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

www.tdps.co.in

tdps®

tdps®

5000 installations in 99 countries

Annual Report 2022

TD Power Systems Limited

The saga continues...

tdps
is Global

39 GW
in installed capacity

5400+
generators

99
countries

NORTH AMERICA
204 Generators
TDPS Sales Office
(Ohio, USA)

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

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

SOUTH AMERICA
35 Generators

AFRICA
233 Generators

AUSTRALIA
121 Generators

COMPANY INFORMATION

www.tdps.co.in
CIN: L31103KA1999PLC025071

Registered Office & Unit 1
27, 28 & 29, KIADB Industrial Area
Dabaspet, Nelamangala Taluk
Bengaluru Rural District
Bengaluru – 562 111, India
Tel: + 91-80-2299 5700/6633 7700
Fax: + 91-80-7734 439/2299 5718

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

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

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

Bankers
Bank of Baroda
Kotak Mahindra Bank

Auditors
Varma & Varma
Chartered Accountants
Bangalore – 560 043

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

Registrar and Transfer Agents (RTA)
Link Intime India Private Limited
www.linkintime.co.in
vijayalakshmi.ananthram@linkintime.co.in

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

Board of Directors

Chairman
Mohib N. Khericha

Managing Director
Nikhil Kumar

Director
K. G. Prabhakar

Independent Directors
Nithin Bagamane
Ravi Kanth Mantha
Prathibha Sastry

Chief Financial Officer
M. N. Varalakshmi

Company Secretary & Compliance Officer
N. Srivatsa

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DIRECTORS' REPORT

Dear Members

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

FINANCIAL RESULTS

(₹ in Lakhs)

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

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

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

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

On consolidated basis, the total income increased by ₹ 21,123.20 Lakhs, or 35.04%, to ₹ 81,413.88 Lakhs in Fiscal 2022 as compared to ₹ 60,290.68 Lakhs in Fiscal 2021. Earnings Before interest, tax, depreciation and amortization including other income & exceptional item (EBITDA) increased by ₹ 3,372.54 Lakhs or 40.91% to ₹ 11,617.17 Lakhs in fiscal 2022 as compared to ₹ 8,244.63 Lakhs in fiscal 2021. The Profit before tax including exceptional item increased by ₹ 3,559.18 Lakhs, or 63.01%, to ₹ 9,207.51 Lakhs in Fiscal 2022 as compared to ₹ 5,648.33 Lakhs in Fiscal 2021. The Profit after tax increased by ₹ 2,544.47 Lakhs, or 56.29% to ₹ 7,064.91 Lakhs in Fiscal 2022 as compared to ₹ 4,520.44 Lakhs in Fiscal 2021. Total comprehensive income increased by ₹ 1,776.80 Lakhs or 40.69% to ₹ 6,143.33 Lakhs in fiscal 2022 compared to ₹ 4,366.53 Lakhs in fiscal 2021.

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

DIVIDEND

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

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPF)

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

a) DIVIDEND REMITTED

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

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

b) SHARES TRANSFERRED:

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

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

TDPSL EQUITY BASED COMPENSATION PLAN 2019 (PLAN)

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

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

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

DECLARATION BY INDEPENDENT DIRECTOR

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

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

SUBSIDIARIES

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

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

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website www.tdps.co.in. These documents will also be available for inspection during business hours at our registered office in Bengaluru, India.

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

INDIAN SUBSIDIARY

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

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

US SUBSIDIARY

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

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

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

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

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

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

JAPAN SUBSIDIARY

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

GERMAN SUBSIDIARY

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

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

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

TURKEY SUBSIDIARY

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

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

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

INTERNAL FINANCIAL CONTROL AND ADEQUACY

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. The Board is of the opinion that the Company's IFC is commensurate with the nature and size of its business operations and operates effectively with no material weakness. The Company has a process in place to continuously monitor the IFC, identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. In the preparation of the annual accounts for the Fiscal ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Fiscal and of the profit and loss of the Company for that period;

c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The directors have prepared the annual accounts on a going concern basis;

e. The directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS', COMMITTEES & MEETINGS

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

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

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

KEY MANAGERIAL PERSONNEL

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

RISK MANAGEMENT

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

AUDITORS & REPORTS

STATUTORY AUDITORS

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

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

The Auditors' Report on the financial statements for the fiscal 2022 does not contain any qualification, reservation or adverse remark. There have been no instances of fraud committed against the Company by its officers or employees during the year reportable by the Auditors in terms of Section 143(12) of the Companies Act 2013.

SECRETARIAL AUDITOR

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

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

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

COST AUDITOR, COST ACCOUNTS AND RECORDS

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

DISCLOSURE

COPY OF THE ANNUAL RETURN

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

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

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the fiscal 2022 in relation to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is provided in the **Annexure 3** forming part of this Report.

BUSINESS RESPONSIBILITY REPORT (BRR)

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

PARTICULARS OF EMPLOYEES

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

SECRETARIAL STANDARD

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

GENERAL

Your Directors state as follows :

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

Compensation Plan 2019 and no sweat equity shares were issued.

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

GREEN INITIATIVE

As part of this initiative, hitherto soft copies of the Annual Report and the Notice of Annual General Meeting were sent to all members whose email addresses are registered with the Company/Depository Participants. Physical copies of the same were sent in the permitted mode only to members whose email addresses were unavailable.

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Ahmedabad
August 9, 2022

Mohib N Khericha
Chairman

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ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - 1

FORM AOC - 1

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

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

Part "A": Subsidiaries

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
Share Capital	600.00	481.78	122.44	414.12	159.35
Reserves and Surplus	186.56	(1364.62)	(113.00)	285.28	1,522.82
Total Assets	851.40	2,221.48	17.95	5,099.61	2,717.02
Total Liabilities	64.84	3,104.32	8.51	4,400.21	1,034.85
Investments	0	0	0	0	0
Total Revenue	15.53	3,095.07	0	8,766.42	6,592.89
Profit/(Loss) before taxation	762.26	181.91	(9.76)	264.71	493.24
Provision for taxation	0	0	1.12	105.60	98.04
Profit/(Loss) after taxation	762.26	181.91	(10.88)	159.11	395.20
Comprehensive income	0	(46.69)	(1.49)	2.76	(752.30)
Total Comprehensive income	762.26	135.22	(12.37)	161.87	(357.10)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil
Extent of shareholding (in percentage)	100	100	100	100	100

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

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

For and on behalf of the Board of Directors

Mohib N. Khericha
Chairman
Ahmedabad

Nikhil Kumar
Managing Director
Frankfurt

August 9, 2022

ANNEXURE – 2

FORM AOC – 2

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

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

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

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

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

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

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

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

For and on behalf of the Board of Directors

	Mohib N. Khericha	**Nikhil Kumar**
August 09, 2022	Chairman	Managing Director
	Ahmedabad	Frankfurt

ANNEXURE – 3

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

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

A.	Conservation of Energy	Details as on March 31, 2022
	Steps taken or impact on conservation of energy	The steps towards conservation of energy were taken at both the units of the Company with optimum use of energy by replacing the high voltage tube with lesser one and applied other measures. The details of steps taken & impact at the Company's units are as follows; At unit 1: - Replacing tube 72W lights with 36W LED Light fixture - Paint booth contactor replaced with drive - Ovens contactors replaced with Thyristors - Ovens timer installed for automatic cut offs. With the above measures, about 44,700 units of power were saved in Unit 1 and resultant in saving cost of ₹4.16 lacs p.a. At unit 2: - Optimization of pneumatic line, - Air compressor usage in VPI process plant - Replacing MV Lamps with LED Light fixture - Reduction in Oven Volume With the above measures, about 96,400 units of power were saved in Unit II and resultant in saving cost of ₹9.64 lacs p.a.
	Steps taken by the company for utilizing alternate sources of energy	Adoption of low power consumption electric components to conserve energy such as; - Replacement of 60 nos. of 36*2 +72W tube lights with 36W LED lights at Unit 1 - Contactors replaced VFD 2 nos. in paint booth and thyristors 6 nos. replaced in Ovens at Unit 1 - Replacing 30 nos. of 400 HPSV lamps replaced with 200 WLED high bay lamps at Unit 2
	Capital investment on energy conservation Equipment	Unit-1: Capital investment ₹6.1 Lacs. Payback will be in 1.5 years Unit-2: Capital investment ₹4.2 Lakhs. Payback will be in 2.5 years
B 1	**Technology Absorption** Efforts made towards technology absorption	TDPS always put its best efforts towards technology development, assimilation and utilization of technical knowledge. The Company also undertake R&D activities in know-how optimization and improvement of product/process/systems related equipment. The unit vise technology absorption is detailed below; At Unit 1: - Major Technology absorption activities are at Winding and coil section. - Implementation of induction bearing heater resulting energy saving, efficiency improvement, user friendly, rugged construction and multiple dimension jobs suitable one.

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 3 (CONTD.)

		- Induction Brazing system in winding section instead Gas Brazing. - Rotor insulation manual cutting converted to automatic cutting machine. - Installation of 2 nos. of 2 tons small cranes for lifting material earlier was done by large cranes. This has increased productivity, energy saving and reduction in process time. At Unit 2: - Rotor Stacking Robot - In-house development of rolling curing systems and electrical panel for shop-2 new Oven - Heating systems for Wind Project - In-house development of 3 nos. JIB crane for Coil Looping machine Shop-2 and Alstom - Automation of Coil Looping machine
2	Benefits derived like product improvement, cost reduction, product development or import substitution	- In-house Design and Development of air to air and air to water cooler used in generators from 1 MW to 55MW. - In-house design and development of lube oil system, jack oil system used for steam/Hydro machines bearing lubrication. - Design development of 250Hz 15000 kVA Generator for transformer/Reactor testing application as an import substitution.
3	In case of imported technology (imported during the last three years reckoned from the beginning of the FY), 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 ₹ 554.03 ₹ 554.03 0.77%

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

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

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

For and on behalf of the Board of Directors

August 09, 2022

Mohib N. Khericha
Chairman
Ahmedabad

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

For and on behalf of the Board of Directors

	Mohib N. Khericha	**Nikhil Kumar**
August 09, 2022	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 2022 including perks (₹ pa)	Previous employment and designation
1	Nikhil Kumar	Managing Director	Bachelor of Engineering	31 Yrs	₹ 30,791,160/-*	Kirloskar Electric Company Limited
2	Srivatsa N	Company Secretary	FCS	40 Yrs	₹ 11,946,250/-	Kingfisher Airlines Limited
3	Prabhamani S	COO	M. Tech	38 Yrs	₹ 11,183,597/-	Kirloskar Electric Company Limited
4	Ramakrishna Varna	Head - SBU 2	BE, MBA	29 Yrs	₹ 96,56,280/-	Kirloskar Electric Company Limited
5	Vinay Hegde	Head – Marketing	BE	28 Yrs	₹ 96,56,269/-	Cummins Generator Technologies Limited
6	M N Varalakshmi	CFO	ICWA	29 Yrs	₹ 95,47,958/-	Kirloskar Electric Company Limited
7	Vishwanath U Hangari	Head Design & Development	M. Tech	33 Yrs	₹ 91,89,590/-	GE India Technology Private Limited
8	Vasudeva Murthy R	Head SBU 1	M.Com	32 Yrs	₹ 91,19,079/-	Kirloskar Electric Company Limited
9	Swapnil Kaushik	Business Development -Director	Mechanical Engineering	37 Yrs	₹ 8,528,804/-	WEG Industries India Pvt. Ltd.
10	Ramesh N S	Head Technical Support	DME	36 Yrs	₹ 80,78,840/-	Kirloskar Electric Company Limited

Notes:

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

For and on behalf of the Board of Directors

August 09, 2022	**Mohib N. Khericha** Chairman Ahmedabad	**Nikhil Kumar** Managing Director 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 in January 2021, the Company's CSR initiative will be as may be mandated under the Act and not intended for an activity specifically. This will impart certain flexibility to the policy from time to time. The Company shall identify activities/ initiative from time to time in compliance of Schedule VII of the Act and Rules made thereunder, amended from time to time and shall be approved by the Board of directors based on the recommendations of the CSR Committee of the Board. Accordingly, the CSR policy of your Company has been revised effective March 13, 2021. The revised policy on CSR is uploaded on the Company's website.

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

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

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

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

In this initiative, TDPS has partnered with Key Education Foundation (KEYED), a Bangalore based NGO working to improve the quality of Early Childhood Education for children from low-income communities. KEYED is a non-profit company approved under Section12AA and registered under Section 80 G of the Income Tax Act 1961. keyed have conceptualized the project and commenced implementation Since June 2020.

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

The third project chosen under this initiative is "School Infrastructure and Development Project" under which Government Schools within a radius of 10 KMs from our Manufacturing facilities in 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.

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

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

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

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 6 (CONTD.)

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ravi Kanth Mantha	Chairman, Non-Executive Independent Director	No meeting was held during the Fiscal 2022. Matters related to CSR were considered through circular resolutions of CSR committee	
2	Mr. Nikhil Kumar	Member, Executive Director		
3	Mr. K G Prabhakar	Member, Non-Executive Director		
4	Ms. Prathibha Sastry	Member, Non-Executive Independent Director		

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

Composition of the CSR Committee Link: http://tdps.co.in/investor-relations/corporate-governance/board-committees/

CSR Policy Link: http://tdps.co.in/csr-policy/

CSR Projects Link: http://tdps.co.in/corporate-social-responsibility/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable

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

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

6. Average net profit of the company as per section 135(5). ₹ 14,12,52,150/-

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 28,25,043/-

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

(c) Amount required to be set off for the financial year, if any ₹ 2,06,685/-

(d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 26,18,358/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10,18,503/-	15,99,855/-	25-04-2022	--------------------Not Applicable-------------------		

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 6 (CONTD.)

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

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

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

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

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

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

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

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - 6 (CONTD.)

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2020-21	16,09,763/-	16,09,763/-	NA			Nil

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

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

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

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

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

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

For and on behalf of the Board of Directors

	Nikhil Kumar Managing Director Frankfurt	**Ravi Kanth Mantha** Chairperson-CSR Committee Hyderabad
August 09, 2022		

ANNEXURE - 7

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

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

To,
The Members,
TD Power Systems Limited
Bangalore

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by TD Power Systems Limited ("the Company") for the financial year ended on March 31, 2022 according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI' Act):

   (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (No instances for compliance requirements during the year);

   (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, (No instances for compliance requirements during the year);

   (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and

   (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, (No instances for compliance requirements during the year);

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (No instances for compliance requirements during the year)

(j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

vi. All other Labour, Employee and Industrial or factory Laws to the extent of necessary permissions, licenses, compliance mechanisms, controls and any violations noted by the respective authorities as applicable to the Company;

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

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

I further report that:

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

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

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

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

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

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

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

Bangalore
09-08-2022

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. Whereever 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.

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

Bangalore
09-08-2022

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ANNEXURE – 8

MANAGEMENT DISCUSSION AND ANALYSIS

In tdps we make first class generators for the world

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

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

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

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

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

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

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

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

- Our Generators cater to different applications, specifications, geographical and climatic challenges which proves our design, manufacturing and quality capabilities over the years.
- A network of 57 service centers covering every continent - to ensure that a service representative who is conversant with the local language is available within 24 to 48 hours from reporting of an issue.
- A record manufacturing turnover of ₹ 70,155 lakhs clocking a growth of 47 % resulting in a profit after tax and other comprehensive income of ₹ 5,441.49 lakhs in fiscal 2022 – an increase of over 211%.
- An impressive order book growth of 28.6% led by a robust growth of 33.70 % & 52.29% in domestic & export orders respectively.
- In fiscal 22, we received important break through orders & qualification from OEM's/Customers as follows:
- Reputed Japanese OEM for the supply of 2 units of 32.3 MW, 11kV, 1500rpm Gas Turbine Generators for installation in Uzbekistan.
- a leading OEM in Germany for the supply of 3 units of 24.5MW, 11kV, 600rpm Hydro Turbine Generators for a 75MW power plant which is one of the largest in Nepal.
- A large engineering company in India for the supply of 6 units of 8.2MW, 11kV, 428rpm Vertical Synchronous motors for installation in India.
- A renowned EPC company from Germany for supply of 1 unit of 2.519MW, 6.6kV, 1500rpm Generator for Geothermal application for installation in Australia.
- An OEM in the USA for supply of 1 unit of 3.5MW, 6.3kV, 1500rpm Steam Turbine Generator for installation in Argentina.
- Qualified as approved supplier for the supply of Gas Engine Generators in range of 0.8MW to 4.5MW for OEM based in Europe.
- Qualified as approved supplier for the supply of Gas Turbine Generators for OEM based in USA.
- Supply of 2.09MW, 6.6kV prototype Gas Engine Generator for OEM in Spain. System integration tests/Qualification with engine is planned shortly.
- Supply of 6 units of 2.5MVA and 4 units of 3.75MVA for installation in Diving Support Vessel being built a leading PSU for the Defence sector marking our presence in marine applications.
- Supply and Commissioning 2 units of 34MVA Generators, installed in Germany. End-user had 9 units of European make Generators and this is the first time worked with a Non-European Make Generator Supplier by choosing TDPS.
- Supply of 4 Units of 5.6MW, 167rpm Generators to a leading power producer in Turkey. These are the largest Vertical Hydro Generators manufactured at TDPS, Turkey. All the 4 units are successfully commissioned in March-2022.
- Continuing our growing recognition & foothold in the Turkish market, we executed breakthrough orders from locally reputed OEMs as well as global companies for steam and Hydro application generators.

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

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

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

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

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

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

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

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

STANDALONE BASIS

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

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

CONSOLIDATED BASIS

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

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

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creditors. The said profits are after accounting for a forex translation loss of ₹ 752.30 lacs which is notional in nature in the Turkish subsidiary due to sharp depreciation of Turkish lira to Indian Rupees - from ₹ 8.84 (TL to INR) at the beginning of the year to ₹ 5.16 (TL to INR) at the end of the year, a drop of 42%. However, it is important to note that the said subsidiary posted an actual Profit after tax of ₹ 395.20 lacs.

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

Key Financial Ratios

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

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

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

*Standalone basis

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

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

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

Outlook

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

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

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

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

The full effect of price increases in this fiscal is expected to contribute to the increase in the gross contribution. Steps have been taken to secure our receivables from recent weakness of the Euro negating any impact gross margins. We continue to focus on increasing the gross contribution by pricing, cost reduction and increased productivity for which an investment of about ₹ 2,200 lacs is proposed only on automation & software upgrades.

Barring unforeseen events, we expect to 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 falling under capital goods sector and is dependent on national & global economic growth, investment climate and business confidence as well as the sectors in which the Company's products are used.

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

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

Economic slowdown and market concentration

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

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

Product concentration

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

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

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

Technology Risk

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

Generators are designed based on industry standards incorporating customer requirements/specifications. It is an ongoing design activity to develop generators for special applications. Technology absorption continues and orders are being received for generators with special applications and varied specifications. As a part of the technology agreements, the Company receives updation of technology and processes from OEM customers. The Company's R&D effort focuses on adoption of new technology and development of superior designs enhancing performance, quality and reducing cost. Our generators are approved by reputed and leading engineering consultants, Indian Railways & defence establishments.

Competition Risk

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

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

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

Risk arising from transnational sale of products

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

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

Manufacturing facilities & Manpower

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

Internal Control Systems and their adequacy

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

Environment, Health and Safety

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

a. Ensure safety and Health of our employees, associated stakeholders and focus on how to make the world a better place to live.

b. Comply with all applicable legal Safety and Health performance of individuals at different levels while 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 40 training / awareness & management development programs were conducted covering various aspects in manufacturing process Safety, quality and statistical analysis, testing & design correlation, basic electrical concepts in generator design, statistical process control & applications, lead management, maintenance of material movement equipment, finance, prevention of sexual harassment (POSH), communication skills, Safety, waste handling and disposal covering the entire spectrum of employees.

The Company believes in equal opportunity in recruitment and in the course of the employment among employees regardless of color, race, gender, social origin, caste or religion. Efforts are continuously made to create an inclusive working environment for women and to integrate them in organizational functions. Women employees are continuously encouraged and supported to take new roles of responsibility ensuring career growth and retention. Recruitment & technical training of women in manufacturing operations is pursued on an ongoing basis. Crucial functions in the Company like Chief of operations, Finance, HR & Procurement are helmed by women leaders.

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

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

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

FORWARD-LOOKING STATEMENT

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Financial Review

Consolidated basis

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

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

Fiscal 2022 compared to Fiscal 2021

INCOME

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

SALES

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

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

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

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

OTHER INCOME

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

EXPENDITURE

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

CONSUMPTION OF RAW MATERIAL, STORES, SPARE PARTS AND COMPONENTS

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

PURCHASES FOR PROJECT BUSINESS

Purchases for Project Business including Japan Subsidiary decreased by ₹ 61.05 Lakhs, or 6.09%, to ₹ 940.96 Lakhs in fiscal 2022 from ₹ 1,002.01 Lakhs in fiscal 2021 due to lower business volumes.

OPERATING AND OTHER EXPENSES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INTEREST AND FINANCE CHARGES

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

DEPRECIATION AND AMORTIZATION OF TECHNICAL KNOW-HOW

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

PROFIT BEFORE TAX AND EXCEPTIONAL ITEM

Profit before tax and exceptional items was higher by ₹ 3,518.97 Lakhs, or 71.37% at ₹ 8,449.79 Lakhs in fiscal 2022 compared to ₹ 4,930.82 Lakhs in fiscal 2021 on the back of profits in the Holding and subsidiaries.

EXCEPTIONAL ITEM

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

PROFIT BEFORE TAX

Profit before tax was higher by ₹ 3,559.18 Lakhs, or 63.01%, at ₹ 9.207.51 Lakhs in fiscal 2022 compared to ₹ 5,648.33 Lakhs in fiscal 2021.

TAXATION

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

PROFIT AFTER TAX

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

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

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Stand-alone basis

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

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

Fiscal 2022 compared to Fiscal 2021

INCOME

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

TOTAL SALES

Sales increased by ₹ 21,939.12 Lakhs, or 43.93%, to ₹ 71,880.55 Lakhs in fiscal 2022 from ₹ 49,941.43 Lakhs in fiscal 2021 contributing 97.61% of total income in fiscal 2022 versus 97.52% in fiscal 2021 predominantly led by higher sales volume from manufacturing business.

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

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

OTHER INCOME

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

EXPENDITURE

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

CONSUMPTION OF RAW MATERIAL, STORES, SPARES PART AND COMPONENTS

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

PURCHASES FOR PROJECT BUSINESS

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

OPERATING AND OTHER EXPENSES

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

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

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

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

Personnel expenses through salaries, wages and bonuses increased by ₹ 72.26 Lakhs, or 1.28%, to ₹ 5,702.06 Lakhs in fiscal 2022 from ₹ 5,629.80 Lakhs in fiscal 2021 on account of salary revisions & additional manpower to meet increased production. Welfare expenses increased by ₹ 136.27 Lakhs, or 13.23%, to ₹ 1,166.21 Lakhs in fiscal 2022 from ₹ 1,029.94 Lakhs in fiscal 2021 due to increased resumption of operations post CoVid, higher transport and canteen expenses.

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

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

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

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

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

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

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

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

INTEREST AND FINANCE CHARGES

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

DEPRECIATION AND AMORTIZATION OF TECHNICAL KNOW-HOW

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

PROFIT BEFORE TAX

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

TAXATION

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

PROFIT AFTER TAX

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

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

For and on behalf of Board of Directors

Mohib N Khericha Chairman Ahmedabad	**Nikhil Kumar** Managing Director Frankfurt
M N Varalakshmi Chief Financial Officer Bangalore	**N Srivatsa** Company Secretary Bangalore

August 09, 2022

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ANNEXURE - 9

CORPORATE GOVERNANCE REPORT

Company's Philosophy

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

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

I. Board of Directors and Procedures

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

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

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

*** Directorship:**

I Mr. Mohib N Khericha holds directorship (including TDPS) in five public companies and two private companies.

ii Mr. Nikhil Kumar holds directorship (including TDPS) in two public Companies and two private companies.

iii Mr. Nithin Bagamane holds directorship in a public Company i.e., TDPS and three private companies.

iv Mr. Ravi Kanth Mantha holds directorship ((including TDPS) in two public Companies and six private companies.

v Mr. K G Prabhakar holds directorship (including TDPS) in two public Companies.

Notes:

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

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

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

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

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

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

B. Board Meetings

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

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

Annual Business Plan which includes capital expenditure and manpower budget. The capital expenditure proposals sanctioned and actual amounts incurred are Reported on a quarterly basis. Reasons for variance between the budget and actuals are also explained.

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

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

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

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

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

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

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

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

Matters relating to related party transactions and statutory compliance.

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

C. Code of Conduct

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

D. Disclosure regarding Appointment or Reappointment of a Director

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

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

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

E. Independent Directors

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

G. Skills, expertise and competence of Directors

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

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

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

H. Board Evaluation

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

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

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

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

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

I. Remuneration of Directors

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

Disclosures with respect to remuneration paid to Individual Directors

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

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

J. Remuneration Policy

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

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

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

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

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

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

Remuneration

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

Minimum Remuneration

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

Provisions for excess Remuneration

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

Criteria of making payments to non-executive directors

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

Profit-linked Commission

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

Severance fees

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

Stock Options

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

II Board Committees

A. Audit committee

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

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

The Company Secretary Mr. N Srivatsa is the Secretary of the Audit Committee.

The Chairman of the Audit Committee Mr. Nithin Bagamane attended the 22nd Annual General Meeting held on Monday, September 27, 2021.

The Audit Committee met four (4) times during the fiscal ended March 31, 2022 on May 19, 2021, August 12, 2021, November 10, 2021 and January 27, 2022.

Particulars of attendance by the members of the Committee during the year ended March 31, 2022 are as follows:

Date of meeting	Members Present
May 19, 2021	Mr. Nithin Bagamane Mr. Mohib N. Khericha Ms. Prathibha Sastry Mr. Ravi Kanth Mantha
August 12, 2021	
November 10, 2021	
January 27, 2022	

The Managing Director and the Chief Financial Officer attends Audit committee meetings by invitation. The Statutory Auditors attended Audit committee meetings as special invitees to provide comments and share concerns, if any, with the Audit committee. Recommendations made by the audit committee during the year were accepted by the Board.

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 177 of the Companies Act, 2013, as applicable, besides other terms may be referred by the Board of Directors including the following:

Review of Management Discussion and Analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters / letters of internal control weaknesses issued by the statutory auditors, Internal Audit Reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the internal auditor.

Review inter alia related party transactions and the financial statements, minutes of Board meetings of the Company's unlisted Wholly Owned Subsidiaries ("WOS") and all significant transactions and arrangements entered into by the said Subsidiary.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("Committee") presently consists of Mr. Nithin Bagamane Independent Director is the Chairman of the Committee and Ms. Prathibha Sastry and Mr. Mohib N. Khericha are the members of the Committee.

The Company Secretary Mr. N Srivatsa is the Secretary of the Nomination and Remuneration Committee.

During the fiscal 2022, one meeting was held on August 10, 2021. Particulars of attendance by the members of the Committee during the year ended March 31, 2022 are as follows:

Date of meeting	Members Present
August 10, 2021	Mr. Nithin Bagamane, Mr. Mohib N. Khericha & Ms. Prathibha Sastry

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 178 of the Companies Act, 2013 and includes the following:

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

Formulation of criteria for evaluation of Independent Directors and the Board.

