision for employee benefits (Refer Note No. 42)	594.46	499.39
TOTAL	**594.46**	**499.39**
18 DEFERRED TAX LIABILITY		
Deferred tax liability		
On account of depreciation on Property, plant and equipment	836.34	886.12
Deferred tax asset		
On account of timing differences in recognition of expenditure	526.47	93.90
Net deferred tax liability/(asset)	**309.87**	**792.22**

Amount in ₹ Lakhs

Movement of deferred tax liability/(asset)	Opening balance	Recognition in statement of profit and loss	Closing balance
As on 31st March 2023			
Deferred tax liability			
On account of depreciation on property, plant and equipment and amortisation of intangible assets	886.12	(49.78)	836.34
Deferred tax asset			
On account of timing differences in recognition of expenditure	93.90	432.57	526.47
Total deferred tax liability	**792.22**	**(482.35)**	**309.87**
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
Deferred tax asset			
On account of timing differences in recognition of expenditure	330.69	(236.79)	93.90
Total deferred tax liability	**627.21**	**165.01**	**792.22**

19 BORROWINGS

	As at 31.03.2023	As at 31.03.2022
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
TOTAL	**-**	**7,096.51**

Additional Information

Details of security for secured loans

	As at 31.03.2023	As at 31.03.2022
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

The loans are further collaterally secured as under:-

1. 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortagage 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 Dabaspet Industrial Area, Yedehalli Village, Bengaluru Rural District, Bengaluru.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
2. 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortagage 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. 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortagage 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. 1st 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.		
Also refer to details of equitable mortgage mentioned under borrowings from Bank of Baroda in relation to land and buildings.	-	986.75
Loan from HDFC Bank Limited is secured on all existing and future receivable/current assets of the Company excluding the current assets relating to orders from a particular customer.		
Also refer to details of equitable mortgage mentioned under borrowings from Bank of Baroda in relation to land and buildings.		
However this remains unutilised on account of non-ceding of pari-passu charge and no due certificate from Bank of Baroda.		
Interest at 8.65% p.a.(PY: 8%) is applicable on Rupee loans from Bank of Baroda which will be reviewed annually.		
Interest at 9.45% p.a. (PY: 7.25% p.a.) is applicable on Rupee loans from Kotak Mahindra Bank Limited which will be reviewed annually.		
Interest at 3M MCLR + 0.05% is applicable on Rupee loans from HDFC Bank Limited which will be reviewed annually		
20 TRADE PAYABLES		
-Total outstanding dues of micro enterprises and Small enterprises*	112.66	64.34
-Total outstanding dues of creditors other than micro enterprises and Small enterprises	12,339.58	14,613.91
TOTAL	**12,452.24**	**14,678.25**
All trade payables are non interest bearing and payable or settled within normal operating cycle of the company		
Additional Information:		
* 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	112.66	64.34
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.	7.73	61.07

Amount in ₹ Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
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	0.01	0.12
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	0.12
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.	222.58	222.57
Trade payables ageing schedule		
Outstanding dues to MSME		
Less than 1 year	112.66	64.34
Outstanding dues to Others		
Less than 1 year	12,311.17	14,504.77
1 - 2 years	-	6.00
2 - 3 years	-	0.05
More than 3 years	-	74.68
Disputed outstanding dues to Others		
2 - 3 years	-	8.41
More than 3 years	28.41	20.00
	12,452.24	**14,678.25**

21 OTHER FINANCIAL LIABILITIES

Unclaimed dividends *	2.25	2.04
Outstanding liabilities in respect of accrued expenses	6,324.57	7,662.16
Earnest money deposit	2.15	2.15
Mark to market loss on forward contracts (Refer Note No. 398)	864.79	-
Employee benefits payable	352.26	10.88
Due to Director	4.56	-
TOTAL	**7,550.58**	**7,677.23**

* Does not include any amount which are required to be credited to investor education and protection fund as at the year end.

22 OTHER CURRENT LIABILITIES

Advance received from customers	5,325.16	3,983.92
Duties and taxes payable	170.27	157.50
TOTAL	**5,495.43**	**4,141.42**

23 PROVISIONS

Provision for warranties (Refer Note No 45)	401.13	346.47
Provisions for employee benefits (Refer Note No 42)	38.41	86.03
TOTAL	**439.54**	**432.50**

24 CURRENT TAX LIABILITY

Provision for taxation (net of advance tax)*	766.36	726.13
TOTAL	**766.36**	**726.13**

*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, 2023

Amount in ₹ Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
25 REVENUE FROM OPERATIONS		
Sale of Goods		
- AC generators	56,329.27	50,245.92
- AC generator spares/components	20,490.68	17,239.49
- Project business- Domestic	516.94	257.78
- Project business- Overseas Branch	2,833.71	1,453.22
Total	**80,170.60**	**69,196.41**
Sale of services	2,437.62	1,644.90
Sale of scrap	2,299.52	1,310.76
Total	**84,907.74**	**72,152.07**
Less: Inter segmental sales	2,759.32	271.52
TOTAL	**82,148.42**	**71,880.55**
Disaggregation of revenue information		
At Point in time (product/service)	82,470.12	70,507.17
Overtime	2,437.62	1,644.90
26 OTHER INCOME		
Interest income on bank deposits	694.82	642.22
Interest income on financial assets - non convertible debentures carried at amortised cost	175.30	175.53
Interest on the loan given to subsidiaries	47.65	41.18
Profit on sale of property, plant and equipments (Net)	6.41	0.06
Foreign exchange fluctuation / MTM gain (Net of loss)	1,251.44	886.00
Income from Renting of equipments	3.25	3.80
Miscellaneous income	21.35	7.69
TOTAL	**2,200.22**	**1,756.48**
27 CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS & COMPONENTS		
Stock at the beginning of the year	8,625.67	5,579.92
Add: Purchases	55,523.53	55,626.23
Less: Stock at the end of the year	9,245.86	8,625.67
Total	**54,903.34**	**52,580.48**
Consumption of major raw materials consists of:		
Copper (wires, strips, rods, sheet etc.)	9,822.53	8,843.47
Steel / Laminations	11,924.21	14,390.20
Shaft Forgings	3,699.33	3,262.95
Stores & Spares	200.95	328.02
Others	29,256.32	25,755.84
TOTAL	**54,903.34**	**52,580.48**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
28 PURCHASES AND CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the beginning of the year	288.19	385.43
Add: Purchases for Projects Business	753.28	843.72
Less: Inventory at the end of the year	1,478.69	288.19
TOTAL	**(437.22)**	**940.96**
29 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK IN TRADE		
Inventory at the end of the year		
Work in progress - A C Generators	8,062.23	10,230.06
	8,062.23	**10,230.06**
Less: Inventory at the beginning of the year		
Work in progress - A C Generators	10,230.06	8,399.55
	10,230.06	**8,399.55**
Net (Increase) / Decrease	**2,167.83**	**(1,830.51)**
30 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	5,825.68	5,260.70
Contribution to provident and other funds	605.85	441.36
Remuneration to whole time directors including contribution to provident and other Funds (Refer Note No.43)	309.00	271.43
Share based remuneration to employees (Refer Note No. 49)	32.62	133.61
Staff welfare expenses	1,278.67	1,166.21
TOTAL	**8,051.82**	**7,273.31**
31 FINANCE COST		
Interest	64.80	149.60
Foreign exchange difference recorded as an adjustment to borrowing cost	41.57	56.10
TOTAL	**106.37**	**205.70**
32 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipment	1,727.91	1,934.62
Amortization of intangible assets	236.55	189.08
TOTAL	**1,964.46**	**2,123.70**
33 OTHER EXPENSES		
Power and fuel	848.69	828.98
Rent (Refer Note No.44)	33.91	33.55
Repairs and maintenance		
-Buildings	127.59	29.21
-Machinery	473.75	302.75
-Others	46.97	44.27
Insurance	110.90	91.36
Manufacturing expenses	268.97	222.99
Rates and taxes	115.22	12.84
Payment to the auditors (excluding GST):		
- auditor fees (including audit of consolidated financial statements)	13.00	13.00
- for Limited review of quarterly financial results including consolidated financial results	8.25	7.75

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
-for others services - Certification fees	2.45	3.36
Legal and professional charges	443.46	296.65
Royalty	6.23	18.09
Travelling and conveyance	1,153.22	796.14
Bank charges (net of reimbursement received from subsidiary ₹ 10.07 Lakhs (PY: ₹ 25.24 Lakhs)	319.67	453.09
Software expenses	291.70	239.99
Corporate Social Responsibility (Refer Note No. 48)	81.34	26.28
Directors sitting fees	30.80	17.80
Vehicle maintenance	46.81	37.97
Postage, telegrams and telephones	44.21	41.37
Printing and stationary	39.56	38.10
Provision for doubtful debts	-	-
Carriage, freight and Selling expenses	1,015.06	1,377.97
Donations	6.10	6.00
Advertisement	62.68	14.76
Subscription to technical associations, journals and magazines	9.14	9.79
TOTAL	**5,599.68**	**4,964.06**

34 EXCEPTIONAL ITEMS:

	Year ended 31.03.2023	Year ended 31.03.2022
Profit on Sale of land (Refer Note No.54)	71.63	-
Provision for diminution in the value of investment (Refer Note No.50(c))	(122.44)	-
TOTAL	**(50.81)**	**-**

35 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

	Year ended 31.03.2023	Year ended 31.03.2022
Contingent Liabilities		
Performance Guarantees	11,280.74	11,847.93
Performance Guarantees given to customers on behalf of subsidiary companies	1,374.36	1,328.18
Advance Guarantees given to customers on behalf of subsidiary companies	175.17	252.68
Indirect Tax demand disputed by the company	6.89	-
Income Tax demand disputed by the company*	1,986.03	1,986.03
Other sums for which the Company is contingently liable	5.02	2.32

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.

* During May 2021, the company has received demand from Income tax department of ₹ 1,942.67 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.

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.

Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,997.45	1,885.03

Amount in ₹ Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
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	5.78	(84.34)
Income tax on Defined benefit plans	(1.45)	21.23
Items that will be reclassified to profit or loss		
Exchange difference on translation of foreign operations	(11.17)	(60.76)
Income tax on exchange difference on translation of foreign operations	2.81	15.29
	(4.03)	**(108.58)**
37 EARNINGS PER SHARE - BASIC		
Profit for the year after tax expense	8,845.83	5,426.20
Weighted average number of equity shares (net of treasury shares) outstanding during the year (Refer Note No. 15(1)	15,53,10,730	15,38,82,710
Earnings per share (in ₹)	5.70	3.53
Face Value of Equity share (in ₹) (Refer Note No.51)	2.00	2.00
EARNINGS PER SHARE - DILUTED		
Profit for the year after tax expense	8,845.83	5,426.20
Weighted average number of equity shares (net of treasury shares) outstanding during the year (Refer Note No.15(1)	15,56,10,710	15,49,42,540
Earnings per share (in ₹)	5.68	3.50
Face Value of Equity share (in ₹) (Refer Note No.51)	2.00	2.00

38 (a) The reconcilation between current tax and amounts computed by applying the income tax rate

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Total profit/(loss) before tax (A)	11,941.55	7,379.33
Income tax rate (B)	25.17%	25.17%
Tax expense - (C) = (A) X (B)	**3,005.45**	**1,857.23**
Add - tax effect of the amounts as under:		
a) Expenses - not deductable for tax purpose	525.54	(166.62)
b) Other adjustments and rounding off	44.27	82.22
Total (D)	**569.81**	**(84.40)**
Net current tax expense (E) = (C)+(D)	**3,575.26**	**1,772.83**
Net Current Tax Expense (Rounding off to nearest thousand)	**3,575.26**	**1,772.83**
Tax expenses related to item classified under other comprehensive income	1.36	36.52
Net Current Tax Expense (Rounding off to nearest thousand)	**3,576.62**	**1,809.35**

38 (b) The reconcilation between deferred tax and amounts computed by applying the income tax rate

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Deferred tax liabilities at the beginning of the year	**792.22**	**627.21**
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	(49.78)	(71.78)
- Change in provision for employee benefit disallowed	(432.57)	236.79
Deferred tax liabilities at the end of the year	**309.87**	**792.22**
Deferred tax expenses in the statement of profit and loss	**(482.35)**	**165.01**

38(c) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit there from.