Devising a policy on Board diversity.

Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Performance evaluation criteria for independent directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation, the Directors who are subject to evaluation did not participate.

C. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee ("The Committee") presently consists of Mr. Mohib N. Khericha, Non-Executive Director - the Chairman, Ms. Prathibha Sastry and Mr. Nithin Bagamane-Independent Directors are the members of the committee. During the year one meeting was held on March 01, 2022 and all the members were present.

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

CORPORATE GOVERNANCE REPORT (CONTD.)

The Committee met once during the year and the Company has not received any complaint from shareholders during the fiscal 2022.

Role of the Stakeholders' Relationship Committee covers the areas as contemplated under Regulation 20 and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. Risk Management Committee

During the year, the Company featured in the top 1000 companies by Market Capitalization (as per NSE List), and in terms of Regulation 21 of SEBI LODR Regulations 2015 a Risk Management committee (constituted earlier as per Clause 49 (VI) of Listing Agreement) was reconstituted in term of Regulation 21 of SEBI LODR Regulations 2015.

The Committee consist of Nithin Bagamane, Independent Director - the Chairman, Mr. Mohib N. Khericha, Non-Executive Director, Mr. Nikhil Kumar – Managing Director, Mr. Ravi Kanth Mantha – Independent Director and Ms. M N Varalakshmi – CFO, are the members of the Committee. During the year two meetings were held on March 22, 2022 and March 29, 2022 and all the members were present except Mr. Ravi Kanth Mantha.

III. Subsidiaries

As per provision of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of the subsidiaries are as follows:

The Company has five Wholly Owned Subsidiaries (WOS) i.e. one Indian and four overseas subsidiaries as detailed below:

Indian Subsidiary

DF Power Systems Private Limited (DFPS) is an Unlisted Indian Subsidiary. Mr. Mohib N Khericha, Mr. Nikhil Kumar and Mr. K G Prabhakar are the directors of the Company.

The Board monitors performance of DFPS, inter alia, as follows:

The Audit Committee of the Company reviews the financial statements of DFPS.

All minutes of Board meetings of DFPS are placed before the Company's Board meetings and taken on record.

A statement containing all significant transactions and arrangements entered into by DFPS is placed before the Company's Board. if any

This subsidiary does not have income or net worth exceeding 10% of the consolidated income or net worth respectively of TD Power Systems Limited - the holding company and its subsidiaries, in the immediately preceding accounting year. Accordingly, it is not a material subsidiary.

Overseas Subsidiaries

USA Subsidiary

TD Power Systems (USA) Inc. (TDPS USA) was incorporated on February 20, 2013 as a Delaware Corporation and the principal place of business of the Company located in Ohio, USA. Two Directors of the Company Mr. Mohib N. Khericha and Mr. Nikhil Kumar are Directors of TDPS USA.

The financial statements of TDPS USA are reviewed by the Audit Committee and overall operational performance is reviewed by the Board.

Japan Subsidiary

TD Power Systems Japan Limited (TDPS Japan) was incorporated on March 19, 2013 and principal place of business of the company is located in Tokyo, Japan. Mr. Mohib N. Khericha and Mr. Nikhil Kumar Directors of the company. The financial statements of TDPS Japan are reviewed by the Audit Committee and overall operational performance is reviewed by the Board.

German Subsidiary

TD Power Systems Europe GmbH. (TDPS Europe) Office of the company is located at Paul - Ehrlich - Strasse 1a, 63225 Langen. Mr. Nikhil Kumar, Managing Director of TD Power Systems Limited is the Managing Director of TDPS Europe.

The financial statements of the TDPS Europe are reviewed by the Audit Committee and overall operational performance is reviewed by the Board.

In terms of Regulation 16 of SEBI LODR, TD Power Systems Europe GmbH is a material subsidiary of the Company for the FY 2022 on account of its income exceeding 10% of the consolidated income of TD Power Systems Limited, the holding Company and its subsidiaries

Turkey Subsidiary

TD Power Systems Jenerator Sanayi Anonim Sirketi was incorporated in Turkey on June 21, 2017 under the Turkish Commercial code and its registered office is located at Esentepe Mahallesi Kore Sehitleri Cad. No.37/6 Susli/Istanbul. Turkey. Mr. Nikhil Kumar, Managing Director, Ms. Prathibha Sastry, Independent Director and Mr. N. Srivatsa, Company Secretary of TD Power Systems Limited are Directors of TDPS Turkey.

The financial statements of the TDPS Turkey are reviewed by the Audit Committee and overall operational performance is reviewed by the Board.

In terms of Regulation 16 of SEBI LODR, TD Power Systems Jenerator Sanayi Anonim Sirketi is a material subsidiary of the Company for the FY 2022 on account of its income exceeding 10% of the consolidated income of TD Power Systems Limited, the holding Company and its subsidiaries.

The Company has formulated a policy on determining material subsidiaries which is available on our website https://tdps.co.in/corporate-governance/

IV. Related party transaction

During the fiscal 2022, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is made available on the website of the Company at https://tdps.co.in/corporate-governance/

Details of transactions with related parties are provided in **Annexure 2** of the Directors Report in Form AOC 2 as required under the provisions of Section 188 of the Companies Act, 2013 and note No. 43 to the Annual Accounts.

V. General Body Meetings

The details of the last three Annual General Meetings held and summary of Special Resolutions passed therein are furnished below:

Fiscal Ended	Date & Time	Venue	Special Resolutions passed
31.03.2021	27.09.2021 & 10.30 AM	Through video conferencing ("VC")/ other audio-visual means ("OAVM")	i. Approve modification in the remuneration of the Managing Director of the Company
31.03.2020	25.09.2020 & 11.30 AM	Through video conferencing ("VC")/ other audio-visual means ("OAVM")	i. Approve payment of remuneration to the Managing Director of the Company ii. Re-appoint Managing Director of the Company for a further term of five year
31.03.2019	12.08.2019 & 11.00 AM	Hotel Le Meridien, No. 28, Sankey Road (Opp Bangalore Golf Course), Bangalore 560 052	i. Approve TDPSL Equity Based Compensation Plan 2019. ii. Approve grant of employee stock options to the employees of subsidiary company(ies) of the Company iii. Approval of secondary acquisition of shares through Trust route for the implementation of 'TDPSL, Equity Based Compensation Plan 2019". iv. Provision of money by the Company for purchase of its own shares by the Trust for the benefit of employees under TDPSL Equity Based Compensation plan 2019.

During the year, no special resolution was passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

VI. Means of Communication

Quarterly/Half Yearly/Yearly Results

Pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, periodical financial results of the Company are being published in widely circulated English newspaper (Business Standard - All India editions) and vernacular Eesanje News Paper (Bangalore edition).

Financial results, duly approved by the Board, are filed with the Stock Exchanges (BSE & NSE) and also displayed on Company's Website www.tdps.co.in. Along with the financial results, other information as per the SEBI (Listing Obligations and Disclosure Requirements) 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**	Tuesday, 27th day of September 2022, at 12.00 Noon through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"),
b	**Fiscal**	A twelve-month period starting from April 1, 2021 to March 31, 2022.
c	**Dividend Payment Date**	The final dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid within the statutory period of 30 days.
d	**Date of Book closure/Record date**	As mentioned in the Notice of this AGM.
e	**Listing on Stock Exchanges**	The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE) BSE LIMITED, P J Towers, Dalal Street, Mumbai 400 001 NATIONAL STOCK EXCHANGE OF INDIA LIMITED, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 The listing fees dues as on the date has been paid to the respective stock exchanges.
f	**Stock Code**	BSE – 533553 NSE – TDPOWERSYS
g	**ISIN No.**	INE419M01019
h	**Market Price Data**	(As per Annexure A)
i	**Stock Performance in comparison to BSE Sensex and NSE Nifty**	(As per Annexure B)
j	**Registrar and Transfer Agents (RTA)**	**Link Intime India Private Limited** C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000
k	**Share Transfer System**	Share transfers are registered and returned in the normal course within a period of 15 days from the date of receipt.
l	**Distribution of shareholding as on March 31, 2022**	(As per Annexure C)
m	**Shareholding Pattern as on March 31, 2022**	(As per Annexure D)

<table>
<tr><td>n</td><td>Dematerialisation of Shares and Liquidity as on March 31, 2022</td><td>
<table>
<tr><th>Description</th><th>No. of Holders</th><th>No. of Shares</th><th>% of Equity</th></tr>
<tr><td>Physical</td><td>1</td><td>2</td><td>0.0074</td></tr>
<tr><td>NSDL</td><td>4545</td><td>17969913</td><td>33.4905</td></tr>
<tr><td>CDSL</td><td>9025</td><td>13133583</td><td>66.5021</td></tr>
<tr><td>Total</td><td>13571</td><td>31103498</td><td>100.00</td></tr>
</table>
</td></tr>
<tr><td>o</td><td>Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity</td><td>No outstanding GDRs/ADRs/Warrants or any Convertible Instruments</td></tr>
<tr><td>p</td><td>Commodity price risk or Foreign exchange risk and hedging activities</td><td>Nil</td></tr>
<tr><td rowspan="2">q</td><td rowspan="2">Registered Office & Factory (Plant Location)</td><td>Unit I:
27, 28 & 29 KIADB Industrial Area, Dabaspet,
Nelamangala Taluk, Bangalore, Karnataka - 562 111</td></tr>
<tr><td>Unit II:
Sy. No. 59/2, Yedehalli Village Nelamangala Taluk, Sompura Hobli Dabaspet,
Bangalore, Karnataka - 562 111</td></tr>
<tr><td>r</td><td>Compliance Officer & Company Secretary</td><td>N. Srivatsa</td></tr>
<tr><td>s</td><td>Address for correspondence</td><td>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</td></tr>
</table>

CORPORATE GOVERNANCE REPORT (CONTD.)

Annexure A

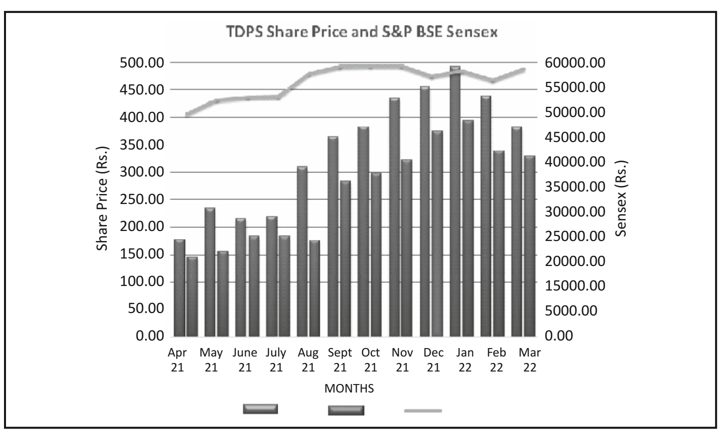
Market Price Data: High, Low, close, volume during each month of the fiscal 2022

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

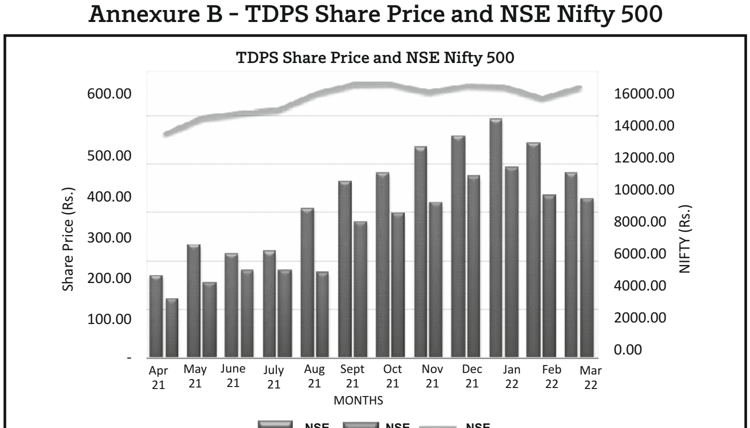
Months	BSE				NSE			
	High (₹)	Low (₹)	Close (₹)	Volume (Qty.)	High (₹)	Low (₹)	Close (₹)	Volume (Qty.)
Apr - 21	177.70	145.00	159.90	51,225	169.30	121.00	159.95	7,06,486
May - 21	233.85	156.40	195.70	2,88,108	234.00	155.60	196.10	37,49,306
Jun - 21	214.80	183.00	184.10	1,31,158	215.00	181.60	184.55	15,17,708
Jul - 21	218.60	183.25	193.95	1,73,173	219.00	181.00	192.95	27,72,026
Aug - 21	309.00	174.90	276.75	6,70,588	308.00	176.05	277.25	68,29,585
Sep - 21	365.00	283.30	308.75	4,05,652	364.80	281.05	309.40	35,32,120
Oct - 21	382.20	298.05	337.00	1,81,448	381.95	298.25	335.75	12,72,689
Nov - 21	435.00	322.10	396.00	2,64,194	435.00	321.00	396.95	19,50,499
Dec - 21	455.00	374.25	447.25	2,20,717	456.70	375.00	448.50	13,70,786
Jan - 22	492.60	393.45	426.05	1,29,504	492.45	393.70	425.35	11,91,987
Feb - 22	438.70	338.25	364.60	66,271	442.70	335.20	364.40	5,66,359
Mar - 22	381.50	329.00	344.75	32,992	382.50	328.10	344.65	5,76,956

Annexure B

Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty



Annexure B - TDPS Share Price and NSE Nifty 500



Annexure C

Distribution of shareholding as on March 31, 2022

Shareholding of Nominal Shares	Shareholders	% to Total Shareholders	Total Shares	% of Paid up Capital
1 to 500	12030	88.6449	892915	2.8108
501 to 1000	660	4.8633	513481	1.6509
1001 to 2000	379	2.7927	568083	1.8264
2001 to 3000	151	1.1127	384393	1.2359
3001 to 4000	75	0.5526	264177	0.8493
4001 to 5000	50	0.3684	231371	0.7439
5001 to 10000	96	0.7074	667710	2.1467
Above 10000	130	0.9579	27581368	88.6761
Total	**13571**	**100.00**	**31103498**	**100.00**

Annexure D

Shareholding pattern as on March 31, 2022

Sl. No.	Category	Number of Shares	% of Holding
(A)	**Promoters & Promoters Group**		
1	Promoters		
1(a)	Individual (Indian Nationals)	8469624	27.23
1(b)	Individual (Foreign National)	3235254	10.40
1(c)	Body Corporate	5026433	16.16
2	Promoters Group	1511008	4.86
	Total (A1 + A2)	**18242319**	**58.65**
(B)	**Public Shareholdings**		
1	Mutual Funds	3689184	11.86
2	Alternate Investment Funds	33634	0.11
3	Foreign Portfolio Investor (Corporate)	637091	2.05
4	Financial Institutions	0.00	0.00
5	Individuals	7017103	22.56
6	Others	1296205	4.17
	Total B	**12673217**	**40.75**
(C)	**Non Promoter - Non Public shareholder**		
	TDPSL Employee Welfare Trust	187962	0.60
	Grand Total (A +B+C)	**31103498**	**100.00**

VIII. Other Disclosure

1. **Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange(s)**

   The equity shares of the Company are listed on BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai, and the Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

   However, vide letter List/COMP/ 533553/Reg.34-Mar 19/ 206/ 2018-19 dated October 15, 2019 the BSE Limited imposed a fine of ₹ 84,960 for non-compliance of regulation 34 of SEBI LODR-non-submission of annual report for the year ended March 2019. In response, the Company vide its letter dated October 18, 2019 clarified as follows:

   i) The BSE filing portal faced technical issues and was not allowing us to attach full Annual Report. Accordingly, due to compliance urgency the Company got in touch with the BSE and was advised "to file the annual report by mode of link to the Company's website and the stock exchange will come back for further assistance and clarification.

ii) The Company uploaded its Annual Report for the Year ended March 31 2019 along with the Notice of the Annual General Meeting (AGM) on July 22, 2019 and provided the link to the Company's website as advised by BSE.

Till date, no action has been initiated further in this regard by BSE.

Similarly, the NSE vide its letter dated January 23, 2021 sent notice regarding non-compliance of regulation 34 of SEBI LODR as referred above and levied a penalty thereon. However, based on the representation by the Company, the said notice was withdrawn by the NSE vide its letter dated March 19, 2021 and penalty was waived off . The response from BSE is still awaited.

2. Whistle Blower Policy / Vigil Mechanism

The Company is committed to ethical and lawful business conduct which is not only essential to the Company's success, but also a fundamental shared value of its Board of Directors (the "Board"), senior management personnel and employees. Consistent with these principles, the Board has adopted a Code of Business conduct and Ethics (the "Code") as a guide to the principles and standards that should govern the actions of its Board and senior management personnel.

Any actual or potential violation of the Code or any deviation from the key company policies howsoever insignificant or perceived as such, is a matter of serious concern for the Company and should be reported appropriately for remedial / penal action.

To enable reporting (Whistle blower) of actual or potential violation of the Code or any deviation from the key company policies, a fair and proactive mechanism is imperative fortified by an appropriate protection policy.

This Whistle Blower Policy & Vigil Mechanism ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors/Employees of the Company to approach the Chairperson of the Audit Committee of the Company or Chairman of the Company. Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed is implemented through this Whistle Blower Policy to provide for adequate safeguards to the whistle blowers against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in terms of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Section 177 of the Companies Act, 2013. The above policy is available on our at website www.tdps.co.in.

3. CEO / CFO Certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Managing Director and Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under the SEBI LODR, for the year ended March 31, 2022. The said certificate forms part of this report.

4. Compliance certificates from Practicing Company Secretary

As required by schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR), a separate certificate from Mr. Sudhir V. Hulyalkar, Practicing Company Secretary, Bangalore, confirming that:

i. Compliance of conditions on Corporate Governance and

ii. None of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The said certificates form part of this Report.

5. Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to statutory auditor is as follows:

(₹ in lakhs)

Particulars	Fiscal 2022	Fiscal 2021
Audit Fees (including audit of consolidated financial statements)	13.70	15.20
Limited Review (quarterly financial results including consolidated financial results)	7.75	6.75
Taxation related services	-	-
Other services - Certifications fees	3.36	4.31
Other expenses	-	0.08

Note : During the year, there was no payment to any entity in the network firm/network entity of which the statutory auditor is a part.

6. Disclosure in relation to the Sexual Harassment

The details relating to complaint filed, disposed of and pending during the fiscal pertaining to sexual harassment of Women at Workplace is as under:

a	No. of complaints filed during the fiscal	Nil
b	No. of complaints disposed of during the fiscal	
c	No. of complaints pending as on end of the fiscal	

7. Loans and advances in the nature of loans to Companies in which directors are interested by name and amount are provided in note 43 of the financial statements.

8. **Accounting treatment in preparation of Financial Statements (Ind As)**

The guidelines / Accounting Standards (AS) laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material respects.

9. **Code for prevention of Insider Trading/Fair Disclosure**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), the Company has adopted a Code for Prevention of Insider Trading. The objective of the code is to restrict an insider from dealing in the shares of the Company either directly or indirectly when in possession of unpublished price sensitive information (UPSI) and also to restrict communication of such UPSI. The code is applicable to the directors and designated employees. The code enumerates the procedure to be followed for dealing in the shares of the Company and periodic disclosures to be made. It also restricts the insiders from dealing in the company's shares during the period when the 'Trading Window' is announced closed. The Company Secretary has been designated as the Compliance Officer.

In terms of the SEBI PIT Regulations a Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information has been formulated by the Company and made available on company's website at www.tdps.co.in.

10. **Management Discussion and Analysis Report**

The Management Discussion and Analysis report forms part of Directors' Report as **Annexure 8.**

11. **Board Diversity**

The Company recognizes the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company.

The Company maintains that Board appointment should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

The Nomination and Remuneration Committee (the "Committee") is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

The Board of Directors of the Company have an optimum combination of Executive and Non-Directors with at least one Woman Director and the composition of the Board is in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Listing Regulation and the statutory, regulatory obligations of the Company. The Board Diversity Policy is available on our website at www.tdps.co.in.

12. **E-Voting**

In compliance of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 the Company provides e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meeting. The procedure / instructions for e-voting are included in the Notice of the ensuing Annual General Meeting of the Company.

13. **Mandatory Requirements**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (m) and (o) of sub regulation (2) of Regulation 46 of the Listing Regulations. The company has complied compliance requirement of corporate governance under Sub para 2 to 10 of corporate governance report in respect of schedule V of LODR.

14. **Discretionary Requirements**

The status of adoption of the discretionary requirements as specified in Regulation 27(1) of the Listing Regulations are as follows:

Separate posts of Chairman and CEO – The Chairman and Managing Director / CEO are two separate persons.

Reporting of Internal Auditor - The Internal Auditor reports directly to the Audit Committee.

Audit Qualifications - The Company has unmodified opion on financial statements for the fiscal 2022.

15. **Information through Company's Website**

The disclosure as stipulated under Clause (b) to (i) of Regulation 46(2) of the SEBI LODR has been disseminated on the company's website.

For and on behalf of the Board of Directors

Ahmedabad
August 09, 2022

Mohib N. Khericha
Chairman

CORPORATE GOVERNANCE REPORT (CONTD.)

Compliance certificate by Managing Director / Chief Executive Officer and Chief Financial Officer as per Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
TD Power Systems Limited (Company)
27, 28 & 29, KIADB Industrial Area
Dabaspet, Nelamangala Taluk
Bangalore 562 111

This is to certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

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

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

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

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

1. That there have been no significant changes in internal control over financial reporting during the year;
2. That there have been no significant changes in accounting policies during the year needing specific disclosure in the notes to the financial statements; and
3. There have been no instances of significant fraud of which we have become aware and confirmed that no member of the management or an employee having a significant role in the Company's internal control system over financial reporting is involved therein.

Frankfurt	**Nikhil Kumar** Managing Director	**M N Varalakshmi** Chief Financial Officer
May 10, 2022		

INTENTIONALLY LEFT BLANK

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding adherence to the Code of Business Conduct and Ethics

The Board of Directors
TD Power Systems Limited (Company)
27, 28 & 29 KIADB Industrial Area
Dabaspet, Nelamangala Taluk
Bangalore 562 111

On the basis of the written declarations received from members of the board and senior management personnel in terms of Regulation 26(3) read with Schedule V of Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that, for the year ended March 31, 2022, both the members of the board and the senior management personnel of the company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company, as laid down by the board.

Frankfurt
May 10, 2022

Nikhil Kumar
Managing Director

Certificate on Corporate Governance

To
The Members,
TD Power Systems Limited
Bangalore

I have examined the compliance of conditions of corporate governance, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by TD Power Systems Limited (the Company) for the year ended on March 31, 2022.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with all the applicable conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Bangalore
August 09, 2022

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS No: 6040. CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040D000766107

Certificate on directors appointment and continuation on the Board of Directors of TD Power Systems Limited (the Company)

(In terms of Regulation 34(3) read with Para C, Sub Para 10 (i) of the Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)

I have examined the relevant records of the Company and disclosures made by the directors of the Company, relevant information on disqualification and proclaimed offenders as declared by Courts and disseminated on the website of Ministry of Corporate affairs, the Orders and other information available on the website of Security and Exchange Board of India and the stock exchanges, Reserve Bank of India and information on wilful defaulters as declared by the banks and made available at the websites of credit information companies registered with the Reserve Bank of India and based upon such examination, I hereby certify that none of the directors on the board of **TD POWER SYSTEMS LIMITED** (CIN: L31103KA1999PLC025071) as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Security and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India and other statutory authorities.

Bengaluru
August 09. 2022

Sudhir V Hulyalkar
Company Secretary in Practice
Membership No. : FCS 6040. CP No: 6137
Peer Review Certificate No. 607/2019
UDIN: F006040D000766074

ANNEXURE – 10

Disclosure with respect to Employees Stock Option Scheme (ESOS) & Stock Appreciation Rights scheme (SAR) of the Company as on March 31, 2022 (Pursuant to regulation 14 of the SEBI (Share Based Employee Benefits) Regulations 2014 read with SEBI circular dated June 16, 2015 as on March 31, 2022)

Sl. No.	Particulars	TDPSL Equity Based Compensation Plan 2019	
		ESOP	ESAR
A	**Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.**	Please refer to Note No 1.13 and No.49 of Standalone Financial Statements for the Financial Year ended on March 31, 2022	
B	**Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.**	Please refer to Note No.1.24 and No.37 of Standalone Financial Statements for the Financial Year ended on March 31, 2022	
C	**Details related to ESOS & SAR**		
(i)	**A description of each ESOS/SAR that existed at any time during the year, including the general terms and conditions of each ESOS/SAR, including –**	The Company has a collective Scheme for ESOP and SAR namely, TDPSL Equity Based Compensation Plan 2019	
	(a) Date of shareholders' approval	12.08.2019	
	(b) Total number of options/SARs approved under ESOS/SAR	5,63,884 Options.	3,99,216 ESAR
	(c) Vesting requirements	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. 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).	

ANNEXURE - 10 (CONTD.)

	(e) Maximum term of options/SAR granted	Stock Options / ESAR granted under TDPSL Equity Based Compensation Plan 2019 shall be exercised within a period not more than four years from the date of vesting of respective employees' stock options/ESAR.	
	(f) Source of shares (primary, secondary or combination)	Secondary	Primary
	(g) Variation in terms of options /Scheme	None	
(ii)	Method used to account for ESOS/SAR - Intrinsic or fair value	Fair value	
(iii)	Where the company opts for expensing of the options/SAR using the intrinsic value of the options/SAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options/SAR shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not applicable	
(iv)	Option/SAR movement during the year		
	Number of options/SAR outstanding at the beginning of the period i.e. 01.04.2021	Nil	133,072 ESARs
	Number of options/SAR granted during the year i.e. 2021-22	Nil	
	Number of options/SAR forfeited / lapsed during the year i.e. 2020-21	Nil	
	Number of options/SAR vested during the year i.e. 2021-22	187,961 Options	133,072 ESARs.
	Number of options/SAR exercised during the year i.e. 2021-22	187,961 Options	226,760 ESARs
	Number of shares arising as a result of exercise of options during i.e. 2021-22	During the year 187,961 equity shares held by TDPSL trust have been transferred to ESOP allottees. Further on account of exercise of ESAR, 170,084 Equity Shares were issued & allotted by the Company.	
	Money realized by exercise of options (INR), if scheme is implemented directly by the company during 2021-22	Not applicable as the scheme is implemented by TDPSL Trust.	
	Loan repaid by the Trust during the year from exercise price received	₹ 1,33,12,878/-	
	Number of Stock options/SAR outstanding at the end of the year	187,962 Options	1,72,456 ESARs
	Number of options/SAR exercisable at the end of the year	Nil	39,384 ESARs
(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted Average exercise price for ESOP & ESAR is ₹ 67.25 and ₹ 10/- respectively. ₹ 78.92 -Weighted-Average fair values	

ANNEXURE - 10 (CONTD.)

(vi) Employee wise details (name of employee, designation, number of options/SAR granted during the year, exercise price) of options//SAR granted to – Not applicable as during the year no options / SARs were granted.

a) Any other employee who receives a grant in any one year of option//SAR amounting to 5% or more of option granted during that year – Not applicable

b) Identified employees who were granted option/SAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant; - Nil

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information

(a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Refer Note no.49 of Standalone Financials Statement.
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Since each vesting has been considered as a separate grant, the volatility for periods corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years,
(d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	There are no market conditions attached to the grants or vests. There are no other specific features of the option except option grant price and Vesting period that were incorporated in to the measurement of fair value.