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Long term capital loss on sale of land	100.89	-

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 31.03.2023	**As at 31.03.2022**
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	1,055.25	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. 13)	-	980.51
Financial Assets at amortised cost		
Cash and cash equivalents	2,439.42	3,846.35
Bank balances other than cash and cash equivalents	12,717.93	10,594.99
Trade receivables net of ECL	25,476.08	24,508.09
Loans to subsidiaries	776.25	1,017.36
Investment in Non Convertible Debentures - Fair Value ₹ 2,089.08 Lakhs (PY ₹ 2,197,99 Lakhs)	1,993.44	1,993.44
Other financial assets	1,251.88	1,201.14
Financial liabilities at amortised cost		
Short term borrowings	-	7,096.51
Trade payables	12,452.24	14,678.25
Other financial liabilities	6,685.79	7,677.23
Financial liabilities at fair value through Profit and Loss (FVTPL):		
Mark to market loss on foreign exchange forward contacts (level 2) (Refer Note No, 21)	864.79	-

* 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 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 counterparty 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 31.03.2023	As at 31.03.2022
Total Receivable	25,476.08	24,508.09
Receivable individually in excess of 10% of the receivable	16,914.15	17,779.45
Percentage of the above receivables to the total receivables of the Company	66.39%	72.55%

Receivables in excess of 10% of individual business receivables represents receivables from five customers/group as at 31st March 2023 and five customers/group as on 31st March 2022.

	As at 31.03.2023
Customer A	21.26%
Customer B	17.71%
Customer C	16.10%
Customer D	11.33%

	As at 31.03.2022
Customer A	18.21%
Customer B	10.11%
Customer C	16.43%
Customer D	17.61%
Customer E	10.19%

Credit 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 2023 is ₹ 15,157.35 Lakhs (PY: ₹ 14,441.34 Lakhs). Out of these balances held with banks as deposits was ₹ 13,399.39 lakhs (PY: ₹ 12,289.72 lakhs). The details of bank deposits are below:

	As at 31.03.2023	As at 31.03.2022
Bank A	12,735.00	10,232.54
Bank B	500.00	1,900.00
Bank C	164.39	157.18

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 31.03.2023	As at 31.03.2022
Total Receivable	26,112.35	25,141.92
Provision for credit loss	636.27	633.83
Percentage	2.44%	2.52%

Reconciliation of loss allowance provision	As at 31.03.2023	As at 31.03.2022
Balance at the beginning of the year	633.83	749.00
Provision for credit loss allowance made during the year	2.44	-
Provision utilised during the year - (Bad debts written off)	-	115.17
Balance at the end of the year	636.27	633.83

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 ₹ 17,150.79 lakhs at the end of the year (PY - ₹ 16,434.78 lakhs). In addition the net trade receivables ₹ 25,476.08 lakhs (PY ₹ 24,508.09 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 31.03.2023	As at 31.03.2022
Trade Payables	12,452.24	14,678.25
Short Term borrowings	-	7,096.51
Other Payables:		
Employee dues	352.26	10.88
Mark to market loss on forward contracts	864.79	-
Other dues	5,468.74	7,666.35
Total	**19,138.03**	**29,451.99**

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 31.03.2023 in respect of Euro is 2,20,00,000 is (2022: Euro 1,41,00,000 and USD 26,00,000)

b) The total foreign currency exposures as at the end of the year is as under:

In Foreign Currency

Particulars	As on 31.03.2023 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets / Receivables	27.08	103.57	-	0.16
Liabilities (including advances)	12.05	20.93	98.69	-

Rupee Equivalent

Particulars	As on 31.03.2023 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets /Receivables	2,213.57	9,192.78	-	14.11
Liabilities (including advances)	953.27	1,844.86	61.48	0.02

In Foreign Currency

Particulars	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	-

Rupee Equivalent

Particulars	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	-

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 2023 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.

Amount in ₹ Lakhs

Particulars	Impact on profit or loss (before tax)			
	As on 31st March 2023		As on 31st March 2022	
	Strengthening	Weakening	Strengthening	Weakening
5% Movement in:				
USD	(63.01)	63.01	95.88	(95.88)
EURO	(367.40)	367.40	(116.91)	116.91
JPY *	3.07	(3.07)	9.70	(9.70)
Others	(0.71)	0.71	(0.45)	0.45

*Since there are no assets in terms of JPY as on 31-3-2023, the impact considered as `zero'

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 14.44% for the year ended 31st March 2023 in comparison to 11.06% for the year ended 31st March 2022.

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 positon 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.

(i) Business segment

(Amount in ₹ Lakhs)

Current Year

Sl. No.	Particulars	Primary Segment			Total
		Manufacturing	Project business	Common	
1	**Segment Revenues**				
	External Revenues	81,556.04	3,351.70	-	84,907.74
	Inter segment revenues	(2,759.32)	-	-	(2,759.32)
	Total Revenues	**78,796.72**	**3,351.70**	**-**	**82,148.42**
2	**Segment Results**				
	Profit Before Taxation, Interest and Depreciation	12,087.69	216.69	(563.85)	11,740.53
	Less: Finance cost	106.37	-	-	106.37
	Less: Depreciation and Amortization	1,958.96	2.58	2.92	1,964.46
	Total	**10,022.36**	**214.11**	**(566.77)**	**9,669.70**
3	Unallocable & Other Income				2,271.85
	Less: Tax				3,095.72
	Profit after tax				**8,845.83**

Previous Year

Sl. No.	Particulars	Primary Segment			Total
		Manufacturing	Project business	Common	
1	**Segment Revenues**				
	External Revenues	70,426.56	1,725.51	-	72,152.07
	Intersegment 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 Amortizations	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**
4	Segment Assets - Current Year	64,465.00	5,066.97	17.465.76	86,997.73
	Segment Assets - Previous Year	69,236.75	2,276.96	16,795.66	88,309.37
5	Segment Liabilities - Current Year	24,059.69	3,238.92	309.87	27.608.48
	Segment Liabilities - Previous Year	26,478.49	1,676.43	7,888.73	36,043.65
6	Capital Expenditure (Gross Block)	1,952.55	-	-	1,952.55
	Disposal (Gross Block)	(573.04	-	-	(573.04)
	Capital Expenditure (Net of disposal) - Current Year	**1,379.51**	**-**	**-**	**1,379.51**
	Capital Expenditure (Gross Block)	1,109.03	-	-	1,109.03
	Disposal (Gross Block)	(39.05)	-	-	(39.05)
	Capital Expenditure (Net of disposal) - Previous Year	**1,069.98**	**-**	**-**	**1,069.98**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

SEGMENT REPORTING (CONTD.)

(ii) Geographical Segment

(Amount in ₹ Lakhs)

Particulars	Segment revenue by geographical Market	
	Year ended 31.03.2023	Year ended 31.03.2022
Sales from India		
Domestic Sales (including Deemed Export)	43,399.87	47,558.94
Export Sales	38,674.16	23,139.91
Sales from Overseas Branch	2,833.71	1,453.22
Less: Inter-segmental sales	(2,759.32)	(271.52)
Total	**82,148.42**	**71,880.55**

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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Located in India	82,498.58	86,361.85	1,379.51	1,069.98
Located outside India	4,499.15	1,947.52	-	-
Total	**86,997.73**	**88,309.37**	**1,379.51**	**1,069.98**

(iii) Information about Major customers

The revenue from operations from customers who exceed 10% of revenue from operations are given below.

Particulars	As at 31.03.2023	As at 31.03.2022
Customer A	19.35%	17.79%
Customer B	14.77%	13.58%
Customer C	13.77%	14.40%
Customer D	12.78%	13.65%

42 Disclosure as per Ind AS 19 on 'Employee benefits

A <u>Gratuity - Funded</u>

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.

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-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
Opening balance	1,313.04	1,097.49	1,605.93	1,329.50	292.89	232.01
Included in profit or loss						
Current service cost	103.18	92.87	-	-	(103.18	(92.87)
Interest Income on planned asset	-	-	115.10	96.49	115.10	96.49
Interest cost	90.14	73.41	-	-	(90.14)	(73.41)
Total amount recognised in profit or loss	193.32	166.28	115.10	96.49	(78.22)	(69.79)
Included in OCI						
Actuarial loss (gain)	(5.78)	85.23	-	-	(5.78)	(85.23)
Return on plan assets greater/(lesser) than discount rate	-	-	-	0.90	-	0.90
Total amount recognised in other comprehensive income	(5.78)	85.23	-	0.90	5.78	(84.33)
Contributions paid by the employer	-	-	117.50	215.00	117.50	215.00
Benefits paid	87.05	35.96	87.05	35.96	-	-
Closing balance	**1,413.53**	**1,313.04**	**1,751.48**	**1,605.93**	**337.94**	**292.89**

II. Details of Plan assets

	31st March 2023	31st March 2022
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.

	31st March 2023	31st March 2022
Financial assumptions		
Discount rate	7.20%	7.10%
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:

	31st March 2023		31st March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(140.59)	165.29	(131.42)	155.46
Salary escalation rate (1% Movement)	151.72	(134.59)	146.02	(128.96)
Withdrawal rate (1% Movement)	3.01	(3.48)	1.08	(1.27)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

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 2023	**31st March 2022**
For the year ending:		
Less than 1 year	70.39	129.07
Between 1-2 years	87.53	46.40
Between 2-3 years	76.59	83.69
Between 3-4 years	71.89	74.28
Between 4-5 years	184.05	69.46
Between 5-10 years	621.05	616.68

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 - Non-funded

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-2023	**31-Mar-2022**
Opening balance	585.42	531.06
Included in profit or loss:		
Current service cost	132.25	124.09
Interest cost	37.01	36.11
Actuarial loss (gain)	6.39	(105.84)
Total amount recognised in profit or loss	**175.64**	**54.36**
Benefits paid	128.20	-
Closing balance	**632.87**	**585.42**

II. Acturial Assumptions

The following were the principal actuarial assumptions at the reporting date.

	31st March 2023	**31st March 2022**
Financial assumptions:		
Discount rate	7.20%	7.10%
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

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 (upto 27th September 2022) N Srivatsa, Company Secretary (upto 17th February 2023) Bharat Rajwani, Company Secretary (wef 18th February 2023) M N Varalakshmi, CFO	Key management personnel

DETAILS OF TRANSACTIONS

Nature of transactions	Key management personnel Year ended 31.03.2023	Key management personnel Year ended 31.03.2022
Directors Remuneration:		
Nikhil Kumar:		
Short-term employee benefits including commission of ₹ 197.38 lakhs (PY: ₹ 118.74 lakhs)	297.04	255.07
Other long term employee benefit	11.96	16.36
Dividend	278.32	116.57
Amount Outstanding at the year end	4.56	-
Remuneration to Key Managerial Personnel:		
N Srivatsa upto 17th February 2023		
Short-term employee benefits	63.78	53.56
Other long term employee benefit	3.06	3.46
Employees Share Option Cost (Refer Note 49)	3.32	13.59
Dividend	3.26	1.56
Bharat Rajmani, wef 18th February 2023		
Short-term employee benefits	2.02	-
Other long term employee benefit	0.60	-
Amount Outstanding at the year end	1.63	-
M N Varalakshmi		
Short-term employee benefits	49.08	40.07
Other long term employee benefit	3.00	2.52
Employees Share Option Cost (Refer Note 49)	1.90	7.79
Dividend	4.04	1.11
Amount Outstanding at the year end	0.10	-
Directors Sitting fees		
Mohib N Khericha	6.10	4.40
K G Prabhakar	3.00	2.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	Subsidiary Company		Companies in which director/relative of director is interested	
Nature of transactions	**Year ended 31.03.2023**	**Year ended 31.03.2022**	**Year ended 31.03.2023**	**Year ended 31.03.2022**
DF Power Systems Private Limited				
Reimbursement of expenses	0.20	-	-	-
TD Power Systems USA Inc				
Sale of Generators and Spares to subsidiary including supervision charges	4,027.54	2,601.13	-	- -
Inter-Corporate Loan repaid by subsidiary during the year	237.79	30.16	-	-
Interest on Inter-Corporate Loan charged	40.48	32.14	-	-
Reimbursement of Bank Guarantee charges	0.08	0.03	-	-
Amount receivable by Holding Company	578.58	852.49		- -
Trade Advance received by Holding Company	213.71	1,117.78	-	-
Inter-Corporate Loan balance as at the end of year	776.25	942.00	-	-
Bank Guarantee as at the end of year	32.76	64.22	-	-
Maximum amount of loan outstanding during the year	942.00	973.57	-	-
TD Power Systems Europe GMBH				
Sale of Generators and Spares to subsidiary including services	6,983.16	6,766.20	-	-
Purchase from subsidiary	355.01	319.02	-	-
Reimbursement of Bank Guarantee charges	4.30	1.35	-	- -
Amount payable by Holding company	21.05	9.71	-	-
Amount receivable by Holding Company	3,181.99	2,781.14	-	-
Trade Advance received by Holding Company	720.27	534.92	-	-
Bank Guarantee outstanding as at the end of year	1,390.34	785.71	-	-
TD Power Systems Jenerator Sanayi Anonim Sirketi				
Sale of Spares to subsidiary	297.63	807.56	-	-
Purchase from subsidiary	9.66	12.16	-	-
Amount receivable by Holding Company	750.68	389.95	-	-
Amount payable by Holding company	9.72	-	-	-
Inter-Corporate Loan repaid by subsidiary during the year	82.27	-	-	-
Interest on Inter-Corporate Loan charged	7.17	9.04	-	-
Reimbursement of Bank Guarantee charges	5.69	15.13	-	-
Bank Guarantee outstanding as at the end of year	1,004.83	1,331.62	-	
Inter-Corporate Loan balance as at the end of year	-	75.36	-	-
Maximum amount of loan outstanding during the year	75.36	75.36	-	-
TD Power Systems Japan Limited				
Provision for diminution in the value of investment	122.44	-	-	-
Ravindu Motors Private Limited				
Servicing of Vehicles	-	-	2.40	1.40
Trident Automobiles Private Limited				
Servicing of Vehicles	-	-	0.52	0.72
Purchase of Motor Vehicle	-	-	-	10.78

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 ₹ 33.91 lakhs (Previous year ₹ 33.55 lakhs).

45 Provision for warranties towards sale of goods are made on an estimated basis as actual claims cannot be determinable. During the year, the Company has made provisions towards Warranty claims, the details of the same are as under:

(Amount in ₹ Lakhs)

	As at 31.03.2023	**As at 31.03.2022**
Balance outstanding at the beginning of the year	346.47	244.11
Provision for the year	54.66	102.36
Balance outstanding at the end of the year	401.13	346.47

46 Final Dividend

On 9th May 2023, (2022: 10th May 2022) the Board of Directors of the Company have proposed a dividend of ₹ 0.50 (2022: ₹ 0.70) per share in respect of the year ended 31st March 2023 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	2022-2023	2021-2022
Capital Expenditure	-	-
Revenue Expenditure (excluding depreciation)		
- Employee benefit expenses	504.46	500.42
- Other expenses	82.90	53.61

48 Corporate Social Responsibility

(Amount in ₹ Lakhs)

	Towards	As at 31.03.2023	As at 31.03.2022
i)	Amount required to be spent by the company	64.48	28.25
ii)	Unspent amount of CSR of previous year brought forward	16.00	-
iii)	Amount of expenditure incurred (set off ₹ Nil (PY ₹ 2.06 lakhs) of excess spent in earlier year)	81.34	12.25
iv)	Shortfall at the end of the year	-	16.00
v)	Total of previous years shortfall	-	-
vi)	Reason for shortfall	Not Applicable	on-going Projects
vii	Nature of CSR activities	Educational Empowerment & School Infrastructure development. Health care & Sports Training	
viii)	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	
ix)	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 ₹ Nil (PY ₹ 16.00 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").

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 ended 31st March 2023 (PY: 31st March 2022), 1,05,029 (PY: 1,70,084) Equity Shares of face value of ₹ 10 each (now sub-diveded in to ₹ 2 each) were issued & allotted to the TDPSL Employee Welfare Trust (Trust) in respect of the exercise of 93,403 (PY: 2,26,760) ESARs by grantees. Consequently, the paid up capital of the Company as at March 31, 2023 stands at ₹ 3,120.85 Lakhs (PY: ₹ 3,110.35 Lakhs) comprising 15,60,42,635 Equity Shares of ₹ 2/-each (PY: 3,11,03,498 Equity shares of ₹ 10/- each (now subdivided in to ₹ 2/- 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 ended 31st March 2023 (PY: 31st March 2022), 1,87,961 (PY: 1,87,901) ESOPs of face value of ₹ 10 each (now sub-diveded in to ₹ 2 each) were vested and 1,57,148 (PY: 1,87,901) options were exercised at an exercise price of ₹ 67.25 against which 1,57,148 (PY: 1,87,961) Equity shares of the Company were transferred to the ESOP grantees by TDPSL Employee Welfare Trust. ₹105.68 lakhs (PY: ₹126.41 lakhs) was received from the ESOP grantees upon the Exercise of ESOPs.

The details of ESOP/ESAR as at 31.03.2023 is as under

	As at 31.03.2023		AS at 31.03.2022	
	ESOP	**ESAR**	**ESOP**	**ESAR**
Outstanding at the beginning of the year	1,87,962	1,59,268	3,75,923	3,99,216
Vested & Excercised during the year	1,57,149	1,19,600	1,87,961	2,26,760
Vested & lapsed during the year	-	6,593	-	13,188
Balance at the end of the year - Not vested	-	-	1,87,962	1,33,072
Balance at the end of the year - Vested & Not Excercised	30,813	33,075	-	26,196

50 (a) The net worth of the Indian Subsidiary Company continues to be positive owing to substantial reduction of accumulated losses. The Company is awaiting improvement in market conditions which is gradually recovering due to the receding pandemic to evaluate opportunities from time to time with required support from the parent Company. Based on an assessment of risk of claims & counter claims which the Company will have against Creditors for supply of project related equipment, as well as project cancellation, appropriate write backs have been accounted in respect of these creditors in financial year 2021-2022 amounting to ₹ 757.72 lakhs and earlier year, resulting in the Company's Net worth turning positive. Further, efforts are ongoing to recover receivables by which management is hopeful of significantly improving the Company's ability to settle claims from creditors, if any. Accordingly, the financial statements of the Indian subsidiary continue to be prepared on a going concern basis which is considered appropriate by the management of that Company.

(b) The overseas subsidiary in USA has accumulated losses exceeding its share capital and has eroded its networth as at the end of the reporting period. The Subsidiary's liabilities exceeds its total assets by ₹ 537.36 lakhs (PY: ₹ 882.84 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.

(c) Exceptional Item

TD Power Systems Japan Ltd has filed an application for dissolution subject to statutory requirements. Accordingly, a provision to the tune of carrying value of the investment amounting to ₹ 122.44 Lakhs in this subsidiary is provided in the standalone financial statements of and included under exceptional items.

51 At the Annual general Meeting (AGM) of the members of the Company held on September 27, 2022, the shareholders of the Company approved sub-division of the existing Equity Shares of the Company having face value of ₹ 10 each into 5 Equity Shares of ₹ 2 each on the date to be determined by the Board of Directors. Consequent changes to the Capital Clause of the Memorandum and Articles Of Association of the Company were also approved at the said AGM. Based on a record date set as November 1 2022, the required corporate action giving effect to the aforesaid sub division of the shares has been completed as of date. Accordingly, the Authorised & Paid up capital of the Company stands at ₹ 3,500.00 lakhs comprising of 17,50,00,000 Equity Shares of ₹ 2/- each & ₹ 3,120.85 lakhs comprising of 15,60,42,635 equity shares of ₹ 2/-each respectively. As per the requirements of IND AS 33, the Earnings per share presented for all the periods in these results is after considering the said sub-division of equity shares.

52 Ratios:

Amount in ₹ Lakhs

Sl No	Ratios	Numerator	Denominator	March 31, 2023			March 31, 2022			% Variance	Reason for Variance
				Numerator	Denominator	Value	Numerator	Denominator	Value		
1	Current Ratio	Current Assets	Current Liabilities	64,643.95	26,704.15	2.42	65,319.32	34,752.04	1.88	28.79%	
2	Debt-equity Ratio	Total Debt (Refer Note c)	Shareholder's Equity	-	59,389.25	-	7,096.51	52,265.72	0.14	-100.00%	No working capital loan utilised as at end of year
3	Debt service coverage ratio	Earnings available for debt service - (Refer Note d)	Debt Service - (Refer Note e)	10,916.66	64.80	168.47	7,755.60	149.60	51.84	224.96%	Due to lower utilisation working capital loan & higher revenue/ profitability during the current year
4	Return on equity ratio	Profit After Tax	Average Shareholder's Equity	8,845.83	55,827.49	0.16	5,426.20	49,854.18	0.11	45.58%	Due to higher revenue/ profitability during the current year
5	Inventory turnover ratio	Revenue from Operations	Average Inventory	82,148.42	19,138.99	4.29	71,880.55	16,863.70	4.26	0.70%	Due to higher revenue during the current year
6	Trade receivables turnover ratio	Revenue from Operations	Average Trade Receivable	82,148.42	24,992.09	3.29	71,880.55	21,043.06	3.42	-3.77%	Due to higher revenue during the current year
7	Trade payables turnover ratio	Purchases	Average Trade Payables	56,276.81	13,565.25	4.15	56,469.95	12,438.96	4.54	-8.62%	Due to higher revenue during the current year
8	Net capital turnover ratio	Revenue from Operations	Working Capital	82,148.42	37,939.80	2.17	71,880.55	30,567.28	2.35	-7.92%	Due to higher revenue during the current year
9	Net profit ratio	Profit After Tax	Revenue from Operations	8,845.83	82,148.42	0.11	5,426.20	71,880.55	0.08	42.64%	Due to higher revenue/ profitability during the current year
10	Return on capital employed	Refer - (Note-a)	Refer - (Note-b)	10,916.66	59,699.12	0.18	7,755.60	60,154.45	0.13	41.83%	Due to higher revenue/ profitability during the current year
11	Return on investment (Refer Note f)	Interest Income	Investment	175.30	1,993.44	0.09	175.53	1,993.44	0.09	-0.13%	

Note on Ratios:

a Includes Profit After Tax + Depreciation and Amortisation + Finance Cost

b Shareholder's Equity + Deferred Tax liabilities + Total debt (Refer Note No.20)

c Total debt includes working capital borrowing as company does not have long term debts

d Earnings available for debt service = Profit after tax + Depreciation and Amortisation + Finance Cost

e Debt Service = Finance Cost excluding foreign exchange difference recorded as an adjustment to borrowing cost

f Return on investment is computed for investment in Non-convertible Debentures - Refer Note 5(B) & 26

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

52 Additional disclosures:

(a) 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.

b) The Company does not have any charges/satisfaction which is yet to be registered with ROC beyond the statutory period.

c) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

d) The Company is not declared as a willful defaulter by any bank or financial institution or other lender or Government or Government authorities. Accordingly, no disclosures are made in this regard.

e) The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

f) The Company does not have transactions or balances with struck off companies.

g) Based on the assessment of financial ratios, aging and expected dates of realisation of financial assets and payment of financial liabilities, and other information accompanying the financial statements, the management is of the opinion that no material uncertainty exists as on the date of the balance sheet that the Company is capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.

54 Exceptional Item

During the year ended 31st March 2023, the Company sold unutilised land measuring 4 acre and 31 Guntas situated at Pemmanahalli village, Sompura Hobli, Nelamangala Taluk, Bangalore Rural District ₹ 429.75 lakhs. The net profit of ₹ 71.63 lakhs arising from the sale of said land after considering the carrying cost of land of ₹ 323.62 lakhs and the estimated cost of development of ₹ 34.50 lakhs, has been included under exceptional item. The formalities relating to execution and registration of the sale deed was completed during this quarter.

55 Recent amendments to Standards:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April1,2023. The Company has evaluated amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated amendment and and there no impact of the amendment on the standalone financial statements.

Ind AS 12 - Income Taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendments are not expected to have a material impact on the Company.

56 Prior period comparatives

Prior year amounts have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

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: Bangalore

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

Date: 9th May 2023

As per our report of even date attached
For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

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 accompanying 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, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity, and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations give 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, 2023, of 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 in India in terms of code of ethics issued by ICAI and the relevant provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these 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 51 (a) and 51(b) in the consolidated financial statements, which describes the basis on which the going concern assumption in the preparation of financial statements of two subsidiaries is considered appropriate. The Independent auditors of the subsidiary mentioned in note no.51 (a) in the consolidated financial statements, has expressed material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern, however according to the information and explanations given to us by the Management, the financial information of the subsidiaries mentioned above are not material to the group.

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 customer's. These assessments include, in particular, the scope of deliveries and services required to fulfil 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 acknowledgement 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.

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.

Responsibilities of Management and Those Charged with Governance 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 there after. 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the 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 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. 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/

INDEPENDENT AUDITORS' REPORT ON (CONTD.)