Details related to Trust

The following details, *inter alia*, in connection with transactions made by the Trust meant for the purpose of administering the TDPSL Equity Based Compensation Plan 2019 scheme under the regulations are as follows:

(i) General information

Sl. No.	Particulars	Details
1	Name of the Trust	TDPSL EMPLOYEE WELFARE TRUST
2	Details of the Trustee(s)	1. Ms. Prabhamani S 2. Mr. R Vasudeva Murthy
3	Amount of loan disbursed by company / any company in the group, during the year	₹ Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 2,79,85,082/-
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Not applicable
6	Any other contribution made to the Trust during the year	₹ 10,000/-

Note: The sources of repayment of loan by trust is from the dividend received in respect of shares held and exercised price paid by grantees. Any shortfall in the loan repayable by the trust represents the options cost already accounted by the Company.

ANNEXURE - 10 (CONTD.)

(ii) Brief details of transactions in shares by the Trust

Sl. No.	Particulars	Details
1	Number of shares held at the beginning of the year;	3,75,883 Equity Shares
2	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	**Primary Issuance:** During the year under ESAR, 170,084 Equity Shares being 0.55% of paid up capital as on March 31, 2021 were issued & allotted by the Company to TDPSL Trust and thereafter it was transferred to ESAR allottees through off- market transaction. The weighted average cost of acquisition was ₹10/- per share. **Secondary Acquisition:** During the year, 40 Equity Shares were acquired by the TDPSL Trust against the requirements of ensuing ESOP exercise. The weighted average cost of acquisition was ₹353.13/- per share.
3	Number of shares transferred to the employees / sold along with the purpose thereof;	During the year, 358045 Equity shares were transferred to employees by TDPSL Trust including 1,70,084 shares which were issued & allotted by the Company on account of exercise by ESAR allottees.
4	Number of shares held at the end of the year.	187,962 Equity Shares

(iii) In case of secondary acquisition of shares by the Trust

Number of shares	**As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval (i.e. August 12, 2019) was obtained.**
Held at the beginning of the year	1.21%
Acquired during the year	40 shares bought equivalent to 0%
Sold during the year	Nil
Transferred to the employees during the year	0.61%
Held at the end of the year	0.61%

For and on behalf of the Board of Directors

Ahmedabad
August 9, 2022

Mohib N. Khericha
Chairman

ANNEXURE - 11

THE BUSINESS RESPONSIBILITY REPORT (BRR) 2021-22

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

<table>
<tr><td>1</td><td>Corporate Identity Number (CIN) of the Company</td><td colspan="4">L31103KA1999PLC025071</td></tr>
<tr><td>2</td><td>Name of the Company</td><td colspan="4">TD Power Systems Limited</td></tr>
<tr><td>3</td><td>Registered address</td><td colspan="4"># 27, 28 and 29, KIADB Industrial Area, Dabaspet, Nelamangala Taluk, Bangalore – 562111</td></tr>
<tr><td>4</td><td>Website</td><td colspan="4">www.tdps.co.in.</td></tr>
<tr><td>5</td><td>E-mail id</td><td colspan="4">srivatsa.n@tdps.co.in</td></tr>
<tr><td>6</td><td>Fiscal Reported</td><td colspan="4">April 01, 2021 - March 31, 2022</td></tr>
<tr><td>7</td><td>Sector(s) that the Company is engaged in (industrial activity code wise)</td><td colspan="4">Code No. 271 - Manufacturers of AC Generators and Electric Motors
Aforesaid code is as per National Industrial Classification 2008 - Ministry of Statistics and Programme Implementation, Government of India.</td></tr>
<tr><td>8</td><td>List three key products/services that the Company manufactures/provides (as in balance sheet)</td><td colspan="4">AC Generators manufacture, Customized Electric Motors manufacture, Project business</td></tr>
<tr><td>9</td><td>Total number of locations where business activity is undertaken by the Company</td><td colspan="4">The Company carries out its business directly and through its subsidiary companies as below:
1. National locations - The manufacturing facilities, Corporate & Registered offices are situated in Dabaspet, Nelamangala Taluk, Bangalore Rural District Karnataka India catering to customers in the domestic & International customers.
2. International locations - The Company operates in USA, Germany, Japan & Turkey through its wholly owned foreign subsidiaries. Turkey is the first overseas manufacturing location.</td></tr>
<tr><td rowspan="3">10</td><td rowspan="3">Markets served by the Company –Local/State/National/International</td><td>Local</td><td>State</td><td>National</td><td>International</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td colspan="4">The Company has its footprint in both National and International market. In domestic market the company serves countrywide. In the international markets the Company has installations in more than 80 countries and continues to grow.</td></tr>
</table>

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ In Lakhs)

Sl. No.	Particulars	For the Fiscal 2021-2022	
		Standalone	Consolidated
1	Paid up Capital (INR)	3110.35	3110.35
2	Total Turnover (INR)	71880.55	79742.41
3	Total Profit after taxes (INR)	5441.49	7064.91
4	Total comprehensive income (INR)	5317.62	6143.32
5	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Annexure No.6 of the Annual Report for CSR activities 2021-22.	
6	List of activities in which expenditure in 5 above has been incurred	Refer as above.	

SECTION C: OTHER DETAILS

1	Does the Company has any Subsidiary Company/ Companies	The Company has one Indian and 4 overseas wholly owned subsidiaries viz – Turkey, Japan, USA & Germany
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiaries are overseas jurisdictions and adopt requirements as prescribed. However, all the 3 overseas subsidiaries adopt same practices generally as the parent company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The suppliers or service adopt best practices as advised by the Company from time to time. Some medium & large suppliers pursue their own BR initiatives.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors / BR head responsible for BR

a)	**Details of the Director/Director responsible for implementation of the BR policy/policies**	The BR initiatives are informally led by the Managing Director with inputs from an internal committee.
b)	**Details of the BR head:**	
1	DIN Number	00062243
2	Name	Mr. Nikhil Kumar
3	Designation	Managing Director
4	Telephone number	080-22995700
5	e-mail id	Tdps@tdps.co.in

2. Principle-wise (as per NVGs) BR Policy/policies:

The Nine areas of Business Responsibility (Principles) in the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVGs) released by Ministry of Corporate Affairs are as follows:

	Principles(P)
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

ANNEXURE - 11 (BRR CONTD.)

a. Details of Compliance

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	The Company's Integrated Management policy broadly integrates most of the above principles. Code of ethics and transparency, the HR policies, policy on conflict materials, quality policy and the CSR policy, safety and health policies currently in practice combined together represent the Business responsibility policy of the Company. A comprehensive BR policy is under preparation.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policies / practices, SOP's and best practices have been formulated by considering input, feedback, sensitivities of the stakeholders as well business & operational imperatives wherever applicable.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are mapped against the principles of NVGS & compliant with applicable laws, business & operational needs.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Certain policies are based on requirements of applicable law. The Company's CSR policy is approved by the Board of Directors. All policies are signed by the MD or a functional head so authorised.								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes.								
6	Indicate the link for the policy to be viewed online?	http://tdps.co.in/investor-relations/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The internal & external stakeholders have been informed of the policies as applicable.								
8	Does the company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	There is an internal system to ensure effective implementation of policies currently inforce.								

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	Not applicable								
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year	A comprehensive BR policy combining all the policies currently in practice is being reviewed to harmonise the same with BRSR requirements from April 2022.								
6	Any other reason (please specify)	Not applicable								

3. **Governance related to BR**
   a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

      The policies are reviewed by the Managing Director Half yearly with the Functional heads. The CSR policy is reviewed annually the CSR committee.

   b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this Report? How frequently it is published?**

      As stated above, the Company's Integrated Management policy broadly integrates most of the above principles. Code of ethics and transparency, the HR policies, policy on conflict materials, quality policy and the CSR policy, safety and health policies currently in practice combined together represent the Business responsibility policy of the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

TDPS's business philosophy is built on the key foundational values of ethics, transparency and accountability. The Company firmly believes that trust, integrity and credibility are key elements in creating value for its stakeholders. To ensure that these principles are adhered to, TDPS adopted a Company-wide 'Code of Conduct' (CoC) which describes integrity, cultural and good working norms as well as the process to address any violations. All employees of TDPS are required to adhere the CoC's requirements.

In order to enable employees to raise concerns to the Company's Management, the Company has also adopted a 'Whistle Blower Policy' to Report any unethical practice, fraud etc. suspected to be taking place for appropriate action. No employee is restricted from access to the Audit committee & all disclosures, non-compliance is Reported to the Audit committee.

The Code of conduct and Whistle blower policy are uploaded on the Company's web site at www.tdps.co.in.

All Directors and Senior Management personnel on annual basis are required to affirmed compliance of the CoC. A declaration to this effect, signed by the Managing Director, is given in the Annual Report. Also apart from above, the Senior Management personnel on annual basis also affirmed that they do not have any personal interest that may have a potential conflict with the interest of the company at large in material financial and commercial transactions of the Company.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   The policy relating to ethics, bribery and corruption is applicable to the company and all it's subsidiaries –both Indian & Overseas. The suppliers, service providers and contractors are encouraged to adopt these practices as a business partner.

2. **How many stakeholder complaints have been received in the past Fiscal and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the year 140 queries/ complaints were received from customers relating to manufacturing, design, quality of generators within and after warranty period & packing and other issues of which 92.14% have been satisfactorily resolved and the balance have been attended to by the Company and is under various stages of resolution. To resolve customer complaints speedily, we have a network of service partners around the globe to serve the needs of customers backed by a strong service & engineering department.

   To assess customer satisfaction, a customer service satisfaction feedback form is obtained for each service visit which ranks our service on a rating scale of 1 to 5. The feedback forms also collect the observation and suggestion from the customer which are circulated to the concerned department to initiate necessary corrective action for avoiding recurrence of complaints. The feedback and suggestions are used for Root cause analysis & resultant design and manufacturing improvements. No complaints were received from the company's shareholders during the Year under Report.

ANNEXURE - 11 (BRR CONTD.)

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   As a leading Generator manufacturer TDPS conducts all its operations in a manner that provides products and services to meet customer expectations, protects environment, and ensures health and safety needs of employees and other interested parties. It is the strategic decision of TD Power systems Ltd to implement and integrate ISO 9001 : 2015, ISO 14001 : 2015 and BS ISO 45001 : 2018.

   The company manufactures Electrical generators & Spare parts related thereto. It also provides refurbishment of used generators of certain makes. These Generators are used with various prime mover applications fueled by steam, hydro, oil & also non fossil / renewable fuels like bagasse, biomass, municipal waste, waste heat from process plants, wind & gas contributing to social and environmental causes. As a part of our conflict mineral policy, it is ensured that our products or parts do not contain that conflict minerals such as Tin, Tungsten or Tantalum. Through our sourcing protocol it is ensured that no conflict materials are procured & we guide suppliers and vendors about our policy. We also partner with our customers in helping them to comply with disclosure requirements regarding such materials.

   The Generators are manufactured with focus on performance efficiency improvements to meet customer expectations. Our generators are designed to last at least 15-20 years, are environment friendly & help customers to produce power at competitive costs for captive consumption as well as for third party sale. Our design & R&D efforts are focused on developing social and environment friendly Generators & are continuously upgraded to produce high performance generators.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

   a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

      The R& D, design and engineering functions constantly focus on value engineering to achieve significant reductions in consumption of material & consumables & the supply chain is a partner in this effort. The critical materials procurement is decentralized enabling the company to take advantage of both price and currency trends – both long term and short term. The efficiencies in the functionalities and performance of the generators enables cost savings for both the customer and the company.

   b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year ?**

      As stated above, optimization of materials and processes both at the design, procurement and manufacturing levels through value engineering enables the company to stay competitive without compromising the quality of the machines. Supply of High quality generators at competitive prices enabled customer to maximize their return on investment and contributes to revenues.

3. **Does the company have procedures in place for sustainable sourcing (including transportation) ?**

   As stated above, in order to have a sustainable sourcing, procurement is decentralized enabling the company to take advantage of both price and currency trends – both long term and short term. The company is continuously strengthening its procurement efforts to have a sustainable policy for sourcing and procurement. The company is conscious of the expectations of various stake holders to take responsibility for the suppliers environmental, social an ethical practice. In order to meet these expectations & manage risks the company monitors procurement and supply chain processes continuously.

   a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

      It is difficult to quantify exactly in terms of percentage of inputs that was sourced sustainably, the Company is increasingly focused on sustainable sourcing and it is on rise.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work ?**

   The manufacturing units of the Company are located in a rural area with no ancillary industrial activity. However, due to its proximity to certain industrial areas, the company procures its component requirements from small / medium units located in some of the industrial estates in and around Bangalore. During the year under Report, about 47% of total procurement in value terms are procured from sources including small / medium units located in around Bangalore where its manufacturing units are located.

a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors ?**

The company engages in continuous training & skill improvement with its vendors to ensure sustainable quality of the components. We also support some of the critical vendors with Machinery / equipment support on easy terms to upgrade their manufacturing capabilities.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The manufacturing process does not involve recyclable materials. The main materials are electrical grade steel & copper rods which are drawn into strips and enamel wires which cannot be recycled. Other components comprise of steel fabrications like forgings etc. which undergo certain machining process and the metal residue arising out of such machining is sold as metal scrap. The resin used for the vacuum pressure impregnation process has a certain life after which it loses its properties, becomes unusable & is disposed with required process.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES

Sl. No.	Category	comment
1.	Please indicate the Total number of employees.	1199*
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	274
3.	Please indicate the Number of permanent women employees.	33
4.	Please indicate the Number of permanent employees with disabilities	NIL
5.	Do you have an employee association that is recognized by management.	Yes (TDPSWU)
6.	What percentage of your permanent employees is members of this recognized employee association?	270

**Including figures of sr. no. 2 as stated above.*

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Fiscal and pending, as on the end of the Fiscal 2022.**

There were no complaints during the Fiscal 2022 relating to the above.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Category	Safety training (%)	skill up-gradation training (%)
a) Permanent Employees	100%	86%
b) Permanent Women Employees	100%	65%
c) Casual/Temporary/Contractual Employees	100%	60%
d) Employees with Disabilities	NIL	NIL

PRINCIPLE 4 : BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

1. **Has the company mapped its internal and external stakeholders ?**

Yes, the key stakeholders of the Company are employees, customers, shareholders, suppliers & contractors, government authorities, trade & chamber association, communities around the location of the company's facilities.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders ?**

Interests of all the stake holders are to be taken into consideration for a sustainable business eco system.

ANNEXURE - 11 (BRR CONTD.)

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   As part of its CSR activities, the company has initiated multiple projects "school readiness program in community schools' for early childhood Education, Educational Empowerment of Girl Children of Scavenging community and School Infrastructure & Development Project to support in upgradation of School infrastructure, teaching aids and student welfare activities. The details of the same are provided in Annexure 6 of the Directors Report. Also the company provides employment to people of the rural area in which it is located. The company prioritizes engaging with small & medium vendors for its components and also involves in skill and financial support as may be required.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others ?**

   Policies on this aspect including on Health, rewards & recognition, growth opportunity, in house social activities, learning, development & education are primarily applicable to the Company. However, the company encourages it's business partners, vendors and service providers to adopt these policies as may be best suited to them.

2. **How many stakeholder complaints have been received in the past Fiscal and what percent was satisfactorily resolved by the management ?**

   The Company has not received any compliant with respect to human rights in the Fiscal 2021-22.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   The policy applies to the wholly owned subsidiaries & all the stake holders.

2. **Does the company has strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The manufacturing process does not have any environmental issues such as effluent, chemical or gas discharges. Our product- AC generators support green, renewable & waste to energy initiatives. One of the critical parts of the company's integrated management systems is it's Safety, Health and Environment (SHE) policy. The Company focuses on "SHE" responsibility amongst all the employees in their practices, promote and value their involvement in achieving the goals of this policy. Fix the responsibility of "SHE" with the contractors, Sub-Contractors, Transporters and all other external providers operating with the TDPS. The company is concerned about global environmental issues such as climate change, global warming etc. & supports all efforts in these areas.

   The Environment Management System adopted by TDPS adopted is certified with ISO 14001-2015 by a reputed certification agency.

3. **Does the company identify and assess potential environmental risks ?**

   Basically, the manufacturing process does not have potential environmental risks. However, the Company continuously evaluates its processes to identify, assess & minimize environmental risks if any, in its manufacturing operations. The design and development efforts of the company are directed towards designing machines with high level of efficiency for renewable energy, green power and waste to energy applications which contribute to mitigating environmental risks.

4. **Does the company has any project related to Clean Development Mechanism ? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance Report.**

   The company is not part of any Clean Development Mechanism (CDM) projects. However, the generators manufactured by the company cater to renewable energy including wind energy & other climate friendly energy sources thus contributing indirectly to CDM.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   As stated aforesaid, the company is constantly involved in design improvements to bring about energy efficiency of its machines. Our generators cater to renewable energy and clean energy applications. As part of energy saving initiatives LED lighting system has been installed enhancing ambient lighting as well as significant savings in energy consumption.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Fiscal being Reported?**

   Basically, the manufacturing process does not give rise to emissions. The waste generated as stated earlier are not polluting or harmful. The manufacturing units are compliant of the Consents by the SPCB. An effluent and Sewage treatment plant is installed to recycle the waste water and use it for plantation inside the Factory premises for upkeep of the trees. TDPS conducts environmental day on June 5th every year and plants trees inside the factory and its surroundings in which Employees are also involved. Environmental compliance is monitored as per KSPCB regulations and Ambient Air quality is met as per the regulations.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Fiscal.**

   No show cause notices were received as on the end of the year under Report.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company is a member of Bangalore Chamber of Industry and Commerce, Federation of Karnataka Chamber of commerce & Industry, Indo German chamber of commerce & Karnataka Employers' Association.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) .**

   The company generally participates and shares ideas with the associations regarding economic reforms and sustainable business eco system.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8 ? If yes details thereof.**

   The policies detailed at various points above represent the company's focus along with partners, vendors and service providers in meeting the above objectives. The Company's social projects as detailed in Annexure 6 to the Directors Report represent its intent in supporting these objectives.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization ?**

   The CSR program for Fy22 was implemented in partnership with an external CSR agency having requisite competence.

3. **Have you done any impact assessment of your initiative ?**

   Our initiatives under various policies as aforesaid have enabled in promoting a safe, healthy & environment friendly operations and product. The focus on vendor skill development and financial support have enabled the company in promoting quality components and a sustainable vendor source. The impact of our CSR initiative is as Reported under Annexure 6 of the Directors Report.

ANNEXURE - 11 (BRR CONTD.)

4. **What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

   The details of projects undertaken and contribution therein by the Company have been disclosed in Annexure 6 of the Directors Report 2022.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   An important objective of our CSR initiative is emphasis on Institutional capacity building & educational campaigns. The CSR projects initiated by the Company were successfully implemented and assessment of each project was carried out by our implementing agencies. Each project was benefited for the stakeholders and adoptable by them. The above initiatives are a step towards development in community which will eventually take ownership of the programs and make it sustainable.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/consumer cases are pending as on the end of fiscal.**

   As on March 31, 2022, about 7.8 % of the customer queries / complaints are pending of which about 2.1% have been resolved until the date of this Report. The balance 5.7% of the complaints minor in nature & are open mostly awaiting customer confirmation as well as due to the ongoing Pandemic.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   The product information in compliance of IEC (Europe), NEMA (USA) and BIS standards (India) are displayed on the product label fixed to the generators depending on the customer/ user origin.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of Fiscal. If so, provide details thereof.**

   Not such cases were filed against the company.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   In addition to what is stated under Principle 1 above, the Company has a well-established system in place for dealing with customer feedback. Multiple options like email, telephone, website, feedback form etc. are available to the customer to communicate with the Company's marketing & service functions around the clock.

For and on behalf of the Board of Directors

Ahmedabad
August 9, 2022

Mohib N. Khericha
Chairman

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS OF
TD POWER SYSTEMS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **TD Power Systems Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements") in which are included the financial statements of the Japan Branch for the year ended on that date audited by the Branch Auditor of the Company located at Japan.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit, total Comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note No. 50 in the standalone financial statements, which describes the basis on which the going concern assumption in the preparation of financial statements of two subsidiaries and the evaluation of the carrying value of investment in one subsidiary and that no further provision for impairment in the carrying value of the investment in that subsidiary is considered necessary by the management.

We draw attention to Note no. 53 in the standalone financial statements, which describes the impact of COVID-19 pandemic, carried out by the management of the company on the company's business operations, financial position, carrying value of various assets and the uncertainties associated with such an evaluation in the present circumstances and that the impact may be different from that assessed as the date of approval of these standalone financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition for contracts with customers

Reasons why the matter was determined to be a key audit matter: The Company generates a significant portion of the business by manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications. The Company recognizes revenue in accordance with IND AS 115 Revenue from contracts with customers, generally when or as the entity satisfies a performance obligation by transferring a promised goods, services to a customer; i. e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account the creditworthiness of the customers. These assessments include, in particular, the scope of deliveries and services required to fulfill contractually defined obligations.

Auditor's response: As part of our audit, we obtained an understanding of the Company's internally established methods, processes and control mechanisms from order to delivery. We have also assessed the design and operating effectiveness of the internal controls by obtaining an understanding of such business transactions, and testing controls over these processes.

As part of our substantive audit procedures, we evaluated the management's assumptions based on a risk-based selection of a sample of contracts. We have carried out verification of documents relating to these sales that include the documents for final testing dispatch of goods or acknowledgment of acceptance of the goods. We performed cut-off procedures to ensure that year-end sales are in accordance with the revenue recognition policy of the Company. The performance of obligations is considered complete, generally when the testing of goods is completed/customer has accepted the goods.

We have also discussed with the management the likelihood of any changes in the terms of non-fulfilment of obligation by the customers, arising from the impact of COVID-19.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report and other information published along with but does not include the standalone financial statements and the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report etc., is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. In case of uncorrected material misstatement, we are required to communicate to other stakeholders as appropriate as well as to take action, applicable under applicable laws and regulations, if any.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with relevant rules issued thereafter.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

We did not audit the financial statements of Japan Branch included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs. 1,947.52 lakhs as at 31st March, 2022 and total revenues of Rs. 1,509.78 lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements of the Branch have been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the Branch, is based solely on the report of such Branch Auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the '**Annexure A**' a statement on the matters specified in the paragraph 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branch not visited by us, but audited by the Branch Auditors.

   c. The report on the accounts of one branch office audited under section 143 by a person other than the company's auditor has been forwarded to us as required by sub-section (8) of section 143 and have been properly dealt with in preparing our report in the manner considered necessary by us;

   d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us, but audited by the Branch Auditors.

   e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

   f. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**';

   h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

   In our opinion and to the best of our information and according to the explanations given to us and as per the verification of the records of the company, the remuneration paid by the Company to its directors during the year is within the limit laid down under the provisions of section 197(16) of the Act.

i. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed pending litigations in its standalone financial statements, the impact if any on the final settlement of these litigations on its financial position is not ascertainable at this stage – Refer Note No 35 of standalone financial statements;

ii. the Company did not have any long-term contracts for which there were any material foreseeable losses. Refer Note No. 40(b) of the standalone financial statements;

iii. there has been no delay in transferring amounts, to be transferred to the Investor Education and Protection Fund by the Company during the year - Refer Note 40(c) of standalone financial statements.

iv. (a) The Management has represented that, to the best of their knowledge and belief, as disclosed in Note No. 40(d) of the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person orentity, including foreign entity ("Inter mediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented that, to the best of their knowledge and belief, as disclosed in Note No. 40(e) of the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and

v. As stated in Note 46 to the standalone financial statements

a) During the year, the final dividend proposed, declared and paid by the Company relating to FY2020-21 is in accordance with Section 123 of the Act, as applicable.

(b) The Board of directors of the Company has not declared interim dividend.

(c) The Board of Directors of the Company have proposed final dividend for the financial year 2021-22 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

K.P.SRINIVAS
Partner
M. No. 208520
UDIN : 22208520AISKSK5975

Place : Delhi
Date : 10th May 2022

Annexure referred to in paragraph 1 under the heading 'report on Other Legal and Regulatory Requirements' of our Independent Auditor's Report of even date on the Standalone Financial Statements of TD Power Systems Limited for the year ended 31st March 2022.

I. In respect of its Property, plant and equipment:

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

The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a programme of physical verification of Property, plant and equipment of the Company, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, there were no material discrepancies identified on such verification when compared with available records of the Company.

(c) According to the information and explanations given to us and as per the verification of the records of the Company, the title deeds of the immovable properties

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

(other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements, are held in the name of the Company.

d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets or both during the year.

e) According to the information and explanations given to us and as per our verification of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. a) The inventory has been physically verified by the management during the year and at the year end. In our opinion, the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.

b) According to the information and explanations given to us and as per our verification of the records of the company, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks on the basis of security of current assets and quarterly statements filed by the company with banks are in agreement with the books of account of the Company.

iii. According to the information and explanations provided to us and based on our verification of the records of the Company, during the year, the Company has not made any investments in, provided any financial guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

a) According to the information and explanations given to us, during the year, the Company has not provided advances in the nature of loans, or financial guarantee, or provided security to any other entity. Hence reporting under clause 3(iii)(a) of the Order is not applicable.

b) The company has not made investments, provided guarantees or given securities. Hence reporting under clause 3(iii)(b) of the Order is not applicable.

c) In respect of loans granted by the Company to its two wholly owned subsidiaries in the earlier years, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular except for ₹ 376.80 Lakhs which was renewed during the year.