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 Japan Branch included in the standalone financial statements of the Company whose financial statements reflect total assets of INR 4,499.15lakhs as at March 31, 2023 and total revenues of INR 2,840.79 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.

ii. 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 843.53 lakhs as at March 2023, total revenue of INR 4.04 Lakhs and net profit after tax of INR 55.62 Lakhs and net cash outflows of INR (4.87) Lakhs for the year ended March 31, 2023 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.

iii. 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 10,426.84 lakhs as at March 31, 2023, total revenue of INR 16,846.87 Lakhs, net profit after tax of INR 630.17 Lakhs and net cash inflow of INR 304.50 Lakhs for the year ended March 31, 2023. 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.

Our opinion is not modified in respect of the above matters.

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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended from time to times.
   e. On the basis of the written representations received from the directors of the holding company as on 31st March, 2023 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, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate report in **'Annexure A'** which is based on the auditors' reports of the Company and its subsidiary company incorporated in India.
   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 43(a) 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. 43(b) of the consolidated financial statements;

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. 43(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.43(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. 43(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 subclause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

v.

(a) During the year, the final dividend proposed, declared and paid by the Company relating to FY 2021-22 is in accordance with Section 123 of the Act, as applicable.

(b) The Board of directors of the Company has declared and paid interim dividend of ₹ 780.21 Lakhs during the financial year 2022-23 is in accordance with Section 123 of the Act, as applicable.

(c) As stated in Note 46 to the consolidated financial statements the Board of Directors of the Company have proposed final dividend for the financial year 2022-23 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.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiary, incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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 subsidiary 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	Corporate Identification Number (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

ABRAHAM BABY CHERIAN
Partner
M. No. 218851
ICAI UDIN : 23218851BGXHBR3686

Place: Bangalore
Date : 9th May 2023

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 WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS 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 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements 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 with reference to consolidated financial statements of the Company and its subsidiary companies, which are companies incorporated in India, 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 with reference to consolidated financial statements. 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that;

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT CONTINUED...

statements 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 and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria established for internal control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

ABRAHAM BABY CHERIAN
Partner
M. No. 218851
ICAI UDIN : 23218851BGXHBR3686

Place : Bangalore
Date : 10th May 2023

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

Amount in ₹ Lakhs

	Note No.	As at 31.03.2023		As at 31.03.2022	
I. ASSETS					
Non - current assets					
Property, plant and equipment	2	15,510.47		16,048.34	
Capital work in progress	3	23.50		63.47	
Intangible assets other than Goodwill	4	819.54		586.91	
Financial assets					
Investments	5	1,993.94		1,993.94	
Other financial assets	6	127.27		118.87	
Other non-current assets	7	2,008.62	20,483.34	2,043.02	20,854.55
Current assets					
Inventories	8	19,855.67		20,914.66	
Financial assets					
Trade receivables	9	26,907.53		24,108.76	
Cash and cash equivalents	10	4,208.65		5,539.34	
Bank balances other than cash and cash equivalents	11	12,717.93		10,594.99	
Other financial assets	12	1,879.89		2,810.57	
Other current assets	13	4,268.23	69.837.90	5,846.59	69,814.91
TOTAL			**90,321.24**		**90,669.46**
II. EQUITY AND LIABILITIES					
Equity:					
Equity Share Capital	14	3,120.85		3,110.35	
Other Equity	15	57,331.12	60,451.97	49,606.08	52,716.43
Non - current liabilities					
Provisions	16	594.46		499.39	
Deferred tax liabilities (Net)	17	309.87	904.33	792.22	1,291.61
Current Liabilities					
Financial Liabilities:					
Borrowings	18			7,096.51	
Trade payables					
- total outstanding dues of micro enterprises and Small enterprises	19	112.66		64.34	
- total outstanding dues of creditors other than micro enterprises and Small enterprises		13,014.88		15,068.12	
Other financial liabilities	20	8,514.22		8,188.93	
Other current liabilities	21	5,888.74		4,914.05	
Provisions	22	453.48		463.35	
Current tax liabilities - Net	23	980.96	28,964.94	866.12	36,661.42
TOTAL			**90,321.24**		**90,669.46**

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: Bangalore

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

Date: 9th May 2023

This is the consolidated balance sheet referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

	Note No.	Year ended 31.03.2023		Year ended 31.03.2022	
I Revenue from operations	24		87,229.70		79,742.46
II Other income	25		1,975.47		1,671.42
III TOTAL INCOME (I + II)			**89,205.17**		**81,413.88**
IV Expenses					
Cost of materials consumed	26	56,275.02		55,200.11	
Purchases for Project Business	27	(437.22)		940.96	
Changes in inventories of finished goods, work in progress and stock in trade	28	3,198.93	59,036.73	847.22	56,988.29
Employee benefits expense	29		9,056.29		8,056.97
Finance costs	30		106.37		205.70
Depreciation and amortization expense	31		2,070.48		2,203.96
Other expenses	32		6,115.07		5,509.17
TOTAL EXPENSES			**76,384.94**		**72,964.09**
V Profit before exceptional items and tax (III-IV)			**12,820.23**		**8,449.79**
VI Exceptional items	33		134.41		757.72
VII Profit before tax (V+VI)			**12,954.64**		**9,207.51**
VIII Tax expense (Refer Note No. 37(a) & (b))					
Current tax		3,755.76		1,992.88	
Deferred tax		(482.35)	3,273.41	165.01	2,157.89
IX Profit for the year (VII-VIII)			**9,681.23**		**7,049.62**
X Other comprehensive income	34				
Items that will not be reclassified to profit or loss					
Remeasurement of Defined Benefit Plans		5.78		(84.34)	
Income tax on Defined Benefit Plans (Refer Note No. 37(a)		(1.45)	4.33	21.23	(63.11)
Items that will be reclassified to profit or loss					
Exchange difference on translation of foreign operations		(234.56)		(858.48)	
Income tax on exchange difference on translation of foreign operations		2.81	(231.75)	15.29	(843.19)
Total			**(227.42)**		**(906.30)**
XI Total comprehensive income (IX+X)			**9,453.81**		**6,143.32**
Earnings per equity share of ₹ 2/- each (Refer Note No. 50):					
Basic (in ₹)			6.23		4.58
Diluted (in ₹)	35		6.22		4.55

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: Bangalore

Date: 9th May 2023

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

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

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

Particulars	Equity Share Capital (Equity Shares of ₹ 2 each issued, subscribed and fully paidup)	Other Equity								Total other equity attributable to equity share holders of the company
		Reserves and surplus								
		Securities Premium	Retained earnings	General reserve	Capital Redemption Reserve	Capital Reserve	Stock option Outstanding Account	Shares Purchased by ESOP Trust	Exchange difference on translation of foreign operations	
As at 1st April 2022	**3,110.35**	**17,632.79**	**28,752.30**	**3,369.92**	**230.42**	**718.29**	**256.93**	**(263.55)**	**(1,091.02)**	**49,606.08**
Shares issued during the year to ESOP trust	10.50	-	-	-	-	-	-	-	-	-
Profit for the year 1st April 2022 to 31st March 2023	-	-	9,681.23	-	-	-	-	-	-	9,681.23
Remeasurement of defined benefit plans for the year (net of tax)	-	-	4.33	-	-	-	-	-	-	4.33
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(231.75)	(231.75)
Transfer from Share option outstanding to Securities premium on exercise of ESAR	-	95.76	-	-	-	-	(95.76)	-	-	-
Transfer from Share option outstanding to general reserve	-	-	-	-	-	-	-	-	-	-
Transfer to Stock Options Outstanding account during the year (Refer Note No. 48)	-	-	-	-	-	-	32.62	-	-	32.62
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	-	(126.82)	126.82	-	-
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	-	105.68	-	105.68
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	-	5.44	-	5.44
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	0.99	-	-	-	-	(0.99)	-	-
Interim Dividend	-	-	(780.21)	-	-	-	-	-	-	(780.21))
Dividend for the year (Refer Note No. 46)	-	-	(1,092.30)	-	-	-	-	-	-	(1,092.30)
As at 31st March 2023	**3,120.85**	**17,728.55**	**36,566.34**	**3,369.92**	**230.42**	**718.29**	**66.97**	**(26.60)**	**(1,322.77)**	**57,331.12**
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 1st April 2021 to 31st March 2022	-	-	7,049.62	-	-	-	-	-	-	7,049.62
Remeasurement of defined benefit plans for the year (net of tax)	-	-	(63.11)	-	-	-	-	-	-	(63.11)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(843.19)	(843.19)
Transfer from Share option outstanding to Securities premium on exercise of ESAR	-	173.55	-	-	-	-	(173.55)	-	-	-
Transfer to Stock Options Outstanding account during the year (Refer Note No. 48)	-	-	-	-	-	-	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. 46)	-	-	(776.49)	-	-	-	-	-	-	(776.49)
As at 31st March 2022	**3,110.35**	**17,632.79**	**28,752.30**	**3,369.92**	**230.42**	**718.29**	**256.93**	**(263.55)**	**(1,091.02)**	**49,606.08**

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 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

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

M N Varalakshmi
Chief Financial Officer
Place: Bangalore

Date: 9th May 2023

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

		Year ended 31.03.2023		Year ended 31.03.2022	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax		12,954.64		9,207.51
	Adjustments for				
	Depreciation	1,833.93		2,014.88	
	Amortisation	236.55		189.08	
	(Profit) / Loss on disposal of Property, Plant and Equipments	(78.04)		(0.06)	
	Unbilled Revenue	(1.58)		26.68	
	Interest income on bank deposits	(698.86)		(642.28)	
	Interest income on financial assets (Non-convertible debentures carried at amortised cost)	(80.87)		(81.10)	
	Interest income accrued on financial assets (Non-convertible debentures carried at amortised cost)	(94.43)		(94.43)	
	Finance cost (including foreign exchange difference recorded as adjustment to borrowing cost)	106.37		205.70	
	Compensation expenses under Employee Stock Option / Application Rights Scheme	32.62		133.61	
	Unrealised Foreign Exchange Loss /(gain) (net)	444.47		(1,012.85)	
	Creditors written back included in exceptional item (Refer Note No.47(a))	(62.78)		(757.72)	
	Profit on Sale of land included in exceptional item (Refer Note No. 47(b))	(71.63)		-	
	Provision for Warranty Claims	37.75		78.25	
	Provision for Leave Encashment	176.04	1,779.54	54.71	114.47
	Operating profit before Working Capital Changes		**14,734.18**		**9,321.98**
	Adjustments for				
	Decrease/(Increase) in trade receivables	(2,614.35)		(7,887.76)	
	Decrease/(Increase) in Other Receivables	(214.32)		(1,203.19)	
	Decrease/(Increase) in inventories	1,058.99		(2,036.56)	
	(Decrease)/Increase in Trade Payables	(1,944.60)		4,327.99	
	(Decrease)/Increase in other payable & Provisions	1,407.62	(2,306.66)	278.92	(6,520.60)
	Cash generated from operations		**12,427.52**		**2,801.38**
	Direct Taxes Paid including TDS receivable		(3,571.27)		(1,710.65)
	Net Cash from/(used in) Operating Activities		**8,856.25**		**1,090.73**
B	**Cash flow from investing activities**				
	Payment for property, plant and equipments (net of transfer of CWIP to Property, plant and equipment)	(1,598.76)		(1,121.25)	
	Payment for intangible assets	(469.18)		(376.70)	
	Proceeds from disposal of freehold land	429.75		-	
	Proceeds from disposal of property, plant an equipments	25.45		14.87	
	Interest received on bank deposits	572.55		959.01	
	Net Cash from/(used in) investing activities		**(1,040.19)**		**(524.07)**

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

Amount in ₹ Lakhs

	Year ended 31.03.2023		Year ended 31.03.2022	
C. Cash flow from financing activities				
Proceeds from (Repayment of) Working Capital borrowings (net)	(7,096.51)		1,865.84	
Proceeds from ESOP exercised received	105.68		126.40	
Proceeds from issue of shares to ESOP Trust	10.50		17.01	
Interest paid	(64.80)		(149.60)	
Dividend Received by ESOP Trust	5.44		4.95	
Dividend Paid	(1,872.51)		(776.49)	
Net Cash from/(used in) financing activities		**(8,912.20)**		**1,088.11**
Net Foreign exchange difference on translation of foreign operations		(234.56)		(858.48)
Net increase/(decrease) in cash and cash equivalents		**(1,330.70)**		**796.29**
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		0.01		(1.85)
Cash and cash equivalents at the beginning of the year		5,539.34		4,744.90
Cash and cash equivalents at the end of the year		**4,208.65**		**5,539.34**
Cash and cash equivalents at the end of the year- constitute				
Balances with banks				
In current accounts		3,376.28		3,123.27
In EEFC account		21.36		701.21
In deposit accounts with less than 3 months maturity		803.44		1,709.54
Cash on hand		7.57		5.32
		4,208.65		5,539.34

Notes: Cashflows are reported using the indirect method. Cash and cash equivalents is after adjusting translation gain/loss.

Expenditure towards CSR activities: ₹ 81.34 lakhs (PY: ₹ 26.28 lakhs)

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: Bangalore

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

Date: 9th May 2023

This is the consolidated cash flow statement referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2023

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, 2023 were approved by the Board of Directors and authorised for issue on May 9, 2023.

The company's subscription to the Share Capital of its Wholly Owned Subsidiaries included in investment under non-current assets as at 31st March 2023 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 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.

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 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
- 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.

1.5 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.

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 directly attributable expenses relating to the acquisition and bringing the asset to the location and condition of use net of any sale proceeds 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 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 losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non-Financial Assets

Property, plant and equipments 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.

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.

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 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 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 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 foreing 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.

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 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 retro-spectively 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 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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%

*Financial statements of this subsidiary has been prepared on realisable basis as the company is in the process of dissolution/liquidation

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2: PROPERTY, PLANT AND EQUIPMENTS

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2022	Additions	Disposal	As at 31.03.2023	As at 01.04.2022	For the year	Disposal	As at 31.03.2023	As at 31.03.2023
Free Hold Land (Refer note 47b)	1,950.92	-	323.62	1,627.30	-	-	-	-	1,627.30
Buildings	11,178.98	143.16	-	11,322.14	3,691.91	322.65	-	4,014.56	7,307.58
Plant and Machinery	23,604.23	1,313.40	201.89	24,715.74	17,820.66	1,249.95	185.24	18,885.37	5,830.37
Office Equipments	432.89	38.48	1.84	469.53	294.73	35.10	1.74	328.09	141.44
Furniture and Fixtures	388.27	31.10	-	419.37	324.39	34.31	-	358.70	60.67
Computers	862.33	87.66	3.69	946.30	641.26	112.28	3.50	750.04	196.26
Communication Equipments	22.16	0.14	-	22.30	21.49	0.01	-	21.50	0.80
Motor Vehicles	558.17	24.79	42.00	540.96	272.40	42.49	39.90	274.99	265.97
TOTAL - A	38,997.95	1,638.73	573.04	40,063.64	23,066.84	1,796.79	230.38	24,633.25	15,430.39

PROPERTY, PLANT AND EQUIPMENTS - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2022	Additions	Disposal	As at 31.03.2023	As at 01.04.2022	For the year	Disposal	As at 31.03.2023	As at 31.03.2023
Plant and Machinery	1,600.92	-	-	1,600.92	1,483.69	37.15	-	1,520.84	80.08
TOTAL - B	**1,600.92**	**-**	**-**	**1,600.92**	**1,483.69**	**37.15**	**-**	**1,520.84**	**80.08**
TOTAL - C=A+B	**40,598.87**	**1,638.73**	**573.04**	**41,664.56**	**24,550.53**	**1,833.93**	**230.38**	**26,154.08**	**15,510.47**

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	22,775.19	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**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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**

Note:

The borrowings and non fund based facilities from Bank of Baroda & Kotak Mahindra Bank are secured by way of:

1. 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 Dabaspet Industrial Area, Yedehalli Village, Bengaluru Rural District, Bengaluru.
2. 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 Dabaspet, Bangalore.
3. 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 Yedehalli Village, Dabaspet Bangalore Rural District, Bangalore measuring 12.55 acres.
4. 1st Pari passu hypothecation charge with Kotak Mahindra Bank on entire plant and machinery of the company.

   Also, the borrowings and non fund based facilities from HDFC Bank are secured on above securities. This remains unutilised on account of non-ceding of pari-passu charge and no due certificate from Bank of Baroda
5. The Company does not hold any Benami Property which is either recorded or not recorded in the books of account and there are no proceedings initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act,1988 and rules made thereunder. Accordingly, no disclosure made in this regard.

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
3 CAPITAL WORK-IN-PROGRESS		
Plant and Machinery	23.50	63.47
TOTAL	**23.50**	**63.47**
Capital work-in-progress ageing schedule		
Projects in progress - Less than 1 year		
Plant and Machinery	23.50	63.47
	23.50	**63.47**
4 INTANGIBLE ASSETS - (OTHER THAN GOODWILL)		
Softwares		
Gross Block (At Deemed Cost)	105.10	73.00
Additions during the year	148.22	32.10
Gross Block at the end of the year	**253.32**	**105.10**
Accumulated amortisation at the beginning of the year	36.18	18.25
Amortisation for the year	31.61	17.93
Accumulated amortisation at the end of the year	**67.79**	**36.18**
NET CARRYING VALUE - A	**185.53**	**68.92**
Other Intangible assets - Technical Knowhow		
Gross Block (At Deemed Cost)	1,557.66	1,213.06
Additions during the year	320.96	344.60
Gross Block at the end of the year	1,878.62	1,557.66
Accumulated amortisation at the beginning of the year	1,039.67	868.52
Amortisation for the year	204.94	171.15
Accumulated amortisation at the end of the year	**1,244.61**	**1,039.67**
Net Carrying Value - B	**634.01**	**517.99**
Net Carrying Value - A+B	**819.54**	**586.91**

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022

FINANCIAL ASSETS

5 INVESTMENT

	Details of Investments	Number of Securities		Amount in ₹ Lakhs	
		As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
	Non current investments				
A	**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**

	As at 31.03.2023	As at 31.03.2022
Additional Information		
Aggregate Carrying value of quoted Non-convertible debentures	1,993.44	1,993.44
Market value of quoted Non Convertible Debentures	2,089.08	2,174.00
Aggregate carrying value of unquoted shares	0.50	0.50

6 OTHER FINANCIAL ASSETS

	As at 31.03.2023	As at 31.03.2022
(Unsecured, considered good)		
Security deposits - electricity deposit	125.19	116.79
Security deposit others	2.08	2.08
TOTAL	**127.27**	**118.87**

7 OTHER NON CURRENT ASSETS

	As at 31.03.2023	As at 31.03.2022
(Unsecured, Considered good)		
Capital advances	943.27	895.45
Advance tax (net of provisions)	535.65	665.63
Balance with government authorities - GST Refund receivable	183.04	183.04
Others - VAT input credit refund receivable	6.01	6.01
Prepaid expenses	2.70	-
Gratuity- Excess of fair value of plan assets over defined benefit obligation	337.95	292.89
TOTAL	**2,008.62**	**2,043.02**

* 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 ₹ 882.26 lakhs (PY ₹ 856.63 lakhs) represents ₹ 182.26 lakhs (PY ₹ 156.63 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

		As at 31.03.2023	As at 31.03.2022
8	**INVENTORIES**		
	Raw materials	9,246.48	8,680.81
	Work in progress	7,676.05	9,731.89
	Work in progress - Spares	809.63	583.63
	Finished goods with subsidiary Companies	306.58	1,621.13
	Stock in trade	1,478.69	288.19
	Goods in transit:		
	Raw materials	338.26	9.01
	(Refer accounting policy No. 1.12 for valuation of inventories)		
	TOTAL	**19,855.67**	**20,914.66**
9	**TRADE RECEIVABLES**		
	Trade receivables, considered good and covered under letter of credit	2,070.38	3,272.08
	Trade receivables, Unsecured and considered good	24,837.15	20,836.68
	Trade receivables, Unsecured and considered doubtful	636.27	633.83
	Less: Expected credit loss allowance (Refer Note 38(c))	636.27	633.83
	Trade receivables considered good	**26,907.53**	**24,108.76**
	Trade Receivables ageing schedule:		
	Undisputed Trade receivables - considered good		
	Not due	21,928.69	17,290.86
	Less than 6 months	3,582.72	5,666.97
	6 months - 1 years	594.76	488.37
	1 - 2 years	302.38	168.67
	2 - 3 years	136.42	66.98
	More than 3 years	212.32	285.05
	Undisputed Trade Receivables - which have significant increase in credit risk		
	More than 3 years	636.27	511.22
	Less: Expected credit loss allowance (on receivables considered doubtful)	(636.27)	(511.22)
	Disputed Trade receivables		
	2 - 3 years	150.24	141.86
		26,907.53	**24,108.76**
10	**CASH AND CASH EQUIVALENTS**		
	Balances with banks:		
	In current accounts	3,376.28	3,123.27
	In EEFC account	21.36	701.21
	In deposit accounts with less than 3 months maturity	803.44	1,709.54
	Cash on hand	7.57	5.32
	TOTAL	**4,208.65**	**5,539.34**
11	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	Balance in unclaimed dividend account	2.25	2.04
	Balance with bank in respect of TDPS ESOP Trust	16.29	12.77
	Bank deposits with less than 12 months maturity	7,645.00	8,013.00
	Deposits (Under lien) with bank as Margin money towards bank guarantee	5,054.39	2,567.18
	TOTAL	**12,717.93**	**10,594.99**
12	**OTHER FINANCIAL ASSETS**		
	(Unsecured, Considered good)		
	Security Earnest money deposit	76.45	120.26
	Balance with government authorities - GST Refund receivable *	1,145.50	1,419.94
	Interest accrued on term deposits	353.69	62.94
	Security deposit for rented premises	36.91	26.05
	Interest accrued on Non Convertible Debentures	94.43	94.43
	Accrued Export incentives	130.50	88.13
	Unbilled Revenue	4.32	2.74
	Mark to market gain on forward contracts (Refer Note No.38B)	-	980.51
	Employee Advance	38.09	15.57
	TOTAL	**1,879.89**	**2,810.57**

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
13 OTHER CURRENT ASSETS (Unsecured, considered good)		
Advance paid to suppliers (other than capital advances)	3,068.17	3,461.18
Balance with Government authorities - Input tax credit	1,040.27	2,193.20
Prepaid Expenses	140.55	154.07
Expenditure tax - (Relating to foreign operations)	2.73	31.78
Others	16.51	6.36
TOTAL	**4,268.23**	**5,846.59**

*The Indian Subsidiary has accumulated Service tax and GST credit of ₹ 738.50 lakhs (PY: ₹ 741.20 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.

	As at 31.03.2023	As at 31.03.2022
14 EQUITY SHARE CAPITAL		
Authorized Capital		
Equity shares of ₹ 2/- each		
Number of Equity Shares	17,50,00,000	17,50,00,000
Amount of Equity Share Capital (in ₹)	3,500.00	3,500.00
Issued, subscribed and fully paid up capital		
Equity shares of ₹ 2/- each		
Number of Equity Shares	15,60,42,635	15,55,17,490
Amount of Equity Share Capital (in ₹)	3,120.85	3,110.35
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	15,55,17,490	15,46,67,070
Shares issued during the year	5,25,145	8,50,420
Shares outstanding at the end of the year	**15,60,42,365**	**15,55,17,490**
Amount of Equity Share Capital		
Share capital outstanding at the beginning of the year	3,110.35	3,093.34
Shares issued during the year	10.50	17.01
Share capital outstanding at the end of the year	**3,120.85**	**3,110.35**

Other Information:

I The Company has only one class of equity shares having par value of ₹ 10/- each (sub-divided into ₹ 2/- 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 (Refer Note 50).

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 group - Refer Note 14(1) above

Promoter Name	As at 31.03.2023		As at 31.03.2022		% Change during the year
	No of shares	%	No of shares	%	
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	2,51,32,165	16.11%	2,51,32,165	16.16%	-0.05%
Nikhil Kumar	2,31,93,320	14.86%	2,31,93,320	14.91%	-0.05%
Mohib N Khericha	1,91,54,800	12.28%	1,91,54,800	12.32%	-0.04%
Hitoshi Matsuo	1,61,76,270	10.37%	1,61,76,270	10.40%	-0.04%
Promoter Group:					
Aarya Sankaran Kumar	2,45,530	0.16%	2,45,530	0.16%	0.00%
Chartered Capital & Investment Ltd.	56,71,260	3.63%	56,71,260	3.65%	-0.01%
Lavanya Sankaran	6,38,250	0.41%	6,38,250	0.41%	0.00%
Sagir Mohib Khericha	80,000	0.05%	-	0.00%	0.05%
Sofia Mohib Khericha	10,00,000	0.64%	10,00,000	0.64%	0.00%

	VII Particulars of equity share holders holding more than 5% of the total paid up equity share capital:	As at 31.03.2023		As at 31.03.2022	
		%	No of shares	%	No of shares
a.	Saphire Finman Services LLP (Saphire Finman Services Private Limited)	16.11%	2,51,32,165	16.16%	2,51,32,165
b.	Nikhil Kumar	14.86%	2,31,93,320	14.91%	2,31,93,320
c.	Mohib N Khericha	12.28%	1,91,54,800	12.32%	1,91,54,800
d.	Hitoshi Matsuo	10.37%	1,61,76,270	10.40%	1,61,76,270
e.	Nippon Life India Trustee Limited	7.23%	1,12,75,320	8.57%	1,33,21,325

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.