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) Loan granted by the Company which has fallen due during the year, was renewed on maturity. However no fresh loans has been granted to settle the overdues of existing loans given to the same parties. The details of loans renewed during the year is given below:

(Amount in ₹ Lakhs)

Name of the parties	Aggregate amount of overdues of existing loans renewed	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
TD Power Systems Jenerator Sanayi Anonim Sirketi	INR 75.36	Not Applicable No fresh loans were granted during the year.
TD Power Systems USA Inc	INR 301.44	Not Applicable No fresh loans were granted during the year.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act 2013 in respect of loans granted, investments made and guarantees and securities provided to the subsidiaries as applicable. There was no loan granted or guarantee provided to other parties.

v. According to the information and explanations given to us, the Company has not accepted any deposit and there were no amounts which are deemed to be deposits. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government, for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the accounts and records with a view to determining whether they are accurate or complete.

vii.(a) According to the information and explanations given to us and as per our verification of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of customs, duty of excise, Value Added Tax, cess and any other statutory dues to the appropriate authorities during the year to the extent applicable. There are no arrears of undisputed statutory dues of a material nature outstanding as at the last day of the financial year for a period of more than six months from the date on which they became payable.

b) According to the information and explanations given to us and as per our verification of the records of the Company, there were no disputed amounts of statutory dues referred to in sub-clause (a) that have not been deposited with appropriate authorities as at 31st March 2022, except for the following:

Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)	Period (financial year) to which the amount relates to	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15.80	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	27.56	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1942.67	2016-17	High Court of Karnataka

viii. According to the information and explanations provided to us and based on our verification of records of the Company, there were no transactions not recorded in the books of account which were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, the paragraph 3(viii) of the order is not applicable.

ix. a. According to the information and explanations provided to us and based on our verification of the records of the Company. Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the financial year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. a. According to the information and explanations given to us and as per our verification of records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3(x)(a) of the Order are not applicable.

b) According to the information and explanations given to us and as per our verification of records of the Company, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable. (As stated in Note 49 of the financial statements, the company has issued shares under ESOP Scheme during the year.)

xi. a. According to the information and explanations given to us and as per our verification of records of the Company, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

b) According to the information and explanation given to us and as per our verification of the records of the company, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) According to the information and explanations given to us and as per our verification of records of the Company, no whistle-blower complaints have been received during the year by the Company.

xii. According to the information and explanations provided to us and based on our verification of the records of the Company, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and as per our verification of records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. a) In our opinion the Company has an internal audit system which is commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company.

xv. According to the information and explanations given to us and as per our verification of records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with the directors. Accordingly, paragraph 3 (xv) of the Order is not applicable.

xvi. a) According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b) According to the information and explanations given to us the Company has not conducted Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) According to the information and explanations given to us the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.

xvii The Company has not incurred cash losses during the financial year and the immediately preceding financial year.

xviii There has been no resignation of the statutory auditors of the Company during the year.

xix On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b. In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount as at the end of the financial year, to a Special Account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

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

K.P. SRINIVAS
Partner
M. No. 208520
UDIN : 22208520AISKSK5975

Place : Delhi
Date : 10th May 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARA 2 (g) "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **TD Power Systems Limited** ("the Company") as of 31 March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

(1.) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2.) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3.) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

K.P. SRINIVAS
Partner
M No. 208520
UDIN : 22208520AISKSK5975

Place: Delhi
Date : 10th May 2022

BALANCE SHEET AS AT MARCH 31, 2022

Amount in ₹ Lakhs

	Note No.	As at 31.03.2022		As at 31.03.2021	
I. ASSETS					
Non - current assets					
Property, plant and equipment	2	15,388.79		16,561.42	
Capital work in progress	3	63.47		25.15	
Intangible assets other than goodwill	4	586.91		399.29	
Intangible assets under development	5	-		32.10	
Financial assets					
Investments	6	3,771.63		3,771.63	
Loans to subsidiaries	7	1,017.36		1,017.38	
Other financial assets	8	122.80		122.80	
Other non-current assets	9	1,853.97	22,804.93	1,782.37	23,712.14
Current assets					
Inventories	10	19,152.93		14,574.46	
Financial assets					
Trade receivables	11	24,508.09		17,578.02	
Cash and cash equivalents	12	3,846.35		3,777.81	
Bank balances other than cash and cash equivalents	13	10,594.99		11,685.58	
Other financial assets	14	2,247.90		1,947.87	
Other current assets	15	5,154.18	65,504.44	2,619.59	52,183.33
TOTAL			**88,309.37**		**75,895.47**
II. EQUITY AND LIABILITIES					
Equity:					
Equity share capital	16	3,110.35		3,093.34	
Other equity	17	49,155.37	52,265.72	44,349.29	47,442.63
Non - current liabilities					
Provisions	18	499.39		452.59	
Deferred tax liabilities (Net)	19	792.22	1,291.61	627.21	1,079.80
Current Liabilities					
Financial Liabilities:					
Borrowings	20	7,096.51		5,199.60	
Trade payables					
- total outstanding dues of micro enterprises and Small enterprises	21	64.34		60.26	
- total outstanding dues of creditors other than micro enterprises and Small enterprises		14,613.91		10,139.40	
Other financial liabilities	22	7,834.73		7,258.38	
Other current liabilities	23	3,983.92		3,777.67	
Provisions	24	432.50		322.58	
Current tax liability - Net	25	726.13	34,752.04	615.15	27,373.04
TOTAL			**88,309.37**		**75,895.47**

The accompanying notes form an integral part of the financial statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

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

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

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

		Note No.	Year ended 31.03.2022		Year ended 31.03.2021	
I	Revenue from operations	26		71,880.55		49,941.43
II	Other income	27		1,756.48		1,268.50
III	**TOTAL REVENUE (I+II)**			**73,637.03**		**51,209.93**
IV	**Expenses**					
	Cost of materials consumed	28	52,580.48		35,077.29	
	Purchases for project business, net of changes in inventories of stock in trade	29	940.96		778.32	
	Changes in inventories of finished goods, work in progress and stock in trade	30	(1,830.51)	51,690.93	(1,428.04)	34,427.57
	Employee benefits expense	31		7,273.31		7,308.72
	Finance costs	32		205.70		445.85
	Depreciation and amortization expense	33		2,123.70		2,096.83
	Other expenses	34		4,964.06		4,579.37
	TOTAL EXPENSES			**66,257.70**		**48,858.34**
V	**Profit/(loss) before tax (III-IV))**			**7,379.33**		**2,351.59**
VI	**Tax expense:** (Refer Note No. 38(a) & (b))					
	Current tax		1,772.83		626.46	
	Deferred tax		165.01	1,937.84	(22.62)	603.84
VII	**Profit/(loss) for the year (V-VI)**			**5,441.49**		**1,747.75**
VIII	**Other comprehensive income**					
	Items that will not be reclassified to profit or loss					
	Remeasurement of defined benefit plans		(84.34)		136.13	
	Income tax on defined benefit plans					
	-Current Tax (Refer Note No. 38(a))	36	21.23	(63.11)	(34.26)	101.87
	Items that will be reclassified to profit or loss					
	Exchange difference on translation of foreign operations		(60.76)	(60.76)	(55.77)	(55.77)
	Total			**(123.87)**		**46.10**
IX	**Total comprehensive income for the year (VII+VIII)**			**5,317.62**		**1,793.85**
X	Earnings per equity share of ₹ 10/- each:					
	Basic (in ₹)	37		17.68		5.73
	Diluted (in ₹)			17.56		5.65

The accompanying notes form an integral part of the financial statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

This is the statement of profit and loss referred to in our report of even date attached

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

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

Particulars	Equity Share Capital (Equity Shares of Rs.10 each issued, subscribed and fully paidup)	Other Equity							Total other equity attributable to equity share holders of the company
		Reserves and surplus				Stock option Outstanding Account	Shares Purchased by ESOP Trust	Exchange difference on translation of foreign operations	
		Securities Premium	Retained earnings	General reserve	Capital Redemp-tion Reserve				
As at 1st April 2020	**3,093.34**	**19,027.49**	**20,558.34**	**2,939.63**	**230.42**	**281.34**	**(822.13)**	**139.54**	**42,354.63**
Profit for the year 1st April 2020 to 31st March 2021	-	-	1,747.75	-	-	-	-	-	1,747.75
Remeasurement of defined benefit plans for the year (net of tax)	-	-	101.87	-	-	-	-	-	101.87
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(55.77)	(55.77)
Transfer to Stock Options Outstanding account during the year (Refer Note No.49)	-	-	-	-	-	303.74	-	-	303.74
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	126.41	-	126.41
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	(141.40)	141.40	-	-
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	(6.26)	-	-	-	6.26	-	-
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	2.68	-	2.68
Dividend for the year (Refer Note No. 46)	-	-	(232.02)	-	-	-	-	-	(232.02)
As at 31st March 2021	**3,093.34**	**19,027.49**	**22,169.68**	**2,939.63**	**230.42**	**443.68**	**(545.38)**	**83.77**	**44,349,29**
As at 1st April 2021	**3,093.34**	**19,027.49**	**22,169.68**	**2,939.63**	**230.42**	**443.68**	**(545.38)**	**83.77**	**44,349,29**
Shares issued during the year to ESOP Trust	17.01	-	-	-	-	-	-	-	-
Profit for the year 1st April 2021 to 31st March 2022	-	-	5,441.49	-	-	-	-	-	5,441.49
Remeasurement of defined benefit plans for the year (net of tax)	-	-	(63.11)	-	-	-	-	-	(63.11)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(60.76)	(60.76)
Transfer from Share Option Outstanding to Securities premium on exercise of ESAR	-	173.55	-	-	-	(173.55)	-	-	-
Transfer to Stock Options Outstanding account for the year (Refer Note No. 49)	-	-	-	-	-	133.60	-	-	133.60
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	126.40	-	126.40
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	(146.80)	146.80	-	-
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	(3.68)	-	-	-	3.68	-	-
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	4.95	-	4.95
Dividend for the year (Refer Note No.46)	-	-	(776.49)	-	-	-	-	-	(776.49)
As at 31st March 2022	**3,110.35**	**19,201.04**	**26,767.89**	**2,939.63**	**230.42**	**256.93**	**(263.55)**	**23.01**	**49,155.37**

The accompanying notes form an integral part of the financial statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt
Date: 10th May 2022

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

This is the statement of changes in equity referred to in our report of even date attached

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

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	Year ended 31.03.2022		Year ended 31.03.2021	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		7,379.33		2,351.59
Adjustments for				
Depreciation	1,934.62		1,962.77	
Amortisation	189.08		134.06	
(Profit) / Loss on disposal of Property, Plant and Equipments (including amount considered as exceptional item)	(0.06)		(10.50)	
Unbilled revenue	26.68		53.10	-
Interest income on bank deposits	(642.22)		(634.70)	
Interest income on financial assets (Non-convertible debentures carried at amortised cost)	(81.10)		(80.87)	
Interest income accrued on financial assets (Non-convertible debentures carried at amortised cost)	(94.43)		(94.19)	
Interest on the loan given to subsidiaries	(41.18)		(47.76)	
Interest expenses (including foreign exchange difference recorded as adjustment to borrowing cost)	205.70		445.85	
Compensation expenses under Employee Stock Option Scheme	133.61		303.74	
Unrealised foreign exchange loss / (gain) (net)	(1,154.21)		(295.10)	
Provision for warranty claims	102.36		8.48	
Provision for leave encashment	54.36	633.21	22.20	1,767.08
Operating profit before working capital changes		**8,012.54**		**4,118.67**
Adjustments for				
Decrease/(Increase) in trade receivables	(6,897.93)		1,015.30	
Decrease/(Increase) in other receivables	(976.32)		(3,006.57)	
Decrease/(Increase) in inventories	(4,578.47)		(1,987.97)	
(Decrease)/Increase in trade payables	4,511.71		(3,024.50)	
(Decrease)/Increase in other payable & provisions	612.20	(7,328.81)	3,533.55	(3,470.19)
Cash generated from operations		**683.73**		**648.48**
Direct taxes paid including TDS		(1,623.07)		(678.54)
Net Cash from/(used in) Operating Activities		**(939.34)**		**(30.06)**
B Cash flow from investing activities				
Payment for property, plant and equipments (net of transfer of CWIP to fixed assets)	(802.75)		(1,050.31)	
Payment for intangible assets	(376.70)		(343.02)	
Proceeds from disposal of property, plant and equipments	2.50		19.52	
Proceeds from repayment of loan given to subsidiary	37.68		85.36	
Interest received on loan given to subsidiary	41.18		47.76	
Interest received on bank deposits	958.95		667.23	
Net Cash from/(used in) investing activities		**(139.14)**		**(573.46)**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

Amount in ₹ Lakhs

	Year ended 31.03.2022		Year ended 31.03.2021	
C. Cash flow from financing activities				
Proceeds from / (Repayment of) working capital borrowings (net)	1,865.84		(1,561.15)	
Proceeds from ESOP exercised received	126.40		126.41	
Proceeds from issue of shares to ESOP Trust	17.01		-	
Interest paid	(149.60)		(306.89)	
Dividend Received by ESOP Trust	4.95		2.68	
Dividend Paid	(776.49)		(232.02)	
Net Cash from/(used in) financing activities		**1,088.11**		**(1,970.97)**
Net Foreign exchange difference on translation of foreign operations		60.76		55.77
Net increase/(decrease) in cash and cash equivalents		**70.39**		**(2,518.72)**
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		(1.85)		(52.39)
Cash and cash equivalents at the beginning of the year		3,777.81		6,348.92
Cash and cash equivalents at the end of the year		**3,846.35**		**3,777.81**
Cash and cash equivalents at the end of the year- constitute				
Balances with banks				
In current accounts		1,430.28		2,174.74
In EEFC account		701.21		507.72
In Cash Credit Account		-		412.85
In deposit accounts with less than 3 months maturity		1,709.54		680.00
Cash on hand		5.32		2.50
		3,846.35		3,777.81

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

The accompanying notes form an integral part of the financial statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

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

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

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2022

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The Company is incorporated and domiciled in India. Consequent to a Special Resolution of the Members, passed at the Company's Extra Ordinary General Meeting held on 17th January 2011, the Company was converted to a Public Limited Company by altering its Articles of Association in terms of Section 31 read with Section 44 of the Companies Act 1956, and a fresh Certificate of Incorporation dated 4th February 2011 was issued by the Registrar of Companies, Karnataka. The registered office of the Company is located at Dabaspet, Nelamangala Taluk Bangalore - 562 111. The Company is engaged in manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on 10th May 2022.

The company's subscription to the Share Capital of its Wholly Owned Subsidiaries included in investment under non-current assets as at 31st March 2022 are as follows:-

- 80,100 Equity Shares of USD 10- each in TD Power Systems USA Inc, USA
- 2000 Equity Share of JPY 10,000 each in TD Power Systems Japan Limited, JAPAN
- 550,000 *Equity Share of Euro 1 each in TD Power Systems Europe GmbH, EUROPE

  (*erstwhile Platin 1255 GmbH acquired by the company during January 2016)
- 59,99,998 Equity Shares of ₹ 10 each in D F Power Systems Private Limited (excluding beneficial interest relating to two shares held by the Directors of the Company).
- 12,782 shares of Turkish Lira of 100 - each in TD Power System 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 ("₹/INR/₹") and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

1.2 Use of estimates and judgments

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires management of the Company to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses for the period presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period and actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

a An asset is treated as current when it is

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

b A liability is treated as current when it is

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or

- 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 incidental expenses relating to the acquisition and finance cost till assets are put to use, are capitalized. Stores, spares and parts which can be used only in connection with an item of plant or equipment and whose useful life is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Property, Plant and Equipment manufactured internally are capitalized at Factory Cost.

Capital Work in Progress

Property, Plant and Equipment which are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses. Advances paid towards acquisition of PPE outstanding at each balance sheet date are classified as Capital advances under other non-current assets.

Depreciation and amortization

I. Depreciation on Property, Plant and Equipment's is provided using straight line method (SLM) with reference to the estimated useful life of the Property, Plant and Equipment less its residual value as prescribed under Schedule II of The Companies Act 2013, or useful life of the asset as estimated by the management, whichever is lower. Property, Plant and Equipment costing below ₹5,000/- are depreciated fully. Depreciation is charged for complete quarter on addition / deletion.

ii. Freehold land is not depreciated.

iii. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

The estimated useful lives are as mentioned below:

Type of Assets	Useful Life
Factory Building	30 Years
Non-factory Buildings	60 Years
Plant & Machinery - Double shift basis	10 Years
Office Equipments	5 Years
Furniture and Fixtures	10 Years
Computers	3 Years
Computer Server	6 Years
Communication Equipment	5 Years
Motor Vehicles	8 Years

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

1.8 Intangible Assets

Intangible assets with finite lives that are acquired are carried at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets consist of technical knowhow / license fees / softwares which are amortized over a period of 5 years on a straight-line basis being the estimated useful life.

1.9 Research & Development

Expenditure on research activity undertaken is charged to the Statement of Profit & Loss as and when incurred during the year to their natural head of accounts. The expenditure incurred includes cost of materials, salaries & wage and other revenue expenditure.

Development costs are capitalized only after the technical and commercial feasibility of the asset for sale or use has been established.

Capital Expenditure is categorized and disclosed separately as Research & Development Property Plant and Equipment and depreciation is charged as disclosed in Sl. No. 1.7 above.

1.10 Impairment of Assets

a. Financial assets (other than at fair value)

The Company assesses at the end of each reporting period, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non-Financial Assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

1.11 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Raw materials and bought out items are valued on first in first out basis and includes material cost, carriage inward, insurance and purchase related expenses. Cost in respect of work in progress and finished goods include appropriate portion of overhead. Net realizable value represents the estimated selling price for inventory less all estimated cost of completion and cost necessary to make the sale.

1.12 Employee Benefits

Employee benefits include provident fund, pension fund, employee state insurance scheme, compensated absences and gratuity.

a. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

b. Long-term employee benefits

Long term employee benefits include compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation as at balance sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

c. Defined Benefit Plans

For defined benefit plans in the form of Gratuity (funded), the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at the end of each reporting period, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income. The amount is funded to gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains / losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Past service cost is recognized immediately in the statement of profit and loss. The benefits obligation in respect of gratuity recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for present value plan assets including refunds and reductions if any available as against future contributions to the scheme.

d. Defined Contribution Plans

The Company has contributed to provident fund and employee state insurance scheme which is defined contribution plan. The contribution paid/ payable under the scheme is charged to Statement of Profit and loss during the year in which an employee renders the related service. Company has no further obligation beyond making the payment.

e. Termination benefits are recognized as an expense as and when incurred.

1.13 Share based payments

The Company recognises compensation expense relating to share-based payments in net profit using fair-value in accordance with IND AS 102, Share Based Payment. The estimated fair value of awards is charged to income on straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding credit to Employee Stock Option / Rights outstanding Reserve.

The Company has created an Employee Stock Options Trust (ESOP) for providing share-based payment to its employees. The Company uses ESOP as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the company from the market, for giving shares to employees in addition to allotment of shares by the Company as per the requirements of the scheme. The Company treats ESOP as its extension and shares held by ESOP are treated as treasury shares. Treasury shares are recognized at cost of acquisition and included under other equity. No gain or loss is recognized in profit or loss on the purchase or issue of the Company's own equity shares. Share options exercised during the reporting period are deducted from treasury shares.

1.14 Leases

Company as a Lessee

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – Leases, if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with Short terms leases and Leases in respect of Low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of "right of use" is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of Plant, property and equipment.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowing. Subsequent measurement, if any, is made using Cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the Statement of Profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

Company as a lessor

Leases are classified as operating lease or a finance lease based on the recognition criteria specified in Ind AS 116 – Leases

a) Finance Lease

At commencement date, amount equivalent to the "net investment in the lease" is presented as a Receivable. The implicit interest rate is used to measure the value of the "net investment in Lease". Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the Statement of Profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in Lease. The asset is tested for de-recognition and impairment requirements as per Ind AS 109 – Financial Instruments. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

b) Operating Lease

The company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

1.15 Income Taxes

The Company's major tax jurisdictions are in India. Significant judgements are involved in determining the provision for income tax credits, including the amount to be paid or refunded.

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current Income Taxes

The current income tax expense includes income taxes payable by the Company and its overseas branches.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis or where it has legally enforceable right to set off the recognized amount.

b. Deferred Income Taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses, if any can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.16 Foreign Currency

a. Functional and presentation currency

The Standalone financial statement is presented in Indian Rupee (₹ / ₹), which is also the Company's functional currency. Transaction in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction

b. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying foreign currency exchange rates between the reporting currency and the foreign currency prevailing at the dates of the transactions.

c. Measurement of foreign currency monetary items and Non-monetary items at the balance sheet date

Monetary items outstanding at the balance sheet date are restated at the rate as on reporting date. Non – monetary items which are carried in terms of historical cost denominated in a foreign currency are not restated and hence is reported using the exchange rate prevailing at the date of transactions.

d. Treatment of exchange differences on monetary items

Exchange differences arising on settlement / restatement of foreign currency assets and liabilities of the Company are recognized as income or expense in the statement of profit and loss in the period in which they arise.

e. In respect of overseas branch, financial statements are translated as if the transactions are those of the Company itself i.e. Indian Rupees as the functional currency since the overseas branch is primarily involved in selling/marketing goods manufactured by the Company in India. The net impact of the foreign exchange difference of foreign operations is recognised in Other Comprehensive income.

1.17 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of any entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii. Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Financial liabilities at Fair value through profit and Loss are stated at fair value, with any gains or losses arising on re-measurement in Profit and loss statement.

v. Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

vi. De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

viii. Investments in subsidiary

Investments in subsidiary are carried at cost less accumulated impairment, if any.

ix. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.18 Accounting for Derivatives

Derivatives are initially recognized at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains/losses is recognized in the statement of profit and loss of that period.

1.19 Borrowing Cost

General and specific borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are charged to statement of Profit and Loss in the period in which they are incurred.

1.20 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

1.21 Cash Flow statement

Cash flows are reported using Indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activity of the company are segregated.

1.22 Provision and Contingencies

The Company reviews pending cases, claims by third party and other contingencies, if any on an on-going basis. For contingent losses that are considered probable, estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed in the financial statements as contingent liabilities. Contingencies the likelihood of which are remote, are not disclosed in the financial statements. Gain contingencies are not recognized until the contingencies are resolved and the amounts are received or recoverable.

Provision for Warranty

Provision for warranty related cost are recognized when the product is sold. Initial recognition is based on historical experience and future estimates of claims by the management. The estimate of such warranty related cost is revised annually.

Provision for Credit Loss

The Company reviews the position of trade receivable and ascertains a provision for life time credit loss after considering the industry and economic conditions in which customer operate, the profile of the customer and the past experience.

1.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.24 Earnings per share

Basic earnings / (loss) per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares after adjustments for treasury shares, outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other changes or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of shares which could have been issued on the conversion of all dilutive potential equity shares.

The number of equity shares is adjusted retrospectively for all periods presented for any share splits and bonus shares issued.

1.25 Dividend Distribution

Dividend paid (including income tax thereon) is recognized in the period in which the interim dividend is approved by the Board of Directors, or in the respect of the final dividend when approved by shareholders.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE-2: PROPERTY, PLANT AND EQUIPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2021	Additions	Disposal	As at 31.03.2022	As at 01.04.2021	For the year	Disposal	As at 31.03.2022	As at 31.03.2022
Free hold land	1,950.92	-	-	1,950.92	-	-	-	-	1,950.92
Buildings	11,178.98	-	-	11,178.98	3,369.82	322.09	-	3,691.91	7,487.07
Plant and machinery	22,349.27	596.26	1.69	22,943.84	16,427.06	1,285.50	1.09	17,711.47	5,232.37
Office equipments	357.95	3.73	4.44	357.24	265.84	17.89	4.22	279.51	77.73
Furniture and fixtures	358.97	1.97	-	360.94	293.39	21.86	-	315.25	45.69
Computers	743.69	125.12	28.55	840.26	567.32	86.27	27.15	626.44	213.82
Communication equipments	16.84	0.07	-	16.91	16.17	0.07	-	16.24	0.67
Motor vehicles	491.47	37.28	4.37	524.38	223.54	41.70	4.15	261.09	263.29
TOTAL - A	37,448.09	764.43	39.05	38,173.47	21,163.14	1,775.38	36.61	22,901.91	15,271.56

PROPERTY, PLANT AND EQUIPMENT - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2021	Additions	Disposal	As at 31.03.2022	As at 01.04.2021	For the year	Disposal	As at 31.03.2022	As at 31.03.2022
Plant and machinery	1,600.92	-	-	1,600.92	1,324.45	159.24	-	1,483.69	117.23
TOTAL - B	**1,600.92**	**-**	**-**	**1,600.92**	1,324.45	**159.24**	**-**	**1,483.69**	**117.23**
TOTAL - C=A+B	**39,049.01**	**764.43**	**39.05**	**39,774.39**	**22,487.59**	**1,934.62**	**36.61**	**24,385.60**	**15,388.79**

NOTE - 2: PROPERTY, PLANT AND EQUIPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	For the year	Disposal	As at 31.03.2021	As at 31.03.2021
Free hold land	1,817.60	133.32	-	1,950.92	-	-	-	-	1,950.92
Buildings	11,169.53	9.45	-	11,178.98	3,047.73	322.09	-	3,369.82	7,809.16
Plant and machinery	21,692.58	704.48	47.79	22,349.27	15,120.22	1,348.10	41.26	16,427.06	5,922.21
Office equipments	319.64	42.56	4.25	357.95	252.04	17.74	3.94	265.84	92.11
Furniture and fixtures	357.96	1.01	-	358.97	272.12	21.27	-	293.39	65.58
Computers	666.24	81.82	4.37	743.69	509.65	61.93	4.26	567.32	176.37
Communication equipments	16.84	-	-	16.84	16.17	-	-	16.17	0.67
Motor vehicles	416.13	117.06	41.72	491.47	230.79	32.40	39.65	223.54	267.93
TOTAL - A	36,456.52	1,089.70	98.13	37,448.09	19,448.72	1,803.53	89.11	21,163.14	16,284.95

PROPERTY, PLANT AND EQUIPMENT - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	For the year	Disposal	As at 31.03.2021	As at 31.03.2021
Plant and machinery	1,600.92	-	-	1,600.92	1,165.21	159.24	-	1,324.45	276.47
TOTAL - B	**1,600.92**	**-**	**-**	**1,600.92**	**1,165.21**	**159.24**	**-**	**1,324.45**	**276.47**
TOTAL - C=A+B	**38,057.44**	**1,089.79**	**98.13**	**39,049.01**	**20,613.93**	**1,962.77**	**89.11**	**22,487.59**	**16,561.42**

Note:

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

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.

Amount in ₹ Lakhs

		As at 31.03.2022	As at 31.03.2021
3	**CAPITAL WORK-IN-PROGRESS**		
	Plant and Machinery	63.47	24.52
	Land	-	0.63
	TOTAL	**63.47**	**25.15**
	Capital work-in-progress ageing schedule		
	Projects in progress - Less than 1 year		
	Plant and Machinery	63.47	24.52
	Projects in progress - More than 3 year		
	Land	-	0.63
	TOTAL	**63.47**	**25.15**
4	**INTANGIBLE ASSETS - (OTHER THAN GOODWILL)**		
	Softwares:		
	Gross block (at deemed cost)	73.00	73.00
	Additions during the year	32.10	-
	Gross block at the end of the year	**105.10**	**73.00**
	Accumulated amortisation at the beginning of the year	18.25	3.65
	Amortisation for the year	3.33	14.60
	Accumulated amortisation at the end of the year	**21.58**	**18.25**
	NET CARRYING VALUE - A	**83.52**	**54.75**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

INTANGIBLE ASSETS - (OTHER THAN GOODWILL) Contd...	As at 31.03.2022	As at 31.03.2021
Other Intangible assets - Technical know how		
Gross block (at deemed cost)	1,213.06	870.05
Additions during the year	344.60	343.02
Gross block at the end of the year	**1,557.66**	**1,213.07**
Accumulated amortisation at the beginning of the year	868.52	749.07
Amortisation for the year	185.75	119.46
Accumulated amortisation at the end of the year	**1,054.27**	**868.53**
NET CARRYING VALUE - B	**503.39**	**344.54**
NET CARRYING VALUE - A+B	**586.91**	**399.29**
5 INTANGIBLE ASSETS UNDER DEVELOPMENT		
Software customisation	-	32.10
TOTAL	**-**	**32.10**
Intangible assets under development ageing schedule		
Projects in progress-Less than 1 year		
Software customisation	-	32.10
	-	**32.10**

FINANCIAL ASSETS

6 INVESTMENTS

Details of Investments	Currency	Per Security	Number of Securities		Amount in Lakhs	
			As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Non current investments *						
A Investments in equity instruments of subsidiaries - unquoted - carried at cost						
D F Power Systems Private Limited ** (Refer Note No. 50)	INR	10.00	59,99,998	59,99,998	2,040.75	2,040.75
TD Power Systems USA Inc (Refer Note No. 50)	USD	10.00	80,100	80,100	481.78	481.78
TD Power Systems Japan Limited	JPY	10,000.00	2,000	2,000	122.44	122.44
TD Power Systems Europe GMBH	Euro	1.00	5,50,000	5,50,000	414.12	414.12
TD Power Systems Jenerator Sanayi Anonim Sirketi	Lira	100.00	12,782	12,782	159.35	159.35
Less: Provision for diminution in the value of D F Power Systems Private Limited (Refer Note No. 50)					(1,440.75)	(1,440.75)
Total investment in equity of subsidiaries - A					**1,777.69**	**1,777.69**
B Investments in Non-convertible Debentures carried at amortised cost -						
Tata Capital Financial Services Limited @ 8.90% (Maturity on 27.09.2023)	INR	1,000.00	1,00,000	1,00,000	995.48	995.48
Tata Capital Financial Services Limited @ 8.50% (Maturity on 26.08.2024)	INR	1,000.00	1,00,000	1,00,000	997.96	997.96

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

FINANCIAL ASSETS

6 INVESTMENTS CONTD...

Details of Investments	Currency	Per Security	Number of Securities		Amount in Lakhs	
			As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
C Investment carried at fair value through Profit and Loss (FVTPL)						
Investments in Equity Shares - (fully paid up) (unquoted)						
The Shamrao Vithal Co-operative Bank Ltd. A Scheduled Bank (Cost per share is ₹ 25)	INR	25.00	2,000	2,000	0.50	0.50
Grand Total (A+B+C)					**3,771.63**	**3,771.63**
Additional Information:						
Aggregate Carrying value of quoted Non-convertible debentures					1,993.44	1,993.44
Market value of quoted Non Convertible Debentures					2,174.00	2,197.99
Aggregate amount of unquoted shares					3,218.94	3,218.94
Amount of impairment in the value of investments in unquoted shares (Refer Note 50)					(1,440.75)	(1,440.75)
Aggregate carrying value of unquoted shares (net of provision for impairment					1,778.19	1,778.19

* Non-current investments are stated at cost. Provision for diminution if any, in the value of investments is made, to recognise a decline, other than temporary decline.

** Excluding two shares held by Company through the directors of the Company.

7 LOANS

(Unsecured, considered good)

Loans to related parties	1,017.36	1,017.38
TOTAL	**1,017.36**	**1,017.38**

Details of Loans

Particulars	Rate of Interest	Period of loan	Currency	As at 31.03.2022	% of Loan	As at 31.03.2021	% of Loan
TD Power Systems USA Inc	Libor + 3% p.a.	24 Months	USD	942.00	92.59	944.71	92.86%
TD Power Systems Jenerator Sanayi Anonim Sirketi	12% p.a.	36 Months	USD	75.36	7.41	72.67	7.14%

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

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
8 OTHER FINANCIAL ASSETS		
(Unsecured, considered good)		
Security deposits- electricity deposit	116.79	116.79
Others - VAT input credit refund receivable	6.01	6.01
TOTAL	**122.80**	**122.80**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
9 OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
Capital advances*	895.45	900.63
Advance tax (net of provision)	665.63	649.73
Gratuity - Excess of fair value of plan assets over defined benefit obligation	292.89	232.01
TOTAL	**1,853.97**	**1,782.37**

*The company had entered into an agreement/MOU for purchase of land during 2009 & 2010 and accordingly, amount aggregating to ₹ 3,372.75 lakhs was paid from time to time in pursuance of this agreement. Pending execution of sale deed and completion of certain works related to the land the balance amount is carried under capital advance. The management of the company is of the view that considering the nature of the transaction, the registration of the sale of the land would be completed in due course and on completion, the said amount would be capitalised. The total advances of ₹ 856.63 lakhs (PY ₹ 881.63 lakhs) represents ₹ 156.63 lakhs (PY ₹ 181.63 lakhs) towards approx. 6.75 acres (PY 6.75 acres) of land and ₹ 700 lakhs (PY ₹ 700 lakhs) towards development cost of the land. The management of the company does not expect any significant further cash outflow towards the acquisition except for the cost of registration and related expenses.

*₹ 0.63 lakhs included under capital work in progress as at the beginning of the year has been transferred to capital advance during the year since the payment is in the nature of advance.

	As at 31.03.2022	As at 31.03.2021
10 INVENTORIES		
Raw materials	8,625.67	5,579.92
Work in progress	10,230.06	8,399.55
Stock in trade	288.19	385.43
Goods in transit:		
Raw materials	9.01	209.56
TOTAL (Refer accounting policy No. 1.11 for valuation of inventories)	**19,152.93**	**14,574.46**
11 TRADE RECEIVABLES (unsecured)		
Trade receivables, considered good and covered under letter of credit	3,272.08	1,365.80
Trade receivable, Unsecured and considered good	21,236.01	16,212.22
Trade receivable, Unsecured and considered doubtful	511.22	626.39
Less: Expected credit loss allowance (on trade receivables considered doubtful) Refer Note 39(c)	511.22	626.39
TOTAL	**24,508.09**	**17,578.02**
Trade Receivables ageing schedule		
Undisputed Trade receivables - considered good		
Not Due	16,645.82	13,773.54
Less than 6 months	6,853.20	2,240.48
6 months - 1 years	488.37	374.33
1 - 2 years	168.67	202.56
2 - 3 years	66.98	43.38
More than 3 years	285.05	943.73
Undisputed Trade Receivables - which have significant increase in credit risk		
More than 3 years	511.22	626.39
Less: Expected credit loss allowance (on receivables considered doubtful)	(511.22)	(626.39)
	24,508.09	**17,578.02**
12 CASH AND CASH EQUIVALENTS		
Balances with banks:		
In current accounts	1,430.28	2,174.74
In EEFC accounts	701.21	507.72
In Cash Credit Account	-	412.85
In deposit accounts with less than 3 months maturity	1,709.54	680.00
Cash on hand	5.32	2.50
TOTAL	**3,846.35**	**3,777.81**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance in unclaimed dividend account	2.04	1.79
Balance with bank in respect of TDPS ESOP Trust	12.77	16.98
Bank deposits with less than 12 months maturity	8,013.00	10,025.00
Deposits (Under lien) with bank as Margin money towards bank guarantee	2,567.18	1,641.81
TOTAL	**10,594.99**	**11,685.58**
14 OTHER FINANCIAL ASSETS		
(Unsecured , considered good)		
Security deposit for rented premises	20.16	20.90
Security deposit for others	2.08	2.08
Earnest money deposit	120.26	133.17
Balance with government authorities - GST Refund receivable	861.78	1,034.45
Interest accrued on term deposits	62.94	204.38
Interest accrued on Non Convertible Debentures	94.43	94.19
Accrued Export incentive	88.13	103.88
Unbilled revenue	2.74	29.42
Mark to market gain on forward contracts (Refer Note No. 39B)	980.51	287.13
Employee advance	14.87	38.27
TOTAL	**2,247.90**	**1,947.87**
15 OTHER CURRENT ASSETS		
Advance paid to suppliers (other than capital advances)	3,450.82	1,605.24
Balance with government authorities - Input tax credit	1,523.07	867.76
Prepaid expenses	148.51	146.59
Expenditure tax - (Relating to foreign operations)	31.78	-
TOTAL	**5,154.18**	**2,619.59**
16 EQUITY SHARE CAPITAL		
Authorized		
Equity shares of ₹ 10/- each		
Number of equity shares	3,50,00,000	3,50,00,000
Amount of equity share capital (in INR)	3,500.00	3,500.00
Issued, subscribed and fully paid up		
Equity shares of ₹ 10/- each		
Number of equity shares	3,11,03,498	3,09,33,414
Amount of equity share capital (in INR)	3,110.35	3,093.34
Reconciliation of the number of equity shares outstanding and the amount of equity share capital at the beginning and at the end of the year		
Number of equity shares		
Shares outstanding at the beginning of the year	3,09,33,414	3,09,33,414
Shares issued during the year	1,70,084	-
Shares outstanding at the end of the year	**3,11,03,498**	**3,09,33,414**
Amount of equity share capital:		
Share capital outstanding at the beginning of the year	3,093.34	3,093.34
Shares issued during the year	17.01	-
Share capital outstanding at the end of the year	**3,110.35**	**3,093.34**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Other Information

I The Company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

II In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

III For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, there were:

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/disinvestmet.

V There were no calls unpaid or forfeited shares.

VI Shares held by promoters & promoter group

	As at 31.03.2022		As at 31.03.2021		% Change
Promoter Name	**No of shares**	**%**	**No of shares**	**%**	**during the year**
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	50,26,433	16.16%	50,26,433	16.25%	0.09%
Nikhil Kumar	46,38,664	14.91%	46,62,770	15.07%	0.16%
Mohib N Khericha	38,30,960	12.32%	38,30,960	12.38%	0.06%
Hitoshi Matsuo	32,35,254	10.40%	32,35,254	10.46%	0.06%
Promoter Group					
Aarya Sankaran Kumar	49,106	0.16%	25,000	0.08%	-0.08%
Chartered Capital & Investment Ltd.	11,34,252	3.65%	11,34,252	3.67%	0.02%
Lavanya Sankaran	1,27,650	0.41%	1,27,650	0.41%	0.00%
Sofia Mohib Khericha	2,00,000	0.64%	2,00,000	0.65%	-0.01%

Note: Change in % of holding compared to 31st March 2021 is majorly due to issue of shares under ESAR plan

VII Particulars of equity share holders holding more than	As at 31.03.2022		As at 31.03.2021	
5% of the total paid up equity share capital:	**%**	**No of shares**	**%**	**No of shares**
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	16.16%	50,26,433	16.25%	50,26,433
Nikhil Kumar	14.91%	46,38,664	15.07%	46,62,770
Mohib N Khericha	12.32%	38,30,960	12.38%	38,30,960
Hitoshi Matsuo	10.40%	32,35,254	10.46%	32,35,254
Nippon Life India Trustee Limited	8.57%	26,64,265	9.74%	30,12,343

Note: The above disclosed information is as per the records/registers including Members register maintained by the Registrar of the Company as at the year end.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
17 OTHER EQUITY		
Reserves & Surplus		
17.1 Securities Premium		
As at the beginning of the year	19,027.49	19,027.49
Add: Transfer from Share option outstanding account	173.55	-
As at the end of the year - A	**19,201.04**	**19,027.49**
17.2 Capital Redemption Reserve		
As at the beginning of the year	230.42	230.42
Add: Transfer from Securities Premium	-	-
As at the end of the year - B	**230.42**	**230.42**
17.3 General Reserve		
As at the beginning of the year	2,939.63	2,939.63
Add: Transferred from retained earnings	-	-
As at the end of the year - C	**2,939.63**	**2,939.63**
17.4 Retained earnings		
As at the beginning of the year	22,169.68	20,558.34
Less: Dividend (₹ 2.50 per share (Previous year: ₹ 0.75 per share))	(776.49)	(232.02)
Add: Profit for the year as per statement of profit and loss	5,441.49	1,747.75
Add/(less): Remeasurement of defined benefit plan for the year (net of tax)	(63.11)	101.87
Less : Balance carrying value of shares in respect of ESOP exercised during the period transferred to Retained Earnings	(3.68)	(6.26)
As at the end of the year - D	**26,767.89**	**22,169.68**
17.5 Stock Options Outstanding Account		
As at the beginning of the year	**443.68**	**281.34**
Add: Addition during the year	133.60	303.74
Less : Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	(146.80)	(141.40)
Less: Amount transferred to securities premium on exercise of ESAR by the employees of the Company	(173.55)	-
As at the end of the year - E	**256.93**	**443.68**
17.6 Shares Purchased by ESOP Trust		
As at the beginning of the year	**(545.38)**	**(822.13)**
Adjustment for		
Proceeds from ESOP exercised received	126.40	126.41
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	146.80	141.40
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	3.68	6.26
Dividend received during the year on the shares held by the ESOP Trust	4.95	2.68
As at the end of the year - F	**(263.55)**	**(545.38)**
Other Comprehensive Income		
17.7 Exchange difference on translation of foreign operations (Refer Note No.1.16)		
As at the beginning of the year	**83.77**	**139.54**
Transferred from statement of profit and loss	(60.76)	(55.77)
As at the end of the year - G	**23.01**	**83.77**
Total (A+B+C+D+E+F+G)	**49,155.37**	**44,349.29**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
Nature of Reserves		
a) Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.		
b) General Reserve: General reserve is appropriation of the net profit in respect of reserves created pursuant to the provisions of the Companies Act, 1956 with respect to declaration of dividend. Such mandatory transfer to general reserve is not prescribed under the Companies Act, 2013.		
c) The Remeasurements gains in respect of employee benefits included under retained earnings are as under		
As at the beginning of the year	(14.45)	(116.32)
Remeasurements gain/(loss) on defined benefit plans	(84.34)	136.13
Income tax effect on above	21.23	(34.26)
Balance at the end of the year	**(77.56)**	**(14.45)**
d) Capital Redemption Reserve: The capital redemption reserve represents the face value (₹ 10) of the shares bought back. This is created by transfer from securities premium as per requirement of Sec.69 of the Companies Act, 2013.		
e) Retained Earning: Retained earnings are the profits that the Company has earned till date, less transfer to general reserve, dividend or other distribution paid to shareholders.		
f) Stock Option Outstanding Account: The balance in this account represents the Employee Share based remuneration debited to the Statement of Profit and Loss after adjustments for ESOPs exercised.		
g) Shares Purchased by ESOP Trust: The shares held by the ESOP Trust are treated as treasury shares and included under other equity.		
18 PROVISIONS		
Provision for employee benefits (Refer Note No. 42)	499.39	452.59
TOTAL	**499.39**	**452.59**
19 DEFERRED TAX LIABILITY		
Deferred tax liability		
On account of depreciation on Property, plant and equipment	886.12	957.90
Deferred tax asset		
On account of timing differences in recognition of expenditure	93.90	330.69
Net deferred tax liability/(asset)	**792.22**	**627.21**

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021

Movement of deferred tax liability/(asset)	Opening balance	Recognition in statement of profit and loss	Closing balance
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**
As on 31st March 2021			
Deferred tax liability			
On account of depreciation on property, plant and equipment and amortisation of intangible assets	1,012.32	(54.42)	957.90
Deferred tax asset			
On account of timing differences in recognition of expenditure	362.50	(31.81)	330.69
Total deferred tax liability	**649.82**	**(22.62)**	**627.21**

20 BORROWINGS

	As at 31.03.2022	As at 31.03.2021
Secured loans		
Working Capital Borrowings		
Loans repayable on demand		
- rupee loan from banks - Cash Credit	331.41	-
Export Finance - FCNRB		
-foreign currency loan from banks	6,765.10	5,199.60
TOTAL	**7,096.51**	**5,199.60**

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	3,754.15

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, 2022

Amount in ₹ Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
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 mortagage mentioned under borrowings from Bank of Baroda in relation to land and buildings. Interest at 8% p.a.(PY: 12.05%) is applicable on Rupee loans from Bank of Baroda which will be reviewed annually. Interest at 1.50% p.a. (PY: 2.75%)is applicable on FCNR Euro Loan from Bank of Baroda which will be rolled over after 6 months. Interest at 2.24% p.a. (PY: NIL) is applicable on FCNR Euro Loan from Bank of Baroda which will be rolled over after 6 months. Interest at 2.00% p.a. (PY: NIL) is applicable on FCNR USD Loan from Kotak Mahindra Bank which will be rolled over after 90 Days	986.75	1,445.45
21 TRADE PAYABLES		
-total outstanding dues of micro enterprises and Small enterprises*	64.34	60.26
-total outstanding dues of creditors other than micro enterprises and Small enterprises	14,613.91	10,139.40
TOTAL	**14,678.25**	**10,199.66**
All trade payables are non interest bearing and payable are settled within normal operating cycle of the company		
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	64.34	60.26
2. Interest due on (1) above and the unpaid interest	-	-
3. The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	61.07	51.17

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
4. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	0.12	0.29
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	0.12	0.29
6. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. The amount due to micro, small and medium enterprises is based on the information received and available with the Company.	222.57	222.44
Trade payables ageing schedule		
Outstanding dues to MSME		
Less than 1 year	64.34	60.26
Outstanding dues to Others		
Less than 1 year	14,504.77	9,532.12
1 - 2 years	6.00	85.67
2 - 3 years	0.05	38.03
More than 3 years	74.68	455.17
Disputed outstanding dues to Others		
1 - 2 years	-	8.41
2 - 3 years	8.41	-
More than 3 years	20.00	20.00
	14,678.25	**10,199.66**

22 OTHER FINANCIAL LIABILITIES

	Year ended 31.03.2022	Year ended 31.03.2021
Unclaimed dividends *	2.04	1.79
Outstanding liabilities in respect of accrued expenses	7,662.16	6,668.94
Duties and taxes payable	157.50	141.37
Earnest money deposit	2.15	2.15
Employee benefits payable	10.88	437.29
Due to Director	-	6.84
TOTAL	**7,834.73**	**7,258.38**

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

23 OTHER CURRENT LIABILITIES

	Year ended 31.03.2022	Year ended 31.03.2021
Advance received from customers	3,983.92	3,777.67
TOTAL	**3,983.92**	**3,777.67**

24 PROVISIONS

	Year ended 31.03.2022	Year ended 31.03.2021
Provision for warranties (Refer Note No 45)	346.47	244.11
Provisions for employee benefits (Refer Note No 42)	86.03	78.47
TOTAL	**432.50**	**322.58**

25 CURRENT TAX LIABILITY

	Year ended 31.03.2022	Year ended 31.03.2021
Provision for taxation (net of advance tax)*	726.13	615.15
TOTAL	**726.13**	**615.15**

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
26 REVENUE FROM OPERATIONS		
Sale of Goods		
- AC generators	50,245.92	34,709.71
- AC generator spares/components	17,239.49	12,116.89
- Project business- Domestic	257.78	291.29
- Project business- Overseas Branch	1,453.22	1,701.78
Total	**69,196.41**	**48,819.67**
Sale of services	1,644.90	799.92
Sale of scrap	1,310.76	946.24
Total	**72,152.07**	**50,565.83**
Less: Inter segmental sales	271.52	624.40
TOTAL	**71,880.55**	**49,941.43**
Disaggregation of revenue information		
At Point in time (product/service)	70,507.17	49,765.91
Overtime	1,644.90	799.92
27 OTHER INCOME		
Interest income on bank deposits	642.22	634.70
Interest income on financial assets - non convertible debentures carried at amortised cost	175.53	175.06
Interest on the loan given to subsidiaries	41.18	47.76
Profit on sale of property, plant and equipments (Net)	0.06	10.50
Foreign exchange fluctuation / MTM gain (Net of loss)	886.00	373.00
Income from Renting of equipments	3.80	17.10
Miscellaneous income	7.69	10.38
TOTAL	**1,756.48**	**1,268.50**
28 CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS & COMPONENTS		
Stock at the beginning of the year	5,579.92	5,235.91
Add: Purchases	55,626.23	35,421.30
Less: Stock at the end of the year	8,625.67	5,579.92
Total	**52,580.48**	**35,077.29**
Consumption of major raw materials consists of:		
Copper (wires, strips, rods, sheet etc.)	8,843.47	4,878.00
Steel / Laminations	14,390.20	7,000.00
Shaft Forgings	3,262.95	1,942.00
Stores & Spares	328.02	283.63
Others	25,755.84	20,973.66
TOTAL	**52,580.48**	**35,077.29**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
29 PURCHASES AND CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the beginning of the year	385.43	199.24
Add: Purchases for Projects Business	843.72	964.51
Less: Inventory at the end of the year	288.19	385.43
TOTAL	**940.96**	**778.32**
30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
Inventory at the end of the year		
Work in progress - A C Generators	10,230.06	8,399.55
Finished goods - A C Generators	-	-
	10,230.06	**8,399.55**
Less: Inventory at the beginning of the year		
Work in progress - A C Generators	8,399.55	6,905.17
Finished goods -A C Generators	-	66.34
	8,399.55	**6,971.51**
Net (Increase) / Decrease	**(1,830.51)**	**(1,428.04)**
31 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	5,260.70	5,251.82
Contribution to provident and other funds	441.36	377.98
Remuneration to whole time directors including contribution to provident and other Funds (Refer Note No.43)	271.43	345.24
Share based remuneration to employees (Refer Note No. 49)	133.61	303.74
Staff welfare expenses	1,166.21	1,029.94
TOTAL	**7,273.31**	**7,308.72**
32 FINANCE COST		
Interest	149.60	306.89
Foreign exchange difference recorded as an adjustment to borrowing cost	56.10	138.96
TOTAL	**205.70**	**445.85**
33 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipment	1,934.62	1,962.77
Amortization of intangible assets	189.08	134.06
TOTAL	**2,123.70**	**2,096.83**
34 OTHER EXPENSES		
Power and fuel	828.98	711.99
Rent (Refer Note No.44)	33.55	35.07
Repairs and maintenance		
-Buildings	29.21	13.72
-Machinery	302.75	271.33
-Others	44.27	45.95
Insurance	91.36	68.02
Manufacturing expenses	222.99	133.10
Rates and taxes	12.84	78.01
Payment to the auditors (excluding GST):		
-auditor fees (including audit of consolidated financial statements)	13.00	14.50
- for Limited review of quarterly financial results including consolidated financial results	7.75	6.75

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
-for others services - Certification fees	3.36	4.31
-out of pocket expenses	-	0.08
Legal and professional charges	296.65	259.97
Royalty	18.09	6.66
Travelling and conveyance	796.14	680.18
Bank charges (net of reimbursement received from subsidiary ₹ 25.24 (PY: ₹ 29.07)	453.09	437.50
Software expenses	239.99	208.44
Corporate Social Responsibility (Refer Note No. 48)	26.28	28.10
Directors sitting fees	17.80	16.60
Vehicle maintenance	37.97	41.52
Postage, telegrams and telephones	41.37	41.19
Printing and stationary	38.10	26.60
Provision for doubtful debts	-	115.17
Carriage, freight and Selling expenses	1,377.97	1,296.91
Donations	6.00	6.00
Advertisement	14.76	24.32
Subscription to technical associations, journals and magazines	9.79	7.38
TOTAL	**4,964.06**	**4,579.37**

35 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Contingent Liabilities		
Performance Guarantees	11,847.93	12,582.03
Performance Guarantees given to customers on behalf of subsidiary companies	1,328.18	1,013.65
Advance Guarantees given to customers on behalf of subsidiary companies	252.68	144.00
Income Tax demand disputed by the company*	1,986.03	43.36
Other sums for which the Company is contingently liable	2.32	-

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 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)	1,885.03	428.73

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
36 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)		
Items that will not to be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	(84.34)	136.13
Income tax on Defined benefit plans		
- Current Tax	21.23	(34.26)
Items that will be reclassified to profit or loss		
Exchange difference on translation of foreign operations	(60.76)	(55.77)
	(123.87)	**46.10**
37 EARNINGS PER SHARE - BASIC		
Profit for the year after tax expense	5,441.49	1,747.75
Weighted average number of equity shares (net of treasury shares) outstanding during the year	3,07,76,542	3,04,84,138
Earnings per share (in ₹)	17.68	5.73
Face Value of Equity share (in ₹)	10.00	10.00
EARNINGS PER SHARE - DILUTED		
Profit for the year after tax expense	5,441.49	1,747.75
Weighted average number of equity shares (net of treasury shares) outstanding during the year	3,09,88,508	3,09,44,936
Earnings per share (in ₹)	17.56	5.65
Face Value of Equity share (in ₹)	10.00	10.00

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

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Total profit/(loss) before tax (A)	7,379.33	2,351.59
Income tax rate (B)	25.17%	25.17%
Tax expense - (C) = (A) X (B)	**1,857.23**	**591.85**
Add - tax effect of the amounts as under:		
a) Expenses - not deductable for tax purpose	(166.62)	64.99
b) Other adjustment and rounding off	82.22	(30.38)
Total (D)	**(84.40)**	**34.61**
Net current tax expense (E) = (C)+(D)	**1,772.83**	**626.46**
Net Current Tax Expense (Rounding off to nearest thousand)	**1,772.83**	**626.46**
Tax expenses related to item classified under other comprehensive income	(21.23)	34.26
Net Current Tax Expense (Rounding off to nearest thousand)	**1,751.60**	**660.72**

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

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Deferred tax liabilities at the beginning of the year	**627.21**	**649.83**
Income tax rate (B)	25.17%	25.17%
Tax effect of the amounts as under:		
- Change in difference between book value and WDV of property, plant and equipment & technical knowhow	(71.78)	(54.42)
- Change in recognition in other comprehensive income	-	30.07
- Change in provision for employee benefit disallowed	236.79	1.73
Deferred tax liabilities at the end of the year	**792.22**	**627.21**
Deferred tax expenses in the statement of profit and loss	**165.01**	**(22.64)**

39 Financial Instruments - Accounting Classifications and Fair value measurements

A. The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables and others approximates their carrying amount. Trade receivables are evaluated after taking into consideration for Expected Credit Losses. Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

B. Financial Assets / Liabilities Classification

Amount in ₹ Lakhs

	Carrying Amount	
	As at 31.03.2022	**As at 31.03.2021**
Financial Assets at cost less provision for loss		
Investments in equity instruments of:		
- Indian Subsidiary	600.00	600.00
Financial Assets at cost:		
- Foreign Subsidiaries	1,177.69	1,177.69
Financial assets at fair value through Profit and Loss (FVTPL)		
Investment in equity other than subsidiary - *	0.50	0.50
Mark to market gain on foreign exchange forward contracts (level 2) as per valuation statement provided by bank (Refer Note No. 14)	980.51	287.13
Financial Assets at amortised cost		
Cash and cash equivalents	3,846.35	3,777.81
Bank balances other than cash and cash equivalents	10,594.99	11,685.58
Trade receivables net of ECL	24,508.09	17,578.02
Loans to subsidiaries	1,017.36	1,017.38
Investment in Non Convertible Debentures	1,993.44	1,993.44
Other financial assets	1,390.19	1,783.54
Financial liabilities at amortised cost		
Short term borrowings	7,096.51	5,199.60
Trade payables	14,678.25	10,199.66
Other financial liabilities	7,834.73	7,258.38

* In view of the fact this investment amount is not significant and the cost is considered to be at fair value (level 3)

C. Financial Risk Management

Objectives and Policies

The company's Financial Risk Management is an integral part of business strategies. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. In addition, Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk, and the Company’s management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's principal financial liabilities comprise short term borrowings, trade and other payables. The main purpose of these financial liabilities is to support entity's operations. The entity's principal financial assets include cash and cash equivalents, investment in Non-convertible Debentures and trade and other receivables that derive directly from its operations.

All activities for risk management purposes are carried out by experienced teams that have the appropriate skills, experience and supervision. It is the entity's policy that no activities in derivatives will be undertaken except foreign exchange forward contract. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The customer credit risk is managed as per Company's established policy, procedure and controls relating to customer credit risk management. It requires different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In order to contain the business risk, the creditworthiness of the customer is through scrutiny of its financials, status of financial closure of the project, to the extent available in public domain and if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of nature of business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The Company's maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables.

Amount in ₹ Lakhs

	As at 31.03.2022	**As at 31.03.2021**
Total Receivable	24,508.09	17,578.02
Receivable individually in excess of 10% of the receivable	17,779.45	12,530.12
Percentage of the above receivables to the total receivables of the Company	72.55%	71.28%

Receivables in excess of 10% of individual business receivables represents receivables from five customers/group as at 31st March 2022 and four customers/group as on 31st March 2021.