15 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	17,632.79	17,459.24
Add: Transfer from share option outstanding account	95.76	173.55
As at the end of the year - B	**17,728.55**	**17,632.79**
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 31.03.2023	As at 31.03.2022
Retained earnings		
As at the beginning of the year	28,752.30	22,545.96
Less: Dividend (₹ 3.50 per share (Previous year: ₹ 2.50 per share))	(1,092.30)	(776.49)
Less: Interim Dividend - ₹ 0.50 per equity share of ₹ 2 each (Previous Year NIL)	(780.21)	-
Add: profit for the year as per statement of profit and loss	9,681.23	7,049.62
Add/(less): Remeasurement of defined benefit plan for the year (net of tax)	4.33	(63.11)
Less: Balance carrying value of shares in respect of ESOP exercised during the period transferred to Retained Earnings	0.99	(3.68)
As at the end of the year - E	**36,566.34**	**28,752.30**
Stock Options Outstanding Account		
As at the beginning of the year	256.93	443.68
Add: Addition during the year	32.62	133.60
Less: Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	(126.82)	(146.80)
Less: Amount transferred to securities premium on exercise of ESAR by the employees of the Company	(95.76)	(173.55)
As at the end of the year - F	**66.97**	**256.93**
Shares Purchased by ESOP Trust		
Adjustment for:		
As at the beginning of the year	(263.55)	(545.38)
Equity Shares of ₹ 10 each purchased during the year	-	126.40
Proceeds from ESOP exercised received	105.68	-
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	126.82	146.80
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	(0.99)	3.68
Dividend received during the year on the shares held by the ESOP Trust	5.44	4.95
As at the end of the year - G	**(26.60)**	**(263.55)**
Other Comprehensive Income		
Exchange difference on translation of foreign operations		
As at the beginning of the year	(1,091.02)	(247.83)
Add: Transferred from statement of profit and loss	(231.75)	(843.19)
As at the end of the year - H	**(1,322.77)**	**(1,091.02)**
Total (A+B+C+D+E+F+G+H)	**57,331.12**	**49,606.08**

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 31.03.2023	As at 31.03.2022
As at the beginning of the year	(168.46)	(105.35)
Remeasurements gain/(loss) on defined benefit plans	5.78	(84.34)
Income tax effect on above	(1.45)	21.23
Balance at the end of the year	**(164.13)**	**(168.46)**

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
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.	-	-
16 PROVISIONS		
Provision for employee benefits (Refer Note No. 40)	594.46	499.39
TOTAL	**594.46**	**499.39**
*Represents provisions (net of tax paid) held for earlier years pending completion of assessments / appellate proceedings.		
17 DEFERRED TAX LIABILITY		
Deferred tax liability		
On account of depreciation on Property, plant and equipment	836.34	886.12
Deferred tax asset		
On account of timing differences in recognition of expenditure	526.47	93.90
Net Deferred tax liability/(asset)	**309.87**	**792.22**

Movement of Deferred tax liability/(asset)

Particulars	Opening Balance	Recognition in statement of profit and loss	Closing Balance
As on 31st March 2023:			
Deferred tax liability			
On account of depreciation on property, plant and equipment and amortisation of intangible assets	886.12	(49.78)	836.34
Deferred tax asset			
On account of timing differences in recognition of expenditure	93.90	432.57	526.47
Total deferred tax liability	**792.22**	**(482.35)**	**309.87**
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
Deferred tax asset			
On account of timing differences in recognition of expenditure	330.69	(236.79)	93.90
Total Deferred tax liability	**627.21**	**165.01**	**792.22**

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
18 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
TOTAL	**-**	**7,096.51**
Additional Information:		
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

The loans are further collaterally secured as under: -

1. 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortagage 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 Dabaspet Industrial Area, Yedehalli Village, Bengaluru Rural District, Bengaluru.
2. 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortagage 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. 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortagage 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. 1st 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

Also refer to details of equitable mortagage mentioned under borrowings from Bank of Baroda in relation to land and buildings

Loan from HDFC Bank Limited is secured on all existing and future receivable/current assets of the Company excluding the current assets relating to orders from a particular customer.

Also refer to details of equitable mortagage mentioned under borrowings from Bank of Baroda in relation to land and buildings.

However this remains unutilised on account of non-ceding of pari-passu charge and no due certificate from Bank of Baroda.

Interest at 8.65% p.a. (PY: 8% p.a.) is applicable on Rupee loans from Bank of Baroda which will be reviewed annually.

Interest at 9.45% p.a. (PY: 7.25% p.a.) is applicable on Rupee Loans from Kotak Mahindra Bank Limited which will be reviewed annually.

Interest at 3M MCLR +0.05% is applicable on Rupee Loans from HDFC Bank Limited which will be reviewed annually..

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
19 TRADE PAYABLES		
total outstanding dues of micro enterprises and Small enterprises*	112.66	64.34
total outstanding dues of creditors other than micro enterprises and Small enterprises	13,014.88	15,068.12
TOTAL	**13,127.54**	**15,132.46**
All trade payables are non interest bearing and payable or settled within normal operating cycle of the company		
Additional Information:		
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	112.66	64.34
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.	7.73	61.07
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.	0.01	0.12
5. The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.01	0.12
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.	222.58	222.57
*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	112.66	64.34
Outstanding dues to Others		
Less than 1 year	12,844.18	14,782.45
1 - 2 years	142.29	142.34
2 - 3 years	-	0.05
More than 3 years	-	114.87
Disputed outstanding dues to Others		
2 - 3 years	-	8.41
More than 3 years	28.41	20.00
	13,127.54	**15,132.46**
20 OTHER FINANCIAL LIABILITIES		
Unclaimed dividends *	2.25	2.04
Outstanding liabilities in respect of accrued expenses	7,288.21	8,173.86
Earnest Money Deposit	2.15	2.15
Mark to market loss on forward contracts (Refer Note No.38B)	864.79	-
Employee benefits payable	352.26	10.88
Due to Director	4.56	-
TOTAL	**8,514.22**	**8,188.93**

* Does not include any amount which are required to be credited to investor education and protection fund as at the year end.

Amount in ₹ Lakhs

	As at 31.03.2023	As at 31.03.2022
21 OTHER CURRENT LIABILITIES		
Advance received from customers	5,696.96	4,746.83
Duties and taxes payable	191.78	167.22
TOTAL	**5,888.74**	**4,914.05**
22 PROVISIONS		
Provision for warranties (Refer Note No 44)	414.06	376.31
Provision for employee benefits (Refer Note No 40)	39.42	87.04
TOTAL	**453.48**	**463.35**
23 CURRENT TAX LIABILITIES (NET)		
Provision for taxation (net of advance tax)*	980.96	866.12
TOTAL	**980.96**	**866.12**

* Represents provisions (net of tax paid) held for earlier years pending completion of assessments/ appellate proceedings.

	Year ended 31.03.2023	Year ended 31.03.2022
24 REVENUE FROM OPERATIONS		
Sale of Goods		
- AC generators	56,329.27	50,245.92
- AC generator spares / components	20,490.68	17,239.49
- Project business Domestic	516.94	257.78
- Project business Overseas Branch	2,833.71	1,453.22
- From Subsidiary offices	16,754.28	18,368.01
Total	**96,924.88**	**87,564.42**
Sale of services	2,437.62	1,644.90
Sale of scrap	2,299.52	1,310.76
Total	**1,01,662.02**	**90,520.08**
Intersegmental sales	2,759.32	271.52
Inter company sales	11,673.00	10,506.10
TOTAL	**87,229.70**	**79,742.46**
Disaggregation of revenue information		
At Point in time (product/service)	99,224.40	88,875.18
Overtime	2,437.62	1,644.90
25 OTHER INCOME		
Interest income on bank deposits	698.86	642.28
Interest income on financial assets - non convertible debentures carried at amortised cost	175.30	175.53
Profit on sale of property, plant and equipments (Net)	6.41	0.06
Foreign exchange fluctuation / MTM gain (Net of loss)	977.71	755.69
Income from Renting of equipments	3.25	3.80
Miscellaneous income	113.94	94.06
TOTAL	**1,975.47**	**1,671.42**
26 CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS & COMPONENTS		
Stock at the beginning of the year	8,625.67	5,377.77
Add: Purchase	56,895.21	58,381.68
Less: Stock at the end of the year	9,245.86	8,559.34
Total	**56,275.02**	**55,200.11**

Amount in ₹ Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
Consumption of major raw materials consists of:		
Copper (wires, strips, rods, sheet etc.)	9,822.53	8,843.47
Steel / Laminations	11,924.21	14,390.20
Shaft Forgings	3,699.33	3,262.95
Stores & spare parts	200.95	328.02
Others	29,256.32	25,553.69
TOTAL	**54,903.34**	**52,378.33**
27 PURCHASES AND CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the beginning of the year	288.19	385.43
Add: Purchases for Projects Business	753.28	843.72
Less: Inventory at the end of the year	1,478.69	288.19
TOTAL	**(437.22)**	**940.96**
28 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	8,702.12	11,219.70
Finished goods - A C Generators at subsidiary	90.74	838.42
TOTAL	**8,792.86**	**12,058.12**
Less: Inventory at the beginning of the year		
Work in progress - A C Generators	11,219.70	11,309.64
Finished goods -A C Generators at subsidiary	772.09	1,595.70
	11,991.79	**12,905.34**
Net (Increase) / Decrease	**3,198.93**	**847.22**
29 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	6,401.88	5,740.96
Contribution to provident and other funds	606.33	441.81
Remuneration to whole time directors including contribution to provident and other Funds (Refer Note No.41)	668.63	504.72
Share based remuneration to employees (Refer Note No. 48)	32.62	133.61
Staff welfare expenses	1,346.83	1,235.87
TOTAL	**9,056.29**	**8,056.97**
30 FINANCE COST		
Interest	64.80	149.60
Foreign exchange difference recorded as an adjustment to borrowing cost	41.57	56.10
TOTAL	**106.37**	**205.70**
31 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipments	1,833.93	2,014.88
Amortization of intangible assets	236.55	189.08
TOTAL	**2,070.48**	**2,203.96**

Amount in ₹ Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
32 OTHER EXPENSES		
Power and fuel	848.69	828.98
Rent (Refer Note No. 42)	61.76	91.86
Repairs and maintenance		
-Buildings	127.59	29.21
-Machinery	473.86	302.91
-Others	51.62	48.39
Insurance	136.11	120.65
Manufacturing expenses	268.97	222.99
Rates and taxes	121.90	53.93
Payment to the auditors (excluding GST)		
-auditor fees (including audit of consolidated financial statements)	13.70	13.70
- for Limited review of quarterly financial results including consolidated financial results	8.25	7.75
-for other services - Certification fees	2.45	3.36
Legal and professional charges	632.19	437.20
Royalty	6.23	18.09
Travelling expenses	1,189.38	827.40
Bank charges	342.99	502.17
Software Expenses on ERP	291.70	239.99
Corporate Social Responsibility	81.34	26.28
Director Sitting fees	33.00	20.20
Maintenance of Vehicles	63.05	54.10
Postage, Telegrams and Telephones	57.18	53.48
Printing and stationary	46.39	41.25
Carriage, freight and Selling expenses	1,015.06	1,379.88
Donations	6.10	6.00
Advertisement	152.36	129.90
Subscription to Technical Associations, Journals and Magazines	9.60	10.41
Miscellaneous Expenses	73.60	39.09
TOTAL	**6,115.07**	**5,509.17**
33 EXCEPTIONAL ITEMS		
Profit on Sale of land (Refer Note No. 47(b))	71.63	-
Creditors written back (Refer Note No. 47(a))	62.78	757.72
TOTAL	**134.41**	**757.72**

Amount in ₹ Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
34 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	5.78	(84.34)
Income tax on Defined benefit plans	(1.45)	21.23
Items that will be reclassified to profit or loss:		
Exchange difference on translation of foreign operations	(234.56)	(858.48)
Income tax on exchange difference on translation of foreign operations	2.81	15.29
TOTAL	**(227.42)**	**(906.30)**
35 EARNINGS PER SHARE: - BASIC		
Profit for the year after tax expense	9,681.23	7,049.62
Weighted average number of equity shares (net of treasury shares) outstanding during the year - Refer Note 14(1)	15,53,10,730	15,38,82,710
Earnings per share (in ₹)	6.23	4.58
Face Value of Equity share (in ₹) (Refer Note No.50)	2.00	2.00
EARNINGS PER SHARE: - DILUTED		
Profit for the year after tax expense	9,681.23	7,049.62
Weighted average number of equity shares (net of treasury shares) outstanding during the year - Refer Note 14(1)	15,56,10,710	15,49,42,540
Earnings per share (in ₹)	6.22	4.55
Face Value of Equity share (in ₹) (Refer Note No.50)	2.00	2.00

36 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)	As at 31.03.2023	As at 31.03.2022
Contingent Liabilities:		
Performance Guarantees	11,280.74	11,847.93
Performance Guarantees given to customers on behalf of subsidiary companies	1,374.36	1,328.18
Advance Guarantees given to customers on behalf of subsidiary companies	175.17	252.68
Indirect Tax demand disputed by the company	6.89	-
Income Tax demand disputed by the company*	1,986.03	1,986.03
Other sums for which the Company is contingently liable	5.02	2.32

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.

* During May 2021, the company has received demand from Income tax department of ₹ 1,942.67 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.

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.

Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,997.45	1,885.03

Amount in ₹ Lakhs

37 (a) The reconciliation between current tax and amounts computed by applying the income tax rate

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Total profit/(loss) before tax (A)	11,941.55	7,379.33
Income tax rate (B)	25.17%	25.17%
Tax expense - (C) = (A) X (B)	**3,005.45**	**1,857.23**
Add - Tax effect of the amounts as under:		
a) Expenses - Not Deductable for tax purpose	525.54	(166.62)
b) Other adjustment and rounding off	44.27	82.22
Total (D)	**569.81**	**(84.40)**
Net current tax expense (E) = (C)+(D)	**3,575.26**	**1,772.83**
Net current tax expense (Rounding off to nearest thousand)	**3,575.26**	**1,772.83**
Tax Provision in Foreign Subsidiary	177.69	204.76
Net current tax expense (E) = (C)+(D)	**3,752.95**	**1,977.59**
Tax expenses related to item classified under other comprehensive income	1.36	36.52
Net current tax expense (Rounding off to nearest thousand)	**3,754.31**	**2,014.11**

37 (b) The reconcilation between deferred tax and amounts computed by applying the income tax rate

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Deferred tax liabilities at the beginning of the year	**792.22**	**627.21**
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	(49.78)	(71.78)
- Change in Provision for employee benefit disallowed	(432.57)	236.79
Deferred tax liabilities at the end of the year	**309.87**	**792.22**
Deferred tax expenses in the statement of profit and loss	**(482.35)**	**165.01**

37(c) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit there from.

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Long term capital loss	100.89	-

38 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

Particulars	Carrying Amount	
	As at 31.03.2023	As at 31.03.2022
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. 12)	-	980.51
Financial Assets at amortised cost:		
Cash and cash equivalents	4,208.65	5,539.34
Bank balances other than cash and cash equivalents	12,717.93	10,594.99
Trade receivables	26,907.53	24,108.76
Other financial assets	2,007.16	1,948.93
Investment in Non Convertible Debentures	1,993.44	1,993.44
Financial liabilities at amortised cost:		
Short term borrowings	-	7,096.51
Trade payables	13,127.54	15,132.46
Other financial liabilities	7,649.43	8,188.93
Financial liabilities at fair value through Profit and Loss (FVTPL):		
Mark to market loss on foreign exchange forward contracts (level 2) (Refer Note No.20)	864.79	-

* 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 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 counterparty 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 31.03.2023	As at 31.03.2022
Total Receivable	26,907.53	24,108.76
Receivable individually in excess of 10% of the receivable	12,401.67	13,753.07
Percentage of the above receivables to the total receivables of the Company	46.09%	57.05%

Receivables in excess of 10% of individual business receivables represents receivables from three customers/group as at 31st March 2023 and four customers/group as on 31st March 2022.

	As at 31.03.2023
Customer A	20.13%
Customer B	15.24%
Customer C	10.72%

	As at 31.03.2022
Customer A	17.91%
Customer B	18.51%
Customer C	10.28%
Customer D	10.35%

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 2023 is ₹ 16,923.14 Lakhs (PY: ₹ 16,134.33 Lakhs). Out of these balances held with banks as deposits was ₹ 13,399.39 Lakhs (PY: ₹ 12,289.72 lakhs) The details of bank deposits are below:

	As at 31.03.2023	As at 31.03.2022
Bamk A	12,735.00	10,232.54
Bamk B	500.00	1,900.00
Bank C	164.39	157.18

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.

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 31.03.2023	As at 31.03.2022
Total Receivable	27,543.80	24,742.59
Provision for credit loss	636.27	633.83
Percentage	2.31%	2.56%

Reconciliation of loss allowance provision

	As at 31.03.2023	As at 31.03.2022
Balance at the beginning of the year	633.83	749.00
Provision for credit loss allowance made during the year	2.44	-
Provision utilised during the year - (Bad debts written off)	-	115.17
Balance at the end of the year	636.27	633.83

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 ₹ 18,920.02 lakhs at 31st March 2023 (PY - ₹ 18,127.77 lakhs). In addition the net trade receivables as at the year end was ₹ 26,907.53 lakhs (PY: ₹ 24,108.76 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 31.03.2023	As at 31.03.2022
Trade Payables	13,127.54	15,132.46
Short Term Borrowings	-	7,096.51
Other Payables:		
Employee dues	352.26	10.88
Mark to market loss on forward contracts	864.79	-
Other dues	7,297.17	8,178.05
Total	**21,641.76**	**30,417.90**

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 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 31.03.2023 in respect of Euro is 2,20,00,000 is (2022: Euro 1,41,00,000 and USD 26,00,000)

b) The total foreign currency exposures as at the end of the year is as under:

In Foreign Currency

Particulars	**As at 31.03.2023 (Amount in Lakhs)**			
	USD	**Euro**	**JPY**	**Others**
Assets/ Receivables	27.08	103.57	-	0.16
Liabilities (including advances)	12.05	20.93	98.69	-

Rupee Equivalent

Particulars	**As at 31.03.2023 (Amount in Lakhs)**			
	USD	**Euro**	**JPY**	**Others**
Assets/Receivables	2,213.57	9,192.78	-	14.11
Liabilities (including advances)	953.27	1,844.86	61.48	0.02

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	-

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 2023 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 31.03.2023		**As at 31.03.2022**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
5% Movement in:				
USD	(63.01)	63.01	95.88	(95.88)
EURO	(367.40)	367.40	(116.91)	116.91
JPY	3.07	(3.07)	9.70	(9.70)
Others	(0.71)	0.71	(0.45)	0.45

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 14.88% for the year ended 31st March 2023 in comparison to 11.52% for the year ended t 31.03.2022.

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.

39 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

Current Year

	Particulars	Primary Segment				Total
		Manufacturing	Project Business	EPC	Common	
1	**Segment Revenues**					
	External Revenues	98,310.32	3,351.70	-	-	1,01,662.02
	Inter segment revenues	(2,759.32)	-	-	-	(2,759.32)
	Inter company	(11,673.00)	-	-	-	(11,673.00)
	Total Revenues	**83,878.00**	**3,351.70**	**-**	**-**	**87,229.70**
2	**Segment Results**					
	Profit Before Taxation, Interest and Depreciation	13,266.61	207.61	(11.20)	(441.41)	13,021.61
	Less: Finance cost	106.37	-	-	-	106.37
	Less: Depreciation and Amortizations	2,064.98	2.58	-	2.92	2,070.48
	Total	**11,095.26**	**205.03**	**(11.20)**	**(444.33)**	**10,844.76**
3	Unallocable & Other Income including exceptional item	-	-	-	-	2,109.88
	Less: Tax	-	-	-	-	3,273.41
	Profit after tax	**9,028.11**	**206.68**	**(11.20)**	**457.64**	**9,681.23**

Amount in ₹ Lakhs

Previous Year

	Particulars	Primary Segment				Total
		Manufacturing	Project Business	EPC	Common	
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**
4	Segment Assets - Current Year	70,584.74	5,076.40	0.40	14,659.70	90,321.24
	Segment Assets - Previous Year	74,522.41	2,294.91	0.70	13,851.44	90,669.46
5	Segment Liabilities - Current Year	26,310.91	3,247.14	0.34	310.88	29,869.27
	Segment Liabilities - Previous Year	28,337.81	1,684.94	17.25	7,913.03	37,953.03
6	Capital Expenditure (Gross Block)	1,959.69	-	-	-	1,959.69
	Disposal (Gross Block)	(573.04)	-	-	-	(573.04)
	Capital Expenditure (Net of disposal) - Current Year	**1,386.65**	**-**	**-**	**-**	**1,386.65**
	Capital Expenditure (Gross Block)	1,427.53	-	-	-	1,427.53
	Disposal (Gross Block)	(57.59)	-	-	-	(57.59)
	Capital Expenditure (Net of disposal) - Previous Year	**1,369.94**	**-**	**-**	**-**	**1,369.94**

(ii) Geographical Segment

	Particulars	Segment revenue by geographical Market	
		Year ended 31.03.2023	Year ended 31.03.2022
	Sales from India		
	Domestic Sales (including Deemed Export)	43,399.87	47,558.94
	Export Sales	38,674.16	23,139.91
	Sales of Overseas Branch and Subsidiary	19,587.99	19,821.23
	Less: Inter-segmental sales	(2,759.32)	(271.52)
	Less: Inter-company sales	(11,673.00)	(10,506.10)
	Total	**87,229.70**	**79,742.46**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Lakhs

Carrying amounts of geographical assets & additions to property, plant and equipment & intangible assets

Particulars	Carrying amounts of segment assets (₹ in Rupees)		Additions to property, plant and equipment and intangible assets (Net of deletion)	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Located in India	75,395.05	78,665.88	1,379.51	1,069.98
Located outside India	14,925.99	12,003.58	7.14	299.96
Total	**90,321.04**	**90,669.46**	**1,386.65**	**1,369.94**

(iii) Information about Major customers -

The revenue from operations from customers who exceed 10% of revenue from operations are given below.

Particualrs	As at 31.03.2023	As at 31.03.2022
Customer A	18.22%	16.04%
Customer B	13.91%	12.24%
Customer C	12.04%	12.30%

40 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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Opening balance	1,313.04	1,097.49	1,605.93	1,329.50	292.89	232.01
Included in profit or loss:						
Current service cost	103.18	92.87	-	-	(103.18)	(92.87)
Interest Income on planned asset	-	-	115.10	96.49	115.10	96.49
Interest cost	90.14	73.41	-	-	(90.14)	(73.41)
Total amount recognised in profit or loss	193.32	166.28	115.10	96.49	(78.21)	(69.78)
Included in OCI:						
Actuarial loss (gain)	(5.78)	85.23	-	-	5.78	(85.23)
Return on plan assets greater/(lesser) than discount rate	-	-	-	0.90	-	0.90
Total amount recognised in other comprehensive income	(5.78)	85.23	-	0.90	5.78	(84.34)
Contributions paid by the employer	-	-	117.50	215.00	117.50	215.00
Benefits paid	87.05	35.96	87.05	35.96	-	-
Closing balance	**1,413.54**	**1,313.04**	**1,751.48**	**1,605.93**	**337.95**	**292.89**

ii. Details of Plan assets

	31.03.2023	31.03.2022
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. Acturial Assumptions

The following were the principal actuarial assumptions at the reporting date.

	31.03.2023	31.03.2022
Financial assumptions:		
Discount rate	7.20%	7.10%
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

	31.03.2023		31.03.2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(140.59)	165.29	(131.42)	155.46
Salary escalation rate (1% Movement)	151.72	(134.59)	146.02	(128.96)
Withdrawal rate (1% Movement)	3.01	(3.48)	1.08	(1.27)

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)	
	31.03.2023	31.03.2022
For the year ending:		
Less than 1 year	70.39	129.07
Between 1-2 years	87.53	46.40
Between 2-3 years	76.59	83.69
Between 3-4 years	71.89	74.28
Between 4-5 years	184.05	69.46
Between 5-10 years	621.05	616.68

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	
	31.03.2023	**31.03.2022**
Opening balance	585.42	531.06
Included in profit or loss:		
Current service cost	132.25	124.09
Interest cost	37.01	36.11
Actuarial loss (gain)	6.39	(105.84)
Total amount recognised in profit or loss	**175.65**	**54.36**
Benefits paid	128.20	-
Closing balance	**632.88**	**585.42**

II. Acturial Assumptions

The following were the principal actuarial assumptions at the reporting date.