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

	As at 31.03.2021
Customer A	11.62%
Customer B	21.61%
Customer C	24.20%
Customer D	13.85%

Credit risk on cash and cash equivalents and balances with banks is limited as the Company generally invests in deposits with scheduled banks. Total Cash and Cash equivalents and balances with bank as at 31st March 2022 is ₹ 14,441.34 Lakhs (PY: ₹ 15,463.39 Lakhs). Out of these balances held with banks as deposits was ₹ 12,289.72 lakhs (PY: ₹ 12,345.12 lakhs) the details of deposits which is more than10% of the total is as under.

	As at 31.03.2022	**As at 31.03.2021**
Bank A	10,232.54	6,750.00
Bank B	1,900.00	3,455.00
Bank C	157.18	2,140.12

Provision for expected credit losses

The life time expected credit loss ("ECL") is estimated on trade receivables, other amounts due from entities where there is no track record of short receipts. Delays in receiving payments from the customers pursuant to sale of goods or under contracts are not considered if such delays are commonly prevalent in the industry. Other short receipts other than arising from claims are duly considered in determining ECL.

Considering the above as well as business model of the Company, engineered-to-order products and the profile of trade receivables, the determination of a provision based only on age analysis may not be a realistic considering the economic and industry circumstances. Hence, the provision for expected credit loss is determined by the management for the specific trade receivables after considering the above facts and circumstances, particularly in view of the fact that there has no significant bad debts in the recent past.

Provision matrix (%, amount in lakhs) of ECL for trade receivables and the reconciliation of the movement in the provision is given below.

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
Total Receivable	25,019.31	17,578.02
Provision for credit loss	511.22	626.39
Percentage	2.04%	3.56%

Reconciliation of loss allowance provision	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	626.39	511.22
Provision for credit loss allowance made during the year	-	115.17
Provision utilised during the year - (Bad debts written off)	115.17	-
Balance at the end of the year	511.22	626.39

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach in managing the same is to ensure, as far as possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The company's principal sources of liquidity are cash and cash equivalents, investment in non-convertible debentures, balances with banks and the cash flow that is generated from operations. The cash and cash equivalent, other bank balances and investment in non-convertible debentures aggregates to ₹ 16,434.78 lakhs at the end of year (PY - ₹ 17,456.83 lakhs). In addition the net trade receivables ₹ 24,508.09 lakhs (PY ₹ 17,578.02 lakhs) at the end of the year. The Company believes that the working capital is sufficient to meet its current requirements after considering the position of trade receivables along with Cash & Bank Balances. Accordingly, no liquidity risk is perceived.

The following are the contractual maturities of non-derivative financial liabilities due within one year based on contractual cash flows:

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
Trade Payables	14,678.25	10,199.66
Short Term borrowings	7,096.51	5,199.60
Other Payables:		
Statutory dues	157.50	141.37
Employee dues	10.88	437.29
Other dues	7,666.35	6,679.72
Total	**29,609.49**	**22,657.64**

SEGMENT REPORTING (CONTD.)

Amount in ₹ Lakhs

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company also operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies.

I) Foreign currency risk exposure -: The company's exposure to foreign currency risk at the end of reporting year, are as follows:

a) The foreign exchange forward contracts outstanding as on 31.03.2022 in respect of Euro is 1,41,00,000 and USD 26,00,000 is (2021: Euro 1,50,93,000)

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

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	-

In Foreign Currency

Particulars	As on 31.03.2021 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets /Receivables	19.78	78.21	580.87	0.17
Liabilities (including advances)	21.83	56.26	2,481.02	0.06

Rupee Equivalent

Particulars	As on 31.03.2021 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets /Receivables	1,437.87	6,654.55	381.81	15.16
Liabilities (including advances)	1,577.87	4,868.28	1,641.75	4.29

c) Sensitivity analysis

A strengthening or weakening of the Indian Rupee, as indicated below, against the USD, Euro, JPY and others as at 31st March 2022 would have increased (decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis is performed on the same basis for previous year, even though the actual foreign exchange rate variances were different.

Amount in ₹ Lakhs

Particulars	Impact on profit or loss (before tax)			
	As on 31st March 2022		As on 31st March 2021	
	Strengthening	Weakening	Strengthening	Weakening
5% Movement in:				
USD	95.88	(95.88)	7.00	(7.00)
EURO	(116.91)	116.91	(89.31)	89.31
JPY	9.70	(9.70)	63.00	(63.00)
Others	(0.45)	0.45	(0.76)	0.76

ii) Interest Rate Risk

The Company's investments are primarily in Fixed rate interest bearing deposits and non-convertible debentures. Also the borrowings bear fixed rate of interest which are reviewed periodically by the banks. Hence, the Company is not significantly exposed to interest rate risks.

D Capital Management

While managing capital, the Company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefit for other stakeholders.

The Board of Directors monitor the earnings before interest, depreciation and tax (EBITDA), which the Company defines as result from operating activities before considering finance cost, depreciation & amortisation, exceptional items and tax expenses. The Board of Directors also monitors the level of dividends to equity shareholders.

The Company's EBITDA is 11.06% for the year ended 31st March 2022 in comparison to 7.26% for the year ended 31st March 2021.

The Company monitors capital, taking a medium and long term view, on the basis of a number of financial ratios generally used by industry and by the rating agencies.

40 a. The company does not have any pending litigations which would impact its financial position as on the reporting date except to the extent disclosed in Note 35.

b. The company does not have any long term contracts for which there were any material foreseeable losses.

c. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company as on the reporting date.

d. To the best of the knowledge and belief of the management, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

e. To the best of our knowledge and belief of the management, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 SEGMENT REPORTING

The company's operation comprises of Manufacturing business and project business. Primary segment reporting comprises of manufacturing business & project business segments. Secondary segment reporting is based on geographical location of activities. Under primary segment revenue and direct expenses, which relate to a particular segment and which are identifiable, are reported under that segment.

Certain expenses, which are not allocable to any specific segment, are separately disclosed at the enterprise level. Cash and bank balances in India are reported at the enterprise level as the company operates common bank accounts. Property, plant and equipments, liabilities, current assets and current liabilities relating to specific business segments are identified and reported. Those that are not identifiable are reported as common items.

Secondary segment is reported based on the geographical location of the company, viz., India and Japan. Revenues in the secondary segment are based on the sales made by the Branch Office. Inter-segmental purchases and sales are separately identified and reported. Property, plant and equipments, current assets including cash and bank accounts, and current Liabilities are identified based on the Branch office to which they relate and are reported accordingly.

(i) Business segment

(Amount in ₹ Lakhs)

Current 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
	Inter segment revenues	(271.52)	-	-	(271.52)
	Total Revenues	**70,155.04**	**1,725.51**	**-**	**71,880.55**
2	**Segment Results**				
	Profit Before Taxation, Interest and Depreciation	8,413.58	(93.26)	(368.07)	7,952.25
	Less: Finance cost	205.70	-	-	205.70
	Less: Depreciation and Amortization	2,118.20	2.58	2.92	2,123.70
	Total	**6,089.68**	**(95.84)**	**(370.99)**	**5,622.85**
3	Unallocable & Other Income				1,756.48
	Less: Tax				1,937.84
	Profit after tax				**5,441.49**

Previous Year

Sl. No.	Particulars	Primary Segment			
		Manufacturing	Project business	Common	Total
1	**Segment Revenues**				
	External Revenues	48,538.69	2,027.14	-	50,565.83
	Intersegment revenues	(624.40)	-	-	(624.40)
	Total Revenues	**47,914.29**	**2,027.14**	**-**	**49,941.43**
2	**Segment Results**				
	Profit Before Taxation, Interest and Depreciation	3,959.06	39.71	(373.00)	3,625.77
	Less: Finance cost	445.85	-	-	445.85
	Less: Depreciation and Amortizations	2,091.33	2.58	2.92	2,096.83
	Total	**1,421.88**	**37.13**	**(375.92)**	**1,083.09**
3	Unallocable & Other Income				1,268.50
	Less: Tax				603.84
	Profit after tax				**1,747.75**
4	Segment Assets - Current Year	69,236.75	2,276.96	16,795.66	88,309.37
	Segment Assets - Previous Year	54,816.99	3,689.47	17,389.01	75,895.47
5	Segment Liabilities - Current Year	26,478.49	1,676.43	7,888.73	36,043.65
	Segment Liabilities - Previous Year	20,430.61	2,195.42	5,826.81	28,452.84
6	Capital Expenditure (Gross Block)	1,109.03	-	-	1,109.03
	Disposal (Gross Block)	(39.05)	-	-	(39.05)
	Capital Expenditure (Net of disposal) - Current Year	**1,069.98**	**-**	**-**	**1,069.98**
	Capital Expenditure (Gross Block)	1,432.72	-	-	1,432.72
	Disposal (Gross Block)	(98.13)	-	-	(98.13)
	Capital Expenditure (Net of disposal) - Previous Year	**1,334.59**	**-**	**-**	**1,334.59**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(ii) Geographical Segment **(Amount in ₹ Lakhs)**

Particulars	Segment revenue by geographical Market	
	Year ended 31.03.2022	Year ended 31.03.2021
Sales from India		
Domestic Sales (including Deemed Export)	47,558.94	29,396.50
Export Sales	23,139.91	19,467.08
Sales from Overseas Branch	1,453.22	1,702.25
Less: Inter-segmental sales	(271.52)	(624.40)
Total	**71,880.55**	**49,941.43**

Carrying amounts of geographical assets & additions to property, plant and equipment & intangible assets

Particulars	Carrying amounts of segment assets		Additions to property, plant and equipment and intangible assets (Net of deletion)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Located in India	86,361.85	73,302.14	1,069.98	1,334.59
Located outside India	1,947.52	2,593.33	-	-
Total	**88,309.37**	**75,895.47**	**1,069.98**	**1,334.59**

(iii) Information about Major customers

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

Particulars	As at 31.03.2022	As at 31.03.2021
Customer A	17.79%	12.06%
Customer B	14.40%	22.49%
Customer C	13.65%	13.49%
Customer D	13.58%	12.58%

42 Disclosure as per Ind AS 19 on 'Employee benefits

A <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-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
Opening balance	1,097.49	1,032.40	1,329.50	1,143.75	232.01	111.34
Included in profit or loss						
Current service cost	92.87	93.37	-	-	(92.87)	(93.37)
Interest Income on planned asset	-	-	96.49	79.09	96.49	79.09
Interest cost	73.41	69.21	-	-	(73.41)	(69.21)
Total amount recognised in profit or loss	166.28	162.58	96.49	79.09	(69.78)	(83.49)
Included in OCI						
Actuarial loss (gain)	85.23	(68.21)	-	-	(85.23)	68.21
Return on plan assets greater/(lesser) than discount rate	-	-	0.90	67.92	0.90	67.92
Total amount recognised in other comprehensive income	85.23	(68.21)	0.90	67.92	(84.34)	136.13
Contributions paid by the employer	-	-	215.00	68.03	215.00	68.03
Benefits paid	35.96	29.29	35.96	29.29	-	-
Closing balance	**1,313.04**	**1,097.49**	**1,605.93**	**1,329.50**	**292.89**	**232.01**

II. Details of Plan assets

	31st March 2022	31st March 2021
Government of India securities (central and state)	-	-
Schemes of insurance - conventional products	100.00%	100.00%
Others	–	–
	100.00%	**100.00%**

III. Acturial Assumptions

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

	31st March 2022	31st March 2021
Financial assumptions		
Discount rate	7.10%	6.80%
Salary escalation rate	7.00%	7.00%
Demographic assumption		
Retirement age	58 Years	58 Years
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	
Withdrawal rate % (All ages)	3.00%	3.00%

IV. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

	31st March 2022		31st March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(131.42)	155.46	(113.96)	135.74
Salary escalation rate (1% Movement)	146.02	(128.96)	129.59	(111.52)
Withdrawal rate (1% Movement)	1.08	(1.27)	(2.05)	2.29

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 2022	**31st March 2021**
For the year ending:		
Less than 1 year	129.07	120.16
Between 1-2 years	46.40	39.94
Between 2-3 years	83.69	42.95
Between 3-4 years	74.28	72.23
Between 4-5 years	69.46	70.04
Between 5-10 years	616.68	554.75

VI. Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals.

B Long term Leave Liability - Unfunded

The company provides for earned leave benefit to the employees which accrue at 15 days (maximum) for the year. The earned leave is encashable while in service and upto a maximum of 105 days on retirement. The leave liability has been treated as other long term benefits and has been assessed using projected unit credit actuarial method.

I. Movement in net defined benefit (asset)/liability	**Defined benefit obligation**	
	31-Mar-2022	**31-Mar-2021**
Opening balance	531.06	528.26
Included in profit or loss:		
Current service cost	124.09	127.60
Interest cost	36.11	35.36
Actuarial loss (gain)	(105.84)	(143.56)
Total amount recognised in profit or loss	**54.36**	**19.40**
Benefits paid	-	16.60
Closing balance	**585.42**	**531.06**

II. Acturial Assumptions

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

	31st March 2022	**31st March 2021**
Financial assumptions:		
Discount rate	7.10%	6.80%
Salary escalation rate	7.00%	7.00%
Demographic assumptions:		
Mortality table	100% of Indian Assured Lives Mortality (2006-08)	
Withdrawal rate % (All ages)	3.00%	3.00%
Retirement age	58 years	58 years

43 RELATED PARTY DISCLOSURE

Related Party	Relationship
D F Power Systems Private Limited TD Power Systems USA Inc TD Power Systems Japan Limited TD Power Systems Europe GMBH TD Power Systems Jenerator Sanayi Anonim Sirketi	Subsidiary Company
Ravindu Motors Private Limited Trident Automobiles Private Limited	Companies in which director/ relative of director is interested
Nikhil Kumar, Managing Director Mohib N Khericha, Director K G Prabhakar, Director N Srivatsa, Company Secretary M N Varalakshmi, CFO	Key management personnel

DETAILS OF TRANSACTIONS

Nature of transactions	Key management personnel	
	Year ended 31.03.2022	Year ended 31.03.2021
Directors Remuneration:		
Nikhil Kumar:		
Short-term employee benefits including commission of ₹ 118.74 lakhs (PY: ₹ 144.35 lakhs)	255.07	326.45
Other long term employee benefit	16.36	18.79
Dividend	116.57	34.92
Amount Outstanding at the year end	-	6.84
Remuneration to Key Managerial Personnel:		
N Srivatsa		
Short-term employee benefits	53.56	53.87
Other long term employee benefit	3.46	3.46
Employees Share Option Cost (Refer Note 49)	13.59	30.90
Dividend	1.56	0.25
Amount Outstanding at the year end	-	2.44
M N Varalakshmi		
Short-term employee benefits	40.07	39.67
Other long term employee benefit	2.52	2.49
Employees Share Option Cost (Refer Note 49)	7.79	17.71
Dividend	1.11	0.14
Amount Outstanding at the year end	-	3.16
Directors Sitting fees		
Mohib N Khericha	4.40	3.80
K G Prabhakar	2.00	2.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Subsidiary Company		Companies in which director/relative of director is interested	
Nature of transactions	**Year ended 31.03.2022**	**Year ended 31.03.2021**	**Year ended 31.03.2022**	**Year ended 31.03.2021**
DF Power Systems Private Limited				
Trade Advance received by Holding Company	-	114.59	-	-
TD Power Systems USA Inc				
Sale of Generators and Spares to subsidiary	2,601.13	986.24	-	-
Inter-Corporate Loan repaid by subsidiary during the year	30.16	-	-	-
Interest on Inter-Corporate Loan charged	32.14	37.81	-	-
Reimbursement of Bank Guarantee charges	0.03	-	-	-
Amount receivable by Holding Company	852.49	40.49	-	-
Trade Advance received by Holding Company	1,117.78	652.11	-	-
Inter-Corporate Loan balance as at the end of year	942.00	944.71	-	-
Bank Guarantee as at the end of year	64.22	-		
Maximum amount of loan outstanding during the year	973.57	973.57	-	-
TD Power Systems Europe GMBH				
Sale of Generators and Spares to subsidiary	6,766.20	7,055.38	-	-
Purchase from subsidiary	319.02	258.90	-	-
Inter-Corporate Loan repaid by subsidiary during the year	-	85.36	-	-
Interest on Inter-Corporate Loan charged	-	1.23	-	-
Reimbursement of Bank Guarantee charges	1.35	1.75	-	- -
Recovery of ESOP cost	4.16	9.46		
Amount payable by Holding company	9.71	11.96	-	-
Amount receivable by Holding Company	2,781.14	2,704.64	-	-
Trade Advance received by Holding Company	534.92	400.86	-	-
Bank Guarantee outstanding as at the end of year	785.71	791.26		
Maximum amount of loan outstanding during the year	-	82.25	-	-
TD Power Systems Jenerator Sanayi Anonim Sirketi				
Sale of Spares to subsidiary	807.56	3,188.47	-	-
Purchase from subsidiary	12.16	-	-	-
Trade Advance received by Holding Company	-	9.46	-	-
Amount receivable by Holding Company	389.95	1,460.47	-	-
Interest on Inter-Corporate Loan charged	9.04	8.72	-	-
Reimbursement of Bank Guarantee charges	15.13	23.50		
Recovery of ESOP cost	1.39	3.15		
Bank Guarantee outstanding as at the end of year	1,331.62	1,392.05		
Inter-Corporate Loan balance as at the end of year	75.36	72.67	-	-
Maximum amount of loan outstanding during the year	75.36	74.89	-	-
Ravindu Motors Private Limited				
Servicing of Vehicles	-	-	1.40	2.02
Purchase of Motor Vehicle	-	-	-	40.00
Trident Automobiles Private Limited				
Servicing of Vehicles	-	-	0.72	0.43
Purchase of Moto Vehicle	-	-	10.78	36.46

44 Operating Lease

The Company has taken office facilities, guesthouse and residential premises of employees under short term lease and are renewable on a periodic basis, and cancellable at its option. Rental expenses recorded for short term leases for the year is ₹ 33.55 lakhs (Previous year ₹ 35.07 lakhs).

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

45 Provision for warranties towards sale of goods are made on an estimated basis. During the year, the Company has made provisions towards Warranty claims, the details of the same are as under:

(Amount in ₹ Lakhs)

	As at 31.03.2022	**As at 31.03.2021**
Balance outstanding at the beginning of the year	244.11	235.63
Provision for the year	102.36	8.48
Balance outstanding at the end of the year	346.47	244.11

46 Final Dividend

On 10th May 2022 (2021: 19th May 2021), the Board of Directors of the Company have proposed a dividend of ₹ 3.50 (2021 ₹ 2.50) per share in respect of the year ended 31st March 2022 subject to approval of shareholders at the Annual General Meeting.

47 Research & Development

Following expenses have been incurred by the company towards Research & Development activities

(Amount in ₹ Lakhs)

Nature of expenditure	**2021-2022**	**2020-2021**
Capital Expenditure	-	-
Revenue Expenditure (excluding depreciation)		
- Employee benefit expenses	500.42	516.83
- Other expenses	53.61	1.27

48 Corporate Social Responsibility

(Amount in ₹ Lakhs)

	Towards	**As at 31.03.2022**	**As at 31.03.2021**
i)	Amount required to be spent by the company	28.25	26.03
ii)	Amount of expenditure incurred (set off ₹ 2.06 of excess spent in earlier year)	12.25	12.00
iii)	Shortfall at the end of the year	16.00	14.03
iv)	Total of previous years shortfall	-	-
v)	Reason for shortfall	Ongoing projects	
vi)	Nature of CSR activities	Educational Empowerment & School Infrastructure development.	
vii)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Not Applicable	

The shortfall of ₹ 16.00 lakhs (PY ₹ 16.10 lakhs) has been transferred to a separate bank account within 30 days from the end of the year for utilisation in the ongoing projects in the subsequent years.

49 Employee Stock Benefit Plans

During August 2019, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 10,00,000 shares in aggregate, out of which not more than 5,65,000 shares to be acquired by the Trust through Secondary Acquisition and not more than 4,35,000 shares shall be issued by way of Primary / Fresh shares The maximum number of options that may be granted to any employee in any year and in aggregate shall not exceed 2,00,000 options under the plan.

In accordance with the shareholders' approval in Annual General Meeting held on 12th August 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, has approved grant of 5,63,884 employee stock options ("ESOPs) and 3,99,216 employee stock appreciation rights ("ESARs") to the eligible employees of the Company and/or its Subsidiary Company(ies) under its TDPSL Equity Based Compensation Plan 2019 ("Plan").

Out of which 97,962 ESOPs and 56,160 ESOPs have been granted to Company Secretary and Chief Financial Officer of the company respectively.

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	ESOP No. of Options	ESAR No. of Options
Market Price (₹)	134.45	134.45
Expected Life (in Years)	3 - 5	3 - 5
Volatility (%)	38.84 - 40	38.84 - 40
Risk free Rate (%)	5.93 - 6.26	5.93 - 6.26
Exercise Price (₹)	67.25	67.25
Dividend Yield (%)	1.49	1.49
Weighted Average Fair Value of the Vest (₹)	78.92	78.92

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

During the year 31st March 2022, 1,87,961 ESOPs were vested and exercised at an exercise price of ₹ 67.25 against which 1,87,961 Equity shares of the Company were transferred to the ESOP grantees by TDPSL Employee Welfare Trust ₹ 126.41 lakhs was received from the ESOP grantees upon the Exercise of ESOPs.

The details of ESOP/ESAR as at 31.03.2022 is as under

	31.03.2022		31.03.2021	
	ESOP	ESAR	ESOP	ESAR
Outstanding at the beginning of the period /year	3,75,923	3,99,216	5,63,884	3,99,216
Vested & Excercised during the period/year	1,87,961	2,26,760	1,87,961	-
Balance at the end of the period /year - Not vested	1,87,962	1,33,072	3,75,923	2,66,144
Balance at the end of the period /year - Vested & Not Excercised	-	39,384	-	1,33,072

50 The net worth of the Indian Subsidiary Company continues to be positive owing to substantial reduction of accumulated losses. There is a write back of creditors and provisions amounting to ₹ 757.72 lakhs (PY ₹ 717.51 Lakhs) in respect of reduction in liability related to project cancellation & supply related issues. Discussion are ongoing with remaining creditors for adjustments/ settlement. Further, while such of the receivables which are doubtful of realisation have been fully provided for from time to time, efforts are ongoing to realise receivables which will help in reviving business. The Company continues to evaluate business proposals related to engineering services which is gradually recovering due to the ongoing pandemic and will review possibilities in this regard from time to time with required support from the parent Company. Accordingly, the financial statements of that subsidiary are continued to be prepared on a going concern basis which is considered appropriate by the management of that company.

The overseas subsidiary in USA has accumulated losses exceeding its share capital and has eroded its networth as at the end of the reporting period. The Subsidiary's liabilities exceeds its total assets by ₹ 882.84 lakhs (PY: ₹ 1,018.06 Lakhs). A substantial portion of the liabilities is loan from the Parent company which is being renewed on timely basis reflecting the parent company's resolve to support and grow the market. Over the last 3-4 years this subsidiary has improved foothold in the American market and has delivered certain initial orders from very reputed customers. This will help in receiving improved orders in the forthcoming years enabling better operating performance. The subsidiary is managing it's cash flow requirements. However, the parent company is authorised by its Board to infuse further funds as and when required. Based on this, the management of that company is of the opinion that the going concern assumption in preparation of the financial statements of that company is appropriate. Hence, considering the future prospects of the said subsidiary no provision for impairment in the carrying value of the investment in this subsidiary is considered necessary by the management of the company in the standalone financial statements.

51 Ratios:

Amount in ₹ Lakhs

Sl No	Ratios	Numerator	Denominator	March 31, 2022			March 31, 2021			% Variance	Reason for Variance
				Numerator	Denominator	Value	Numerator	Denominator	Value		
1	Current Ratio	Current Assets	Current Liabilities	65,504.44	34,752.04	1.88	52,183.33	27,373.04	1.91	-1.13%	
2	Debt-equity Ratio	Total Debt (Refer Note c)	Shareholder's Equity	7,096.51	52,265.72	0.14	5,199.60	47,442.63	0.11	23.89%	Due to higher revenue/ profitability during the current year
3	Debt service coverage ratio	Earnings available for debt service - (Refer Note d)	Debt Service - (Refer Note e)	7,770.89	149.60	51.94	4,290.43	306.89	13.98	271.55%	Due to lower debt service & higher revenue/ profitability during the current year
4	Return on equity ratio	Profit After Tax	Average Shareholder's Equity	5,441.49	49,854.18	0.11	1,747.75	46,445.30	0.04	190.05%	Due to higher revenue/ profitability during the current year
5	Inventory turnover ratio	Revenue from Operations	Average Inventory	71,880.55	16,863.70	4.26	49,941.43	13,580.48	3.68	15.91%	Due to higher revenue during the current year
6	Trade receivables turnover ratio	Revenue from Operations	Average Trade Receivable	71,880.55	21,043.06	3.42	49,941.43	18,127.22	2.76	23.99%	Due to higher revenue during the current year
7	Trade payables turnover ratio	Purchases	Average Trade Payables	56,469.95	12,438.96	4.54	36,385.81	11,725.01	3.10	46.29%	Due to higher revenue during the current year
8	Net capital turnover ratio	Revenue from Operations	Working Capital	71,880.55	30,752.40	2.34	49,941.43	24,810.29	2.01	16.12%	Due to higher revenue during the current year
9	Net profit ratio	Profit After Tax	Revenue from Operations	5,441.49	71,880.55	0.08	1,747.75	49,941.43	0.03	116.32%	Due to higher revenue/ profitability during the current year
10	Return on capital employed	Refer - (Note-a)	Refer - (Note-b)	7,770.89	60,154.45	0.13	4,290.43	53,269.44	0.08	60.39%	Due to higher revenue/ profitability during the current year
11	Return on investment (Refer Note f)	Interest Income	Investment	175.53	1,993.44	0.09	175.06	1,993.44	0.09	0.27%	

Note on Ratios:

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 6(B) & 27

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

52 The Company has borrowings from banks on the basis of security of current assets. The quarterly statement of current assets filed by the Company with banks during the year are in agreement with the books of accounts.

53 The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these Standalone financial statements has used internal and external sources of information to assess the expected future performance of the Company. The Company has internally assessed sensitivity of the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2022, are fully recoverable. The management has also estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the Covid-19 pandemic may be different from that estimated as at the date of approval of these financial statements.

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

10th May 2022

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

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

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CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To
THE MEMBERS OF
TD POWER SYSTEMS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of **TD Power Systems Limited** ("hereinafter referred as the Holding Company") and its five subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity, the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the group as at March 31, 2022, its profit, Consolidated total Comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements, in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with the requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note No. 52 in the consolidated financial statements, which describes the evaluation of the impact of COVID-19 carried out by the group on the group business operations, financial position, carrying value of various assets and the uncertainties associated with such an evaluation in the present circumstances and that the impact may be different from that assessed as at the date of approval of these financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Revenue Recognition for contracts with customers

Reasons why the matter was determined to be a key audit matter

The Group generates a significant portion of the business by manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications. The Group recognizes revenue in accordance with IND AS 115 Revenue from contracts with customers, generally when or as the entity satisfies a performance obligation by transferring a promised goods or services to a customer; i. e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account the creditworthiness of the customers. These assessments include, in particular, the scope of deliveries and services required to fulfill contractually defined obligations.

Auditor's response

As part of our audit, we obtained an understanding of the Group's internally established methods, processes and control mechanisms from order to delivery. We have also assessed the design and operating effectiveness of the internal controls by obtaining an understanding of such business transactions, and testing controls over these processes.

As part of our substantive audit procedures, we evaluated the management's assumptions based on a risk-based selection of a sample of contracts. We have carried out verification of documents relating to these sales that include the documents for final testing, dispatch of goods or acknowledgment of acceptance of the goods. We performed cut-off procedures to ensure that all year-end sales are in line with the revenue recognition policy of the Group. The performance of obligations is considered to be complete, generally when the testing of goods is completed / customer has accepted the goods.

We have also discussed with the management the likelihood of any changes in the terms or non-fulfilment of obligations by the customers, arising from the impact of COVID-19.

Information Other than the Financial Statements and Auditor's Report Thereon

The Group's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report and other information published along with but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report etc., is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Management Discussion and Analysis, Board of Directors' Report, Corporate Governance Report etc., if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance. In case of uncorrected material misstatement, we are required to communicate to other stakeholders as appropriate as well as to take action, applicable under applicable laws and regulations, if any.

Management Responsibilities and for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with relevant rules issued thereafter.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the holding company is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. For the entities included in the consolidated financial statements, which have been audited by other auditors/Chartered Accountants Firm, such other auditors/ Chartered Accountants Firm remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

i. We did not audit the financial statements of one Indian Subsidiary considered in the preparation of the consolidated financial statements, which constitute total assets of INR 851.40 lakhs, total revenue of INR 15.53 Lakhs and net profit after tax of INR 762.26 Lakhs and net cash flows of INR 103.40 Lakhs for the year ended March 31, 2022 which has been audited by the auditor of that company whose audit report has been furnished to us, and our opinion on the statement, to the extent they have been furnished to us, and our opinion on the statement, to the extent have been derived from such financial statements is solely on the basis of such report of the other auditor.

ii. We did not audit the special purpose financial statements of four foreign subsidiaries considered in the preparation of the consolidated financial statements, which constitute total assets of INR 10,056.06 Lakhs, total revenue of INR 18,454.38 Lakhs, net profit after tax of INR 725.34 Lakhs and net cash flows of INR 1,420.22 Lakhs for the year ended March 31, 2022. The special purpose financial statements of these four foreign subsidiaries prepared for the purpose of consolidation have been audited by an independent firm of Chartered Accountants in India, and our opinion on the statement, to the extent they have been derived from such financial statements is solely on the basis of the audit report on the special purpose financial statements issued by that independent firm of Chartered Accountants in India.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors/Chartered Accountant's Firm.

   c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account/ statements maintained for the purpose of preparation of the consolidated financial statements;

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors of the holding company as on 31st March, 2022 taken on record by the Board of Directors of the holding company and report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the group companies incorporated in India are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in '**Annexure A**';

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is within the limit laid down under the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the group has disclosed pending litigations in its consolidated financial statements, the impact if any on the final settlement of these litigations on its financial position is not ascertainable at this stage – Refer Note No. 37 and Note No. 50 of consolidated financial statements;

ii. the Company did not have any long term contracts for which there were any material foreseeable losses. Refer Note No. 44(b) of the consolidated financial statements; and

iii. there has been no delay in transferring amounts to be transferred to the Investor Education and Protection Fund by the Holding Company during the year. There was no amount which was required to be transferred during the year to the Investor Education and Protection Fund by the subsidiary company incorporated in India. Refer Note No. 44(c) of consolidated financial statements.

iv. a) The respective Management of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief, as disclosed in Note No.44(d) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Management of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief, as disclosed in Note No. 44(e) to the consolidated financial statements, no funds have been received by the Company or any of such subsidiaries, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and performed by the auditors of the subsidiary which is incorporated in India whose financials statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

v. As stated in Note 47 to the consolidated financial statements

(a) During the year, the final dividend proposed, declared and paid by the Company relating to FY2020-21 is in accordance with Section 123 of the Act, as applicable.

(b) The Board of directors of the Company has not declared interim dividend during the year.

(c) The Board of Directors of the Company have proposed final dividend for the financial year 2021-22 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

As stated in the auditors report on the financials statements of the subsidiary company incorporated in India, no dividends were declared or paid by the said subsidiary during the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and CARO report issued by the auditors of the subsidiaries incorporated in India, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in this CARO report except for:

Name of the subsidiary	CIN	Paragraph number of the CARO report
D F Power Systems Private Limited	U51505KA2007PTC041717	Paragraph number 19 with reference to reporting under clause xix of paragraph 3 of CARO 2020.

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

K.P.SINIVAS
Partner
M. No. 208520
UDIN : 22208520AISLAN7688

Place : Delhi
Date : 10th May 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARA 1 (f) "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of **TD Power Systems Limited** ("the Holding Company") and its one subsidiary company incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the holding company and Board of Directors of the subsidiary company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by the auditor of the subsidiary company incorporated in India in terms of their report referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the report of the auditors of its subsidiary company incorporated in India, the Holding Company

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

and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company incorporated in India is based solely on the corresponding report of the auditor of the said subsidiary incorporated in India.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S
K.P.SINIVAS
Partner
M. No. 208520
UDIN : 22208520AISLAN7688

Place: Delhi
Date : 10th May 2022

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Amount in ₹ Lakhs

	Note No.	As at 31.03.2022		As at 31.03.2021	
I. ASSETS					
Non - current assets					
Property, plant and equipment	2	16,048.34		16,995.10	
Capital work in progress	3	63.47		25.15	
Intangible assets other than Goodwill	4	586.91		399.29	
Intangible assets under development	5	-		32.10	
Financial assets					
Investments	6	1,993.94		1,993.94	
Other financial assets	7	122.80		122.80	
Other non-current assets	8	1,853.97	20,669.43	1,749.85	21,318.23
Current assets					
Inventories	9	20,914.66		18,878.10	
Financial assets					
Trade receivables	10	24,108.76		16,188.86	
Cash and cash equivalents	11	5,539.34		4,744.90	
Bank balances other than cash and cash equivalents	12	10,594.99		11,685.58	
Other financial assets	13	2,995.69		2,695.09	
Other current assets	14	5,846.59	70,000.03	2,977.02	57,169.55
TOTAL			**90,669.46**		**78,487.78**
II. EQUITY AND LIABILITIES					
Equity:					
Equity Share Capital	15	3,110.35		3,093.34	
Other Equity	16	49,606.08	52,716.43	43,974.30	47,067.64
Non - current liabilities					
Provisions	17	499.39		452.59	
Deferred tax liabilities (Net)	18	792.22	1,291.61	627.21	1,079.80
Current Liabilities					
Financial Liabilities:					
Borrowings	19	7,096.51		5,199.60	
Trade payables					
- total outstanding dues of micro enterprises and Small enterprises	20	64.34		60.26	
- total outstanding dues of creditors other than micro enterprises and Small enterprises		15,068.12		10,777.33	
Other financial liabilities	21	8,356.15		8,320.51	
Other current liabilities	22	4,746.83		4,989.85	
Provisions	23	463.35		377.64	
Current tax liabilities - Net	24	866.12	36,661.42	615.15	30,340.34
TOTAL			**90,669.46**		**78,487.78**

The accompanying notes form an integral part of the Consolidated Financial Statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

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

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

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	Note No.	Year ended 31.03.2022		Year ended 31.03.2021	
I Revenue from operations	25		79,742.46		59,358.43
II Other income	26		1,671.42		932.25
III TOTAL INCOME (I + II)			**81,413.88**		**60,290.68**
IV Expenses					
Cost of materials consumed	27	55,200.11		42,581.32	
Purchases for Project Business	28	940.96		1,002.01	
Changes in inventories of finished goods, work in progress and stock in trade	29	847.22	56,988.29	(3,994.17)	39,589.16
Employee benefits expense	30		8,056.97		7,940.28
Finance costs	31		205.70		446.54
Depreciation and amortization expense	32		2,203.96		2,149.76
Other expenses	33		5,509.17		5,234.12
TOTAL EXPENSES			**72,964.09**		**55,359.86**
V Profit/(loss) before exceptional items and tax (III-IV)			**8,449.79**		**4,930.82**
VI Exceptional items	34		757.72		717.51
VII Profit/(loss) before tax (V+VI)			**9,207.51**		**5,648.33**
VIII Tax expense (Refer Note No. 38(a) & (b))					
Current tax		1,977.59		1,150.51	
Deferred tax		165.01	2,142.60	(22.62)	1,127.89
IX Profit/(loss) for the year (VII-VIII)			**7,064.91**		**4,520.44**
X Other comprehensive income	35				
Items that will not be reclassified to profit or loss					
Remeasurement of Defined Benefit Plans		(84.34)		136.13	
Income tax on Defined Benefit Plans					
-Current Tax (Refer Note No. 38(a))		21.23	(63.11)	(34.26)	101.87
Items that will be reclassified to profit or loss					
Exchange difference on translation of foreign operations		(858.48)	(858.48)	(255.78)	(255.78)
Total			**(921.59)**		**(153.91)**
XI Total comprehensive income (IX+X)			**6,143.32**		**4,366.53**
Earnings per equity share of Rs. 10/- each:					
Basic (in ₹)			22.96		14.83
Diluted (in ₹)	36		22.80		14.61

The accompanying notes form an integral part of the Consolidated Financial Statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

Date: 10th May 2022

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

This is the consolidated statement of profit and loss referred to in our report of even date attached

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

K P Srinivas
Partner
Membership No.208520

Place: Delhi
Date: 10th May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

Particulars	Equity Share Capital (Equity Shares of ₹ 10 each issued, subscribed and fully paidup)	Other Equity								Total other equity attributable to equity share holders of the company
		Reserves and surplus								
		Securities Premium	Retained earnings	General reserve	Capital Redemp-tion Reserve	Capital Reserve	Stock option Outstanding Account	Shares Purchased by ESOP Trust	Exchange difference on translation of foreign operations	
As at 1st April 2020	**3,093.34**	**17,459.24**	**18,161.93**	**3,369.92**	**230.42**	**718.29**	**281.34**	**(822.13)**	**7.95**	**39,406.96**
Profit for the year 1st April 2020 to 31st March 2021	-	-	4,520.44	-	-	-	-	-	-	4,520.44
Remeasurement of defined benefit plans for the year (net of tax)	-	-	101.87	-	-	-	-	-	-	101.87
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(255.78)	(255.78)
Transfer to Stock Options Outstanding account during the year (Refer Note No. 49)	-	-	-	-	-	-	303.74	-	-	303.74
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	-	(141.40)	141.40	-	-
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	-	126.41	-	126.41
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	-	2.68	-	2.68
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	(6.26)	-	-	-	-	6.26	-	-
Dividend for the year (Refer Note No. 47)	-	-	(232.02)	-	-	-	-	-	-	(232.02)
As at 31st March 2021	**3,093.34**	**17,459.24**	**22,545.96**	**3,369.92**	**230.42**	**718.29**	**443.68**	**(545.38)**	**(247.83)**	**43,974.30**
As at 1st April 2021	**3,093.34**	**17,459.24**	**22,545.96**	**3,369.92**	**230.42**	**718.29**	**443.68**	**(545.38)**	**(247.83)**	**43,974.30**
Shares issued during the year to ESOP trust	17.01	-	-	-	-	-	-	-	-	-
Profit for the year 1st April 2021 to 31st March 2022	-	-	7,064.91	-	-	-	-	-	-	7,064.91
Remeasurement of defined benefit plans for the year (net of tax)	-	-	(63.11)	-	-	-	-	-	-	(63.11)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(858.48)	(858.48)
Transfer from Share options outstanding to Securities premium on exercise of ESAR	-	173.55	-	-	-	-	(173.55)	-	-	-
Transfer to Stock Options Outstanding account during the year (Refer Note No. 49)	-	-	-	-	-	-	133.60	-	-	133.60
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	-	(146.80)	146.80	-	-
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	-	126.40	-	126.40
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	-	4.95	-	4.95
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	- (3.68)	- -	-	-	-	3.68	-	-
Dividend for the year (Refer Note No. 47)	-	-	(776.49)	-	-	-	-	-	-	(776.49)
As at 31st March 2022	**3,110.35**	**17,632.79**	**28,767.59**	**3,369.92**	**230.42**	**718.29**	**256.93**	**(263.55)**	**(1,106.31)**	**49,606.08**

The accompanying notes forms an integral part of the Consolidated Financial Statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

This is the consolidated statement of changes in equity referred to in our report of even date attached

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

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	Year ended 31.03.2022		Year ended 31.03.2021	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		9,207.51		5,648.33
Adjustments for				
Depreciation	2,014.88		2,015.70	
Amortisation	189.08		134.06	
(Profit) / Loss on disposal of Property, Plant and Equipments	(0.06)		(10.50)	
Unbilled Revenue	26.68		53.10	
Interest income on bank deposits	(642.28)		(634.84)	
Interest income on financial assets (Non-convertible debentures carried at amortised cost)	(81.10)		(80.87)	
Interest income accrued on financial assets (Non-convertible debentures carried at amortised cost)	(94.43)		(94.19)	
Interest expenses (including foreign exchange difference recorded as adjustment to borrowing cost)	205.70		446.54	
Compensation expenses under Employee Stock Option Scheme	133.61		303.74	
Unrealised Foreign Exchange Loss /(gain) (net)	(1,012.85)		(183.88)	
Provision no longer required (including exceptional item)	(757.72)		(717.51)	
Provision for Warranty Claims	78.25		8.48	
Provision for Leave Encashment	54.71	114.47	22.48	1,262.31
Operating profit before Working Capital Changes		**9,321.98**		**6,910.64**
Adjustments for				
Decrease/(Increase) in trade receivables	(7,887.76)		1,010.24	
Decrease/(Increase) in Other Receivables	(1,203.19)		(3,119.05)	
Decrease/(Increase) in inventories	(2,036.56)		(4,437.32)	
(Decrease)/Increase in Trade Payables	4,327.99		(3,493.48)	
(Decrease)/Increase in other payable & Provisions	278.92	(6,520.60)	3,822.50	(6,217.11)
Cash generated from operations		**2,801.38**		**693.53**
Direct Taxes Paid including TDS		(1,710.65)		(979.05)
Net Cash from/(used in) Operating Activities		**1,090.73**		**(285.52)**
B Cash flow from investing activities				
Payment for property, plant and equipments (net of transfer of CWIP to fixed assets)	(1,121.25)		(1,165.29)	
Payment for intangible assets	(376.70)		(343.02)	
Proceeds from disposal of property, plant and equipments	14.87		19.52	
Interest received on bank deposits	959.01		667.37	
Net Cash from/(used in) investing activities		**(524.07)**		**(821.42)**

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

Amount in ₹ Lakhs

	Year ended 31.03.2022		Year ended 31.03.2021	
C. Cash flow from financing activities				
Proceeds from (Repayment of) Working Capital borrowings (net)	1,865.84		(1,561.15)	
Proceeds from ESOP exercised received	126.40		126.41	
Proceeds from issue of shares to ESOP Trust	17.01		-	
Interest paid	(149.60)		(307.58)	
Dividend Received by ESOP Trust	4.95		2.68	
Dividend Paid	(776.49)		(232.02)	
Net Cash from/(used in) financing activities		**1,088.11**		**(1,971.66)**
Net Foreign exchange difference on translation of foreign operations		(858.48)		(255.78)
Net increase/(decrease) in cash and cash equivalents		**796.29**		**(3,334.38)**
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		(1.85)		(52.39)
Cash and cash equivalents at the beginning of the year		4,744.90		8,131.67
Cash and cash equivalents at the end of the year		**5,539.34**		**4,744.90**
Cash and cash equivalents at the end of the year- constitute				
Balances with banks				
In current accounts		3,123.27		3,141.79
In EEFC account		701.21		507.72
In Cash Credit Account		-		412.85
In deposit accounts with less than 3 months maturity		1,709.54		680.00
Cash on hand		5.32		2.54
		5,539.34		**4,744.90**

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

The accompanying notes forms an integral part of the Consolidated Financial Statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

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

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

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2022

Corporate Information

The Company is incorporated and domiciled in India. Consequent to a Special Resolution of the Members, passed at the Company's Extra Ordinary General Meeting held on 17th January 2011, the Company was converted to a Public Limited Company by altering its Articles of Association in terms of Section 31 read with Section 44 of the Companies Act 1956, and a fresh Certificate of Incorporation dated 4th February 2011 was issued by the Registrar of Companies, Karnataka. The registered office of the Company is located at Dabaspet, Nelamangala Taluk Bangalore - 562 111. The Company is engaged in manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications.

The consolidated financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 10, 2022.

The company's subscription to the Share Capital of its Wholly Owned Subsidiaries included in investment under non-current assets as at 31st March 2021 are as follows:-

- 80,100 Equity Shares of USD 10- each in TD Power Systems USA Inc, USA
- 2000 Equity Share of JPY 10,000 each in TD Power Systems Japan Limited, JAPAN
- 550,000 * Equity Share of Euro 1 each in TD Power Systems Europe GmbH, EUROPE

  (*erstwhile Platin 1255 GmbH acquired by the company during January 2016)
- 59,99,998 Equity Shares of Rs.10 each in D F Power Systems Private Limited (excluding beneficial interest relating to two shares held by the Directors of the Company)
- 12,782 shares of Turkish Lira of 100 each in TD Power System Jenerator Sanayi Anonim Sirketi which was incorporated on 21st June 2017

SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

a. Principles of Consolidation

Subsidiaries:

The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company.

The financial statements of the Companies and its subsidiary company has been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been fully eliminated.

The share of equity in the subsidiary company as on the date of investment in excess of cost of investment of the Group, is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

1.2 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on going concern basis and on accrual method of accounting in accordance with Indian Accounting Standards. Historical cost is used except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The consolidated financial statements are presented in Indian Rupees (" ₹ / INR / ₹ ") and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires management of the Company to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses for the period presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below.

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 incidental expenses relating to the acquisition and finance cost till assets are put to use, are capitalized. Stores, spares and parts which can be used only in connection with an item of plant or equipment and whose useful life is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets.

Property, Plant and Equipment manufactured internally are capitalized at Factory Cost.

Capital Work in Progress

Property, Plant and Equipment which are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses. Advances paid towards acquisition of PPE outstanding at each balance sheet date are classified as Capital advances under other non-current assets.

Depreciation and amortization

i. Depreciation on Property, Plant and 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

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

1.12 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Raw materials and bought out items are valued on first in first out basis and includes material cost, carriage inward, insurance and purchase related expenses. Cost in respect of work in progress and finished goods include appropriate portion of overheads. Net realizable value represents the estimated selling price for inventory less all estimated cost of completion and cost necessary to make the sale.

1.13 Employee Benefits

Employee benefits include provident fund, pension fund, employee state insurance scheme, compensated absences and gratuity.

a. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

b. Long-term employee benefits

Long term employee benefits include compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation as at balance sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

c. Defined Benefit Plans

For defined benefit plans in the form of Gratuity (funded), the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at the end of each reporting period, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income. The amount is funded to gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains / losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Past service cost is recognized immediately in the statement of profit and loss. The benefits obligation in respect of gratuity recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for present value plan assets including refunds and reductions if any available as against future contributions to the scheme.

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 Company's major tax jurisdictions are in India. Significant judgement are involved in determining the provision for income tax credits, including the amount to be paid or refunded.

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current Income Taxes

The current income tax expense includes income taxes payable by the Company and its overseas branches. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis or where it has legally enforceable right to set off the recognized amount.

b. Deferred Income Taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses, if any can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.17 Foreign Currency

a. Functional and presentation currency

The consolidated financial statement is presented in Indian Rupee (₹/₹), which is also the Company's functional currency. Transaction in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

b. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying foreign currency exchange rates between the reporting currency and the foreign currency prevailing at the dates of the transactions.

c. Measurement of foreign currency monetary items and Non-monetary items at the balance sheet date

Monetary items outstanding at the balance sheet date are restated at the rate as on reporting date. Non – monetary items which are carried in terms of historical cost denominated in a foreign currency are not restated and hence is reported using the exchange rate prevailing at the date of transactions.

d. Treatment of exchange differences on monetary items

Exchange differences arising on settlement / restatement of foreign currency assets and liabilities of the Company are recognized as income or expense in the statement of profit and loss in the period in which they arise.

e. In respect of overseas branch, financial statements are translated as if the transactions are those of the Company itself i.e. Indian Rupees as the functional currency since the overseas branch is primarily involved in selling/marketing goods manufactured by the Company in India. The net impact of the foreign exchange difference of foreign operations is recognised in Other Comprehensive income.

1.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of any entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii. Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Financial liabilities at Fair value through profit and Loss are stated at fair value, with any gains or losses arising on re-measurement in Profit and loss statement.

v. Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

vi. De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

viii. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.19 Accounting for Derivatives

Derivatives are initially recognized at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains/ losses is recognized in the statement of profit and loss of that period.

1.20 Borrowing Cost

General and specific borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are charged to statement of Profit and Loss in the period in which they are incurred.

1.21 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

1.22 Cash Flow statement

Cash flows are reported using Indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activity of the company are segregated.

1.23 Provision and Contingencies

The Company reviews pending cases, claims by third party and other contingencies, if any on an on-going basis. For contingent losses that are considered probable, estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed in the financial statements as contingent liabilities. Contingencies the likelihood of which are remote, are not disclosed in the financial statements. Gain contingencies are not recognized until the contingencies are resolved and the amounts are received or recoverable.

Provision for Warranty

Provision for warranty related cost are recognized when the product is sold. Initial recognition is based on historical experience and future estimates of claims by the management. The estimate of such warranty related cost is revised annually.

Provision for Credit Loss

The Company reviews the position of trade receivable and ascertains a provision for life time credit loss after considering the industry and economic conditions in which customer operate, the profile of the customer and the past experience.

1.24 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

1.25 Earnings per share

Basic earnings/ (loss) per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares after adjustments for treasury shares, outstanding during the period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other changes or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of shares which could have been issued on the conversion of all dilutive potential equity shares.

The number of equity shares is adjusted 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 The consolidation of financial statement (CFS) present the consolidated accounts of TD Power Systems Limited with its following subsidiaries

Name of Subsidiary	Country of Incorporation	Proportion of Ownership
DF Power Systems Limited	India	100%
TD Power Systems Japan Limited	Japan	100%
TD Power Systems USA Inc	United States of America	100%
TD Power Systems Europe Gmbh	Germany	100%
TD Power Systems Jenerator Sanayi A.S	Turkey	100%

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2: PROPERTY, PLANT AND EQUIPMENTS

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2021	Additions	Disposal	As at 31.03.2022	As at 01.04.2021	For the year	Disposal	As at 31.03.2022	As at 31.03.2022
Free Hold Land	1,950.92	-	-	1,950.92	-	-	-	-	1,950.92
Buildings	11,178.98	-	-	11,178.98	3,369.82	322.09	-	3,691.91	7,487.07
Plant and Machinery	22,775.19	849.27	20.23	23,604.23	16,485.40	1,342.52	7.26	17,820.66	5,783.57
Office Equipments	370.04	67.29	4.44	432.89	269.61	29.34	4.22	294.73	138.16
Furniture and Fixtures	386.30	1.97	-	388.27	299.93	24.46	-	324.39	63.88
Computers	763.83	127.05	28.55	862.33	577.24	91.17	27.15	641.26	221.07
Communication Equipments	22.09	0.07	-	22.16	21.16	0.33	-	21.49	0.67
Motor Vehicles	525.26	37.28	4.37	558.17	230.82	45.73	4.15	272.40	285.77
TOTAL - A	**37,972.61**	**1,082.93**	**57.59**	**38,997.95**	**21,253.98**	**1,855.64**	**42.78**	**23,066.84**	**15,931.11**

PROPERTY, PLANT AND EQUIPMENTS - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2021	Additions	Disposal	As at 31.03.2022	As at 01.04.2021	For the year	Disposal	As at 31.03.2022	As at 31.03.2022
Plant and Machinery	1,600.92	-	-	1,600.92	1,324.45	159.24	-	1,483.69	117.23
TOTAL - B	**1,600.92**	**-**	**-**	**1,600.92**	**1,324.45**	**159.24**	**-**	**1,483.69**	**117.23**
TOTAL - C=A+B	**39,573.53**	**1,082.93**	**57.59**	**40.598.87**	**22,578.43**	**2,014.88**	**42.78**	**24,550.53**	**16,048.34**

PROPERTY, PLANT AND EQUIPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	For the year	Disposal	As at 31.03.2021	As at 31.03.2021
Free Hold Land	1,817.60	133.32	-	1,950.92	-	-	-	-	1,950.92
Buildings	11,169.53	9.45	-	11,178.98	3,047.73	322.09	-	3,369.82	7,809.16
Plant and Machinery	22,031.62	791.36	47.79	22,775.19	15,139.85	1,386.81	41.26	16,485.40	6,289.79
Office Equipments	325.92	48.37	4.25	370.04	254.10	19.45	3.94	269.61	100.43
Furniture and Fixtures	374.31	11.99	-	386.30	276.06	23.87	-	299.93	86.37
Computers	675.07	93.13	4.37	763.83	514.67	66.83	4.26	577.24	186.59
Communication Equipments	22.09	-	-	22.09	20.16	1.00	-	21.16	0.93
Motor Vehicles	449.92	117.06	41.72	525.26	234.06	36.41	39.65	230.82	294.44
TOTAL - A	**36,866.06**	**1,204.68**	**98.13**	**37,972.61**	**19,486.63**	**1,856.46**	**89.11**	**21,253.98**	**16,718.63**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

PROPERTY, PLANT AND EQUIPMENTS - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	For the year	Disposal	As at 31.03.2021	As at 31.03.2021
Plant and machinery	1,600.92	-	-	1,600.92	1,165.21	159.24	-	1,324.45	276.47
TOTAL - B	**1,600.92**	**-**	**-**	**1,600.92**	**1,165.21**	**159.24**	**-**	**1,324.45**	**276.47**
TOTAL - C=A+B	**38,466.98**	**1,204.68**	**98.13**	**39,573.53**	**20,651.84**	**2,015.70**	**89.11**	**22,578.43**	**16,995.10**

Note:

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

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.