	31.03.2023	**31.03.2022**
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

41 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 (upto 27th September 2022) N Srivatsa, Company Secretary (upto 17th February 2023) Bharat Rajwani, Company Secretary (wef 18th February 2023) M N Varalakshmi, CFO	Key management personnel

DETAILS OF TRANSACTIONS

Amount in ₹ Lakhs

Nature of transactions	Companies in which director/relative of director is interested		Key management personnel	
	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Directors Remuneration:				
Nikhil Kumar:				
Short-term employee benefits including commission of ₹ 390.72 lakhs (PY: ₹ 226.26 Lakhs)	-	-	656.67	488.36
Other long term employee benefit	-	-	11.96	16.36
Dividend	-	-	278.32	116.57
Amount Outstanding at the year end	-	-	4.56	-
Remuneration to Key Managerial Personnel:				
N Srivatsa upto 17th February 2023				
Short-term employee benefits	-	-	63.78	53.56
Other long term employee benefit	-	-	3.06	3.46
Employees Share Option Cost (Refer Note No. 48)	-	-	3.32	13.59
Dividend	-	-	3.26	1.56
Amount Outstanding at the year end	-	-	-	-
Bharat Rajwani, wef 18th February 2023				
Short-term employee benefits	-	-	2.02	-
Other long term employee benefit	-	-	0.60	-
Dividend	-	-	-	-
Amount Outstanding at the year end	-	-	1.63	-
M N Varalakshmi				
Short-term employee benefits	-	-	49.08	40.07
Other long term employee benefit	-	-	3.00	2.52
Employees Share Option Cost (Refer Note No. 48)	-	-	1.90	7.79
Dividend	-	-	4.04	1.11
Amount Outstanding at the year end	-	-	0.10	-
Directors Sitting fees				
Mohib N Khericha	-	-	6.70	5.20
Nikhil Kumar	-	-	0.80	0.80
K G Prabhakar	-	-	3.40	2.80
Ravindu Motors Private Limited				
Servicing of Vehicles	2.40	1.40	-	-
Trident Automobiles Private Limited				
Servicing of Vehicles	0.52	0.72	-	-
Purchase of Motor Vehicle	-	10.78	-	-

42 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 ₹ 61.76 lakhs (Previous year ₹ 91.86 lakhs).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

43 a The Group does not have any pending litigations which would impact its financial positon as on the reporting date except to the extent disclosed in Note 36

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 year end disclosed in Note No.20.

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 The Company and its Indian subsidiary do not have any charges/satisfaction which is yet to be registered with ROC beyond the statutory period.

g The group has not traded or invested in Crypto currency or Virtual Currency during the year.

h The Company and its subsidiries are not declared as a willful defaulter by any bank or financial institution or other lender or Government or Government authorities. Accordingly, no disclosures are made in this regard.

I The Company and its Indian Subsidiary do not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

j The Company and its Indian Subsidiary do not not have transactions or balances with struck off companies.

k 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 comprehen sive- income	Amount (in Lakhs)	As % of Consolidated total comprehen- sive income	Amount (in Lakhs)
1	2	3	4	5	6	7	8	9
Parent								
TD Power Systems Limited	98.24%	59,389.25	91.37%	8,845.83	1.77%	(4.03)	93.53%	8,841.80
TD Power Systems Limited - Previous Year	99.15%	52,265.72	76.97%	5,426.20	11.98%	(108.58)	86.56%	5,317.62
Subsidiaries								
Indian								
DF Power Systems Private Limited	1.39%	842.18	0.57%	55.62	0.00%	-	0.59%	55.62
DF Power Systems Private Limited- Previous Year	1.49%	786.56	10.81%	762.26	0.00%	-	12.41%	762.26
Foreign								
TD Power Systems USA Inc	-0.89%	(537.36)	4.01%	388.08	18.73%	(42.60)	3.65%	345.48
TD Power Systems USA Inc - Previous Year	-1.67%	(882.84)	2.58%	181.91	5.15%	(46.69)	2.20%	135.22
TD Power Systems Japan Limited	0.00%	1.21	-0.11%	(10.20)	-0.87%	1.97	-0.09%	(8.23)
TD Power Systems Japan Limited - Previous Year	0.02%	9.44	-0.15%	(10.88)	0.16%	(1.49)	-0.20%	(12.37)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 comprehen sive- income	Amount (in Lakhs)	As % of Consolidated total comprehen-sive income	Amount (in Lakhs)
TD Power Systems Europe GmbH	1.35%	817.46	1.24%	120.40	1.03%	(2.34)	1.25%	118.06
TD Power Systems Europe - GmbH - Previous Year	1.33%	699.40	2.26%	159.11	-0.30%	2.76	2.63%	161.87
TD Power Systems Jenerator Sanayi Anonim Sirketi	2.70%	1,633.64	1.36%	131.89	79.33%	(180.42)	-0.51%	(48.53)
TD Power Systems Jenerator Sanayi Anonim Sirketi- Previous Year	3.19%	1,682.17	5.61%	395.20	83.01%	(752.30)	-5.81%	(357.10)
Consolidation adjustments	-2.80%	(1,694.41)	1.55%	149.61	0.00%	-	1.58%	149.61
Consolidation adjustments- Previous Year	-3.50%	(1,844.02)	1.93%	135.82	0.00%	-	2.21%	135.82
Total	**100.00%**	**60,451.97**	**100.00%**	**9,681.23**	**100.00%**	**(227.42)**	**100.00%**	**9,453.81**
Total - Previous Year	**100.00%**	**52,716.43**	**100.00%**	**7,049.62**	**100.00%**	**(906.30)**	**100.00%**	**6,143.32**

44 Provision for warranties towards sale of goods are made on an estimated basis as actual claims cannot be determinable. During the year, the Company has made provisions towards Warranty claims, the details of the same are as under:

Amount in ₹ Lakhs

	Warranty claims	
	As at 31.03.2023	**As at 31.03.2022**
Balance outstanding at the beginning	376.31	298.06
Provision for the reporting period	54.66	102.36
Withdrawn and credited to Statement of Profit and Loss	16.91	24.11
Balance outstanding at the end of the reporting period	414.06	376.31

45 Corporate Social Responsibility

Sl. No.	Particulars	As at 31.03.2023	As at 31.03.2022
i)	Amount required to be spent by the company	64.48	28.25
ii)	Unspent amount of CSR of previous year brought forward	16.00	-
iii)	Amount of expenditure incurred (set off ₹ Nil (PY ₹ 2.06 lakhs) of excess spent in earlier year)	81.34	12.25
iv)	Shortfall at the end of the year	-	16.00
v)	Total of previous years shortfall	-	-
vi)	Reason for shortfall	NA	Ongoing Projects
vii)	Nature of CSR activities	Educational Empowerment School Infrastructure Development Health care & Sports Training	
viii)	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	
ix)	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 ₹ Nil (PY ₹ 16.00 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.

46 Final Dividend

On 9th May 2023, (2022: 10th May 2022) the Board of Directors of the Company have proposed a dividend of ₹ 0.50 (2022: ₹ 0.70) per share in respect of the year ended 31st March 2023 subject to approval of shareholders at the Annual General Meeting.

47 Exceptional Items

(a) Creditors Written Back

During the year ended 31st March 2023, the Indian Subsidiary has written back creditors and payables amounting to ₹ 62.78 lakhs (PY: ₹ 757.72 lakhs) due to liquidated damages against project supplies, counter claims in respect of performance guarantees and amount unclaimed.

(b) During the year ended 31st March 2023, the Parent Company sold unutilised land measuring 4 acre and 31 Guntas situated at Pemmanahalli village, Sompura Hobli, Nelamangala Taluk, Bangalore Rural District ₹ 429.75 Lakhs. The net profit of ₹ 71.63 lakhs arising from the sale of said land after considering the carrying cost of land of ₹ 323.62 lakhs and the estimated cost of development of ₹ 34.50 lakhs, has been included under exceptional item. The formalities relating to execution and registration of the sale deed was completed during this quarter.

48 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

During the year ended 31st March 2023 (PY: 31st March 2022), 1,05,029 (PY: 1,70,084) Equity Shares of face value of ₹ 10 each (now sub-diveded in to ₹ 2 each) were issued & allotted to the TDPSL Employee Welfare Trust (Trust) in respect of the exercise of 93,403 (PY: 2,26,760) ESARs by grantees. Consequently, the paid up capital of the Company as at March 31, 2023 stands at ₹ .3,120.85 Lakhs (PY: ₹ 3,110.35 Lakhs) comprising 15,60,42,635 Equity Shares of ₹ 2/-each (PY: 3,11,03,498 Equity shares of ₹ 10/- each (now subdivided in to ₹ 2/- 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 ended 31st March 2023 (PY: 31st March 2022), 1,87,961 (PY: 1,87,901) ESOPs of face value of ₹ 10 each (now sub-diveded in to ₹ 2 each) were vested and 1,57,148 (PY: 1,87,901) options were exercised at an exercise price of ₹ .67.25 against which 1,57,148 (PY: 1,87,961) Equity shares of the Company were transferred to the ESOP grantees by TDPSL Employee Welfare Trust. ₹ 105.68 lakhs (PY: ₹ 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

	31.03.2023		31.03.2022	
	ESOP	ESAR	ESOP	ESAR
Outstanding at the beginning of the year	1,87,962	1,59,268	3,75,923	3,99,216
Vested & Exercised during the year	1,57,149	1,19,600	1,87,961	2,26,760
Vested & lapsed during the year	-	6,593	-	13,188
Balance at the end of the year - Not vested	-	-	1,87,962	1,33,072
Balance at the end of the year - Vested & Not Excercised	30,813	33,075	-	26,196

49 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.

50 At the Annual general Meeting(AGM) of the members of the Company held on September 27, 2022, the shareholders of the Company approved sub-division of the existing Equity Shares of the Company having face value of ₹ 10 each into 5 Equity Shares of ₹ 2 each on the date to be determined by the Board of Directors. Consequent changes to the Capital Clause of the Memorandum and Articles Of Association of the Company were also approved at the said AGM. Based on a record date set as November 1 2022, the required corporate action giving effect to the aforesaid sub division of the shares has been completed as of date. Accordingly, the Authorised & Paid up capital of the Company stands at ₹ 3,500.00 lakhs comprising of 17,50,00,000 Equity Shares of ₹ 2/- each & ₹ 3,120.85 lakhs comprising of 15,60,42,635 equity shares of ₹ 2/-each respectively. As per the requirements of IND AS 33, the Earnings per share presented for all the periods in these results is after considering the said sub-division of equity shares.

51 (a)The net worth of the Indian Subsidiary Company continues to be positive owing to substantial reduction of accumulated losses. The Company is awaiting improvement in market conditions which is gradually recovering due to the receding pandemic to evaluate opportunities from time to time with required support from the parent Company. Based on an assessment of risk of claims & counter claims which the Company will have against Creditors for supply of project related equipment, as well as project cancellation, appropriate write backs have been accounted in respect of these creditors in financial year 2021-2022 amounting to ₹ 757.72 lakhs and earlier year, resulting in the Company's Net worth turning positive. Further, efforts are ongoing to recover receivables by which management is hopeful of significantly improving the Company's ability to settle claims from creditors, if any. Accordingly, the financial statements of the Indian subsidiary continue to be prepared on a going concern basis which is considered appropriate by the management of that Company.

(b) The overseas subsidiary in USA has accumulated losses exceeding its share capital and has eroded its networth as at the end of the reporting period. The Subsidiary's liabilities exceeds its total assets by ₹ 537.36 lakhs (PY: ₹ 882.84 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 manging 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.

(c) TD Power Systems Japan Ltd has filed an application for dissolution subject to statutory requirements. Accordingly, a provision to the tune of carrying value of the investment amounting to ₹ 122.44 Lakhs in this subsidiary is provided in the standalone financial statements of the parent company and included under exceptional items.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

52 Recent amendments to Standards:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April, 2023. The Company has evaluated amendment and there no impact of the amendment on the standalone financial statements.

Ind AS 12 - Income Taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendments are not expected to have a material impact on the Company.

53 Prior period comparatives

Prior year amounts have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

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: Bangalore

Bharat Rajwani
Company Secretary
Membership No. A50096
Place: Bangalore

Date: 9th May 2023

As per our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Abraham Baby Cherian
Partner
Membership No.218851

Place:Bangalore
Date: 9th May 2023

tdps

TD Power Systems Limited

27, 28 & 29, KIADB Industrial Area, Dabaspet,
Nelamangala Taluk, Bengaluru Rural District
Karnataka – 562 111, India

www.tdps.co.in