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
3 CAPITAL WORK-IN-PROGRESS		
Plant and Machinery	63.47	24.52
Land	-	0.63
TOTAL	**63.47**	**25.15**
Capital work-in-progress ageing schedule		
Projects in progress - Less than 1 year		
Plant and Machinery	63.47	24.52
Projects in progress - More than 3 year		
Land	-	0.63
	63.47	**25.15**
4 INTANGIBLE ASSETS - (OTHER THAN GOODWILL)		
Softwares		
Gross Block (At Deemed Cost)	73.00	73.00
Additions during the year	32.10	-
Gross Block at the end of the year	**105.10**	**73.00**
Accumulated amortisation at the beginning of the year	18.25	3.65
Amortisation for the year	3.33	14.60
Accumulated amortisation at the end of the year	**21.58**	**18.25**
NET CARRYING VALUE - A	**83.52**	**54.75**
Other Intangible assets		
Gross Block (At Deemed Cost)	1,213.06	870.05
Additions during the year	344.60	343.02
Gross Block at the end of the year	1,557.66	1,213.07
Accumulated amortisation at the beginning of the year	868.52	749.07
Amortisation for the year	185.75	119.46
Accumulated amortisation at the end of the year	**1,054.27**	**868.53**
Net Carrying Value - B	**503.39**	**344.54**
Net Carrying Value - A+B	**586.91**	**399.29**

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
5 INTANGIBLE ASSETS UNDER DEVELOPMENT		
Software customisation	-	32.10
TOTAL	**-**	**32.10**
Intangible assets under development ageing schedule		
Projects inprogress - Less than 1 year		
Software customisation	-	32.10

FINANCIAL ASSETS

6 INVESTMENT

	Details of Investments	Number of Securities		Amount in ₹ Lakhs	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
	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 31.03.2022	As at 31.03.2021
Additional Information		
Aggregate Carrying value of quoted Non-convertible debentures	1,993.44	1,993.44
Market value of quoted Non Convertible Debentures	2,174.00	2,197.99
Aggregate carrying value of unquoted shares	0.50	0.50
7 OTHER FINANCIAL ASSETS		
(Unsecured, considered good)		
Security deposits - electricity deposit	116.79	116.79
Others - VAT input credit refund receivable	6.01	6.01
TOTAL	**122.80**	**122.80**
8 OTHER NON CURRENT ASSETS		
(Unsecured, Considered good)		
Capital advances	895.45	900.63
Advance payment of tax (net)	665.63	617.21
Gratuity- Excess of fair value of plan assets over defined benefit obligation	292.89	232.01
TOTAL	**1,853.97**	**1,749.85**

* The company had entered into an agreement/MOU for purchase of land during 2009 & 2010 and accordingly, amount aggregating to ₹ 3,372.75 lakhs was paid from time to time in pursuance of this agreement. Pending execution of sale deed and completion of certain works related to the land the balance amount is carried under capital advance. The management of the company is of the view that considering the nature of the transaction, the registration of the sale of the land would be completed in due course and on completion, the said amount would be capitalised. The total advances of ₹ 856.63 lakhs (PY ₹ 881.63 lakhs) represents ₹ 156.63 lakhs (PY ₹ 181.63 lakhs) towards approx. 6.75 acres (PY 6.75 acres) of land and ₹ 700 lakhs (PY ₹ 700 lakhs) towards development cost of the land. The management of the company does not expect any significant further cash outflow towards the acquisition except for the cost of registration and related expenses.

* ₹ 0.63 lakhs included under capital work in progress as at the beginning of the year has been transferred to capital advance during the year since the payment is in the nature of advance.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

		As at 31.03.2022	As at 31.03.2021
9	**INVENTORIES**		
	Raw materials	8,625.67	5,579.92
	Work in progress	11,219.70	11,309.64
	Finished goods with subsidiary Companies	772.09	1,393.55
	Stock in trade	288.19	385.43
	Goods in transit:		
	Raw materials	9.01	209.56
	(Refer accounting policy No. 1.12 for valuation of inventories)		
	TOTAL	**20,914.66**	**18,878.10**
10	**TRADE RECEIVABLES**		
	Trade receivables, considered good and covered under letter of credit	3,272.08	1,365.80
	Trade receivables, Unsecured and considered good	20,836.68	14,823.06
	Trade receivables, Unsecured and considered doubtful	511.22	626.39
	Less: Expected credit loss allowance (on trade receivables considered doubtful) Refer Note 39(c)	511.22	626.39
	Trade receivables considered good	**24,108.76**	**16,188.86**
	Trade Receivables ageing schedule:		
	Undisputed Trade receivables - considered good		
	Not due	17,290.86	13,823.33
	Less than 6 months	5,808.83	801.53
	6 months - 1 years	488.37	374.33
	1 - 2 years	168.67	202.56
	2-3 years	66.98	43.38
	More than 3 years	285.05	943.73
	Undisputed Trade Receivables - which have significant increase in credit risk		
	More than 3 years	511.22	626.39
	Less: Expected credit loss allowance (on trade receivables considered doubtful) (Refer Note 39(c)	511.22	626.39
	Trade receivables considered good	**24,108.76**	**16,188.86**
11	**CASH AND CASH EQUIVALENTS**		
	Balances with banks:		
	In current accounts	3,123.27	3,141.79
	In deposit accounts with less than 3 months maturity	1,709.54	680.00
	In EEFC account	701.21	507.72
	In Cash Credit Account	-	412.85
	Cash on hand	5.32	2.54
	TOTAL	**5,539.34**	**4,744.90**
12	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	Balance in unclaimed dividend account	2.04	1.79
	Balance with bank in respect of TDPS ESOP Trust	12.77	16.98
	Bank deposits with less than 12 months maturity	8,013.00	10,025.00
	Deposits (Under lien) with bank as Margin money towards bank guarantee	2,567.18	1,641.81
	TOTAL	**10,594.99**	**11,685.58**
13	**OTHER FINANCIAL ASSETS**		
	(Unsecured , Considered good)		
	Security Deposit for rented premises	26.05	26.86
	Security deposit for others	2.08	2.08
	Earnest money deposit	120.26	133.17
	Balance with government authorities - GST Refund receivable*	1,602.98	1,775.01
	Interest accrued on term deposits	62.94	204.38
	Interest accrued on Non Convertible Debentures	94.43	94.19
	Accrued Export incentives	88.13	103.88
	Unbilled revenue	2.74	29.42
	Mark to market gain on forward contracts	980.51	287.13
	Employee advance	15.57	38.97
	TOTAL	**2,995.69**	**2,695.09**

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
14 OTHER CURRENT ASSETS		
Prepaid Expenses	152.19	208.46
Advance paid to suppliers (other than capital advances)	3,461.18	1,639.97
Balance with Government authorities - Input tax credit	2,193.20	1,116.51
Expenditure tax - (Relating to foreign operations)	31.78	-
Others	8.24	12.08
TOTAL	**5,846.59**	**2,977.02**

*The Indian Subsidiary has accumulated Service tax and GST credit of ₹ 741.20 lakhs (PY: ₹ 740.56 lakhs). During the current financial year there was no operation in the said subsidiary company, as a result there was no movement in the GST balance. However the accumulated credit in this account will be utilised by the said subsidiary company on appropriate business opportunity.

	As at 31.03.2022	As at 31.03.2021
15 EQUITY SHARE CAPITAL		
Authorized Capital		
Equity shares of ₹ 10/- each		
Number of Equity Shares	3,50,00,000	3,50,00,000
Amount of Equity Share Capital (in ₹)	3,500.00	3,500.00
Issued, subscribed and fully paid up capital		
Equity shares of ₹ 10/- each		
Number of Equity Shares	3,11,03,498	3,09,33,414
Amount of Equity Share Capital (in ₹)	3,110.35	3,093.34
Reconciliation of the number of equity shares outstanding and the amount of equity share capital at the beginning and at the end of the year		
Number of Equity Shares		
Shares outstanding at the beginning of the year	3,09,33,414	3,09,33,414
Shares issued during the year	1,70,084	-
Shares outstanding at the end of the year	**3,11,03,498**	**3,09,33,414**
Amount of Equity Share Capital		
Share capital outstanding at the beginning of the year	3,093.34	3,093.34
Shares issued during the year	17.01	-
Share capital outstanding at the end of the year	**3,110.35**	**3,093.34**

Other Information:

I The Company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

II In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

III For the period of five years immediately preceding the date as at which the Consolidated Balance Sheet is prepared:

a. No shares allotted pursuant to a contract without consideration being received in cash.

b. No shares allotted as fully paid up by way of bonus shares.

c. 23,04,174 equity shares were brought back by the Company during the year 2019-2020

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

IV The particulars of employee stock option is given in note no.49. There were no other shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

V There were no calls unpaid or forfeited shares.

VI Shares held by promoters

Promoter Name	As at 31.03.2022		As at 31.03.2021		% Change during the year
	No of shares	%	No of shares	%	
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	50,26,433	16.16%	50,26,433	16.25%	0.09%
Nikhil Kumar	46,38,664	14.91%	46,62,770	15.07%	0.16%
Mohib N Khericha	38,30,960	12.32%	38,30,960	12.38%	0.06%
Hitoshi Matsuo	32,35,254	10.40%	32,35,254	10.46%	0.06%
Promoter Group:					
Aarya Sankaran Kumar	49,106	0.16%	25,000	0.08%	-0.08%
Chartered Capital & Investment Ltd.	11,34,252	3.65%	11,34,252	3.67%	0.02%
Lavanya Sankaran	1,27,650	0.41%	1,27,650	0.41%	0.00%
Sofia Mohib Khericha	2,00,000	0.64%	2,00,000	0.65%	-0.01%

Note: Change in % of holding compared to 31st March 2021 is majority due to issue of shares under ESAR plan

VII Particulars of equity share holders holding more than 5% of the total paid up equity share capital:	As at 31.03.2022		As at 31.03.2021	
	%	No of shares	%	No of shares
a. Saphire Finman Services LLP (Saphire Finman Services Private Limited)	16.16%	50,26,433	16.25%	50,26,433
b. Nikhil Kumar	14.91%	46,38,664	15.07%	46,62,770
c. Mohib N Khericha	12.32%	38,30,960	12.38%	38,30,960
d. Hitoshi Matsuo	10.40%	32,35,254	10.46%	32,35,254
e. Nippon Life India Trustee Limited	8.57%	26,64,265	9.74%	30,12,343

Note: The above disclosed information is as per the records/registers including Members register maintained by the Registrar of the Company as at the year end.

16 OTHER EQUITY

Reserves & Surplus

Capital Reserve		
As at the beginning of the year (Refer Note No. 1.1)	718.29	718.29
As at the end of the year - A	**718.29**	**718.29**
Securities Premium		
As at the beginning of the year	17,459.24	17,459.24
Add: Transfer from share option outstanding account	173.55	-
As at the end of the year - B	**17,632.79**	**17,459.24**
Capital Redemption Reserve		
As at the beginning of the year	230.42	230.42
Add: Transfer from Securities Premium for shares bought back during the year	-	-
As at the end of the year - C	**230.42**	**230.42**
General Reserve		
As at the beginning of the year	3,369.92	3,369.92
As at the end of the year - D	**3,369.92**	**3,369.92**

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
Retained earnings		
As at the beginning of the year	22,545.96	18,161.93
Less: Dividend (₹ 2.50 per share (Previous year: ₹ 0.75 per share))	(776.49)	(232.02)
Add: profit for the year as per statement of profit and loss	7,064.91	4,520.44
Add/(less): Remeasurement of defined benefit plan for the year (net of tax)	(63.11)	101.87
Less: Balance carrying value of shares in respect of ESOP exercised during the period transferred to Retained Earnings	(3.68)	(6.26)
As at the end of the year - E	**28,767.59**	**22,545.96**
Stock Options Outstanding Account		
As at the beginning of the year	443.68	281.34
Add: Addition during the year	133.60	303.74
Less: Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the period	(146.80)	(141.40)
Less: Amount transferred to securities premium on exercise of ESAR by the employees of the Company	(173.55)	-
As at the end of the year - F	**256.93**	**443.68**
Shares Purchased by ESOP Trust		
Adjustment for:		
As at the beginning of the year	(545.38)	(822.13)
Equity Shares of ₹ 10 each purchased during the year	-	126.41
Proceeds from ESOP exercised received	126.40	-
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	146.80	141.40
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	3.68	6.26
Dividend received during the year on the shares held by the ESOP Trust	4.95	2.68
As at the end of the year - G	**(263.55)**	**(545.38)**
Other Comprehensive Income		
Exchange difference on translation of foreign operations		
Exchange difference on translations of foreign operations	(247.83)	7.95
Add: Transferred from statement of profit and loss	(858.48)	(255.78)
As at the end of the year - H	**(1,106.31)**	**(247.83)**
Total (A+B+C+D+E+F+G+H)	**49,606.08**	**43,974.30**

Nature of Reserve

a) Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.

b) General Reserve: General reserve is appropriation of the net profit in respect of reserves created pursuant to the provisions of the Companies Act, 1956 with respect to declaration of dividend. Such mandatory transfer to general reserve is not prescribed under the Companies Act, 2013.

c) The Remeasurements gains in respect of employee benefits included under retained earnings are as under:

As at the beginning of the year	(3.48)	(105.35)
Remeasurements gain/(loss) on defined benefit plans	(84.34)	136.13
Income tax effect on above	21.23	(36.26)
Balance at the end of the year	**(66.59)**	**(3.48)**

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
d) Capital Redemption Reserve: The capital redemption reserve represents the face value (₹ 10) of the shares bought back. This is created by transfer from securities premium as per requirement of Sec. 69 of the Companies Act 2013.	-	-
e) Retained Earning: Retained earnings are the profits that the Company has earned till date, less transfer to general reserve, dividend or other distribution paid to shareholders.	-	-
f) Stock Option Outstanding Account: The balance in this account represents the Employee Share based remuneration debited to the Statement of Profit and Loss after adjustment for ESOPs exercised.	-	-
g) Shares Purchased by ESOP Trust: The shares held by the ESOP Trust are treated as treasury shares and included under other equity.	-	-

17 PROVISIONS

Provision for employee benefits (Refer Note No. 41)	499.39	452.59
TOTAL	**499.39**	**452.59**

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

18 DEFERRED TAX LIABILITY

Deferred tax liability		
On account of depreciation on Property, plant and equipment	886.12	957.90
Deferred tax asset		
On account of timing differences in recognition of expenditure	93.90	330.69
Net Deferred tax liability/(asset)	**792.22**	**627.21**

Movement of Deferred tax liability/(asset)

Particulars	Opening Balance	Recognition in statement of profit and loss	Closing Balance
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**
As on 31st March 2021:			
Deferred tax liability			
On account of depreciation on property, plant and equipment and amortisation of intangible assets	1,012.32	(54.42)	957.90
Deferred tax asset			
On account of timing differences in recognition of expenditure	362.50	(31.81)	330.69
Total Deferred tax liability	**649.82**	**(22.61)**	**627.21**

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
19 BORROWINGS		
Secured loans		
Working Capital Borrowings		
Loans repayable on demand		
- rupee loan from banks - Cash Credit	331.41	-
Export Finance - FCNRB		
- foreign currency loan from banks	6,765.10	5.199.60
TOTAL	**7,096.51**	**5,199.60**
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	3,754.15
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	1,445.45
Also refer to details of equitable mortagage mentioned under borrowings from Bank of Baroda in relation to land and buildings		
Interest at 8% p.a. (PY: 12.05%) is applicable on Rupee loans from Bank of Baroda which will be reviewed annually.		
Interest at 1.50% p.a. (PY: 2.75%) is applicable on FCNR Euro Loan from Bank of Baroda which will be rolled over after 6 months.		
Interest at 2.24% p.a. (PY: NIL) is applicable on FCNR Euro Loan from Bank of Baroda which will be rolled over after 6 months.		
Interest at 2.00% p.a. (PY: NIL) is applicable on FCNR USD Loan from Kotak Mahindra Bank which will be rolled over after 90 Days.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
20 TRADE PAYABLES		
total outstanding dues of micro enterprises and Small enterprises*	64.34	60.26
total outstanding dues of creditors other than micro enterprises and Small enterprises	15,068.12	10,777.33
TOTAL	**15,132.46**	**10,837.59**
All trade payables are non interest bearing and payable or settled within normal operating cycle of the company		
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	64.34	60.26
2. Interest due on (1) above and the unpaid interest	-	-
3. The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	61.07	51.17
4. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	0.12	0.29
5. The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.12	0.29
6. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	262.76	264.88
*The amount due to Micro, Small and Medium Enterprises is based on the information received and available with the group.		
Trade payables ageing schedule:		
Outstanding dues to MSME		
Less than 1 year	64.34	60.26
Outstanding dues to Others		
Less than 1 year	14,782.45	9,916.94
1 - 2 years	142.34	85.67
2 - 3 years	0.05	38.03
More than 3 years	114.87	708.28
Disputed outstanding dues to Others		
1 - 2 years	-	8.41
2 - 3 years	8.41	-
More than 3 years	20.00	20.00
	15,132.46	**10,837.59**
21 OTHER FINANCIAL LIABILITIES		
Unclaimed dividends *	2.04	1.79
Outstanding liabilities in respect of accrued expenses	8,173.86	7,713.35
Duties and taxes payable	167.22	159.09
Earnest Money Deposit	2.15	2.15
Employee benefits payable	10.88	437.29
Due to Director	-	6.84
TOTAL	**8,356.15**	**8,320.51**

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

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
22 OTHER CURRENT LIABILITIES		
Advance received from customers	4,746.83	4,989.85
TOTAL	**4,746.83**	**4,989.85**
23 PROVISIONS		
Provision for warranties (Refer Note No 45)	376.31	298.06
Provision for employee benefits (Refer Note No 41)	87.04	79.58
TOTAL	**463.35**	**377.64**
24 CURRENT TAX LIABILITIES (NET)		
Provision for taxation (net of advance tax)*	866.12	615.15
TOTAL	**866.12**	**615.15**

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

	Year ended 31.03.2022	Year ended 31.03.2021
25 REVENUE FROM OPERATIONS		
Sale of Goods		
- AC generators	50,245.92	34,709.71
- AC generator spares	17,239.49	12,116.89
- Power Project business Inland	257.78	291.29
- Power Project business Overseas Branch	1,453.22	1,701.78
- Power Business Overseas	18,368.01	20,905.99
Total	**87,564.42**	**69,725.66**
Sale of services	1,644.90	799.92
Sale of scrap	1,310.76	946.24
Total	**90,520.08**	**71,471.82**
Less: Intersegmental sales	271.52	624.40
Inter company sales	10,506.10	11,488.99
TOTAL	**79,742.46**	**59,358.43**
Disaggregation of revenue information		
At Point in time (product/service)	88,875.18	70,671.90
Overtime	1,644.90	799.92
26 OTHER INCOME		
Interest income on bank deposits	642.28	634.84
Interest income on financial assets - non convertible debentures carried at amortised cost	175.53	175.06
Profit on sale of property, plant and equipments (Net)	0.06	10.50
Foreign exchange fluctuation / MTM gain (Net of loss)	755.69	5.15
Income from Renting of equipments	3.80	17.10
Other non operating income (net of expenses directly attributable to such income)	94.06	89.60
TOTAL	**1,671.42**	**932.25**
27 CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS & COMPONENTS		
Stock at the beginning of the year	5,377.77	5,150.54
Add: Purchase	58,381.68	42,808.55
Less: Stock at the end of the year	8,559.34	5,377.77
Total	**55,200.11**	**42,581.32**

Amount in ₹ Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
Consumption of major raw materials consists of:		
Copper (wires, strips, rods, sheet etc.)	8,843.47	4,878.00
Steel / Laminations	14,390.20	7,000.00
Shaft Forgings	3,262.95	1,942.00
Stores & spare parts	328.02	283.63
Others	25,553.69	20,888.29
TOTAL	**52,378.33**	**34,991.92**
28 PURCHASES AND CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the beginning of the year	385.43	199.24
Add: Purchases for Projects Business	843.72	1,188.20
Less: Inventory at the end of the year	288.19	385.43
TOTAL	**940.96**	**1,002.01**
29 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
Inventory at the end of the year		
Work in progress - A C Generators	11,219.70	11,309.64
Finished goods - A C Generators at subsidiary	838.42	1,595.70
TOTAL	**12,058.12**	**12,905.34**
Less: Inventory at the beginning of the year		
Work in progress - A C Generators	11,309.64	8,330.27
Finished goods -A C Generators	-	66.34
Finished goods - A C Generators at subsidiary	1,595.70	514.56
	12,905.34	**8,911.17**
Net (Increase) / Decrease	**847.22**	**(3,994.17)**
30 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	5,740.96	5,717.71
Contribution to provident and other funds	441.81	378.41
Remuneration to whole time directors including contribution to provident and other Funds (Refer Note No.42)	504.72	408.13
Share based remuneration to employees (Refer Note No. 47)	133.61	303.74
Staff welfare expenses	1,235.87	1,132.29
TOTAL	**8,056.97**	**7,940.28**
31 FINANCE COST		
Interest	149.60	307.58
Foreign exchange difference recorded as an adjustment to borrowing cost	56.10	138.96
TOTAL	**205.70**	**446.54**
32 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipments	2,014.88	2,015.70
Amortization of intangible assets	189.08	134.06
TOTAL	**2,203.96**	**2,149.76**

Amount in ₹ Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
33 OTHER EXPENSES		
Power and fuel	828.98	711.99
Rent (Refer Note No. 43)	91.86	97.69
Repairs and maintenance		
-Buildings	29.21	13.72
-Machinery	302.75	271.33
-Others	48.55	47.43
Insurance	120.65	97.80
Manufacturing expenses	224.32	133.10
Rates and taxes	53.93	172.54
Payment to the auditors (excluding GST)		
-auditor fees (including audit of consolidated financial statements)	13.70	15.20
- for Limited review of quarterly financial results including consolidated financial results	7.75	6.75
-for other services - Certification fees	3.36	4.31
-out of pocket expenses	-	0.08
Legal and professional charges	437.20	355.44
Royalty	18.09	6.66
Travelling expenses	827.40	716.60
Bank charges	502.17	487.52
Exchange Fluctuation	-	170.42
Software Expenses on ERP	239.99	208.44
Corporate Social Responsibility	26.28	28.10
Director Sitting fees	20.20	19.00
Maintenance of Vehicles	54.10	54.46
Postage, Telegrams and Telephones	53.48	53.64
Printing and stationary	41.25	31.45
Provision for doubtful debts	-	115.17
Carriage, freight and Selling expenses	1,379.88	1,300.50
Donations	6.00	6.00
Advertisement	129.90	25.80
Subscription to Technical Associations, Journals and Magazines	10.41	7.79
Miscellaneous Expenses	37.76	75.19
TOTAL	**5,509.17**	**5,234.12**
34 EXCEPTIONAL ITEMS		
Creditors written back (Refer Note No. 51)	757.72	717.51
TOTAL	**757.72**	**717.51**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

	Year ended 31.03.2022	Year ended 31.03.2021
35 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)		
Items that will not to be reclassified to profit or loss:		
Re-measurement gains/(losses) on defined benefit plans	(84.34)	136.13
Income tax on Defined benefit plans		
-Current Tax	21.23	(34.26)
Items that will be reclassified to profit or loss:		
Exchange difference on translation of foreign operations	(858.48)	(255.78)
TOTAL	**(921.59)**	**(153.91)**
36 EARNINGS PER SHARE: - BASIC		
Profit for the year after tax expense	7,064.91	4,520.44
Weighted average number of equity shares (net of treasury shares) outstanding during the year	3,07,76,542	3,04,84,138
Earnings per share (in ₹)	22.96	14.83
Face Value of Equity share (in ₹)	10.00	10.00
EARNINGS PER SHARE: - DILUTED		
Profit for the year after tax expense	7,064.91	4,520.44
Weighted average number of equity shares (net of treasury shares) outstanding during the year	3,09,88,508	3,09,44,936
Earnings per share (in ₹)	22.80	14.61
Face Value of Equity share (in ₹)	10.00	10.00
37 CONTINGENT LIABILITIES AND COMMITMENTS		
(to the extent not provided for)		
Contingent Liabilities:		
Performance Guarantees	11,847.93	12,582.03
Performance Guarantees given to customers on behalf of subsidiary companies	1,328.18	1,013.65
Advance Guarantees given to customers on behalf of subsidiary companies	252.68	144.00
Income Tax demand disputed by the company*	1,986.03	43.36
Other sums for which the Company is contingently liable	2.32	-
VAT and Entry tax demand disputed by the subsidiary Company (Refer Note No. 50)	-	129.54

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 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)	1,885.03	428.73

Amount in ₹ Lakhs

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

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Total profit/(loss) before tax (A)	7,379.33	2,351.59
Income tax rate (B)	25.17%	25.17%
Tax expense - (C) = (A) X (B)	**1,857.23**	**591.85**
Add - Tax effect of the amounts as under:		
a) Expenses - Not Deductable for tax purpose	(166.62)	64.99
b) Other adjustment and rounding off	82.22	(30.38)
Total (D)	**(84.40)**	**34.61**
Net current tax expense (E) = (C)+(D)	**1,772.83**	**626.46**
Net current tax expense (Rounding off to nearest thousand)	**1,772.83**	**626.46**
Tax Provision in Foreign Subsidiary	204.76	524.05
Net current tax expense (E) = (C)+(D)	**1,977.59**	**1,150.51**
Tax expenses related to item classified under other comprehensive income	(21.23)	34.26
Net current tax expense (Rounding off to nearest thousand)	**1,956.36**	**1,184.77**

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

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Deferred tax liabilities at the beginning of the year	**627.21**	**649.83**
Income tax rate (B)	25.17%	25.17%
Tax effect of the amounts as under:		
- Change in Difference between book value and WDV of property, plant and equipment and technical knowhow	(71.78)	(54.42))
- Change in recognition in other comprehensive income	-	30.07
- Change in Provision for employee benefit disallowed	236.79	1.73
Deferred tax liabilities at the end of the year	**792.22**	**627.21**
Deferred tax expenses in the statement of profit and loss	**165.01**	**(22.62)**

39 Financial Instruments - Accounting Classifications and Fair value measurements

A. The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables and others approximates their carrying amount. Trade receivables are evaluated after taking into consideration for Expected Credit Losses. Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

B. Financial Assets / Liabilities Classification

Amount in ₹ Lakhs

Particulars	Carrying Amount	
	As at 31.03.2022	As at 31.03.2021
Financial assets at fair value through Profit and Loss (FVTPL):		
Investment in equity other than subsidiary - *	0.50	0.50
Mark to market gain on foreign exchange forward contracts (level 2) as per valuation statement provided by bank (Refer Note No. 13)	980.51	287.13
Financial Assets at amortised cost:		
Cash and cash equivalents	5,539.34	4,744.90
Bank balances other than cash and cash equivalents	10,594.99	11,685.58
Trade receivables	24,108.76	16,188.86
Other financial assets	2,137.98	2,530.76
Investment in Non Convertible Debentures	1,993.44	1,993.44
Financial liabilities at amortised cost:		
Short term borrowings	7,096.51	5,199.60
Trade payables	15,132.46	10,837.59
Other financial liabilities	8,356.15	8,320.51

* In view of the fact this investment amount is not significant and the cost is considered to be at fair value (level 3)

C. Financial Risk Management

Objectives and Policies

The company's Financial Risk Management is an integral part of business strategies. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. In addition, Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's principal financial liabilities comprise short term borrowings, trade and other payables. The main purpose of these financial liabilities is to support entity's operations. The entity's principal financial assets include cash and cash equivalents investment in Non-convertible Debentures and trade and other receivables that derive directly from its operations.

All activities for risk management purposes are carried out by experienced teams that have the appropriate skills, experience and supervision. It is the entity's policy that no activities in derivatives will be undertaken except foreign exchange forward contact. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The customer credit risk is managed as per Company's established policy, procedure and controls relating to customer credit risk management. It require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In order to contain the business risk, the creditworthiness of the customer is through scrutiny of its financials, status of financial closure of the project, to the extent available in public domain and if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The Company's maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables.

Amount in ₹Lakhs

	As at 31.03.2022	As at 31.03.2021
Total Receivable	24,108.76	16,188.86
Receivable individually in excess of 10% of the receivable	13,753.07	10,012.45
Percentage of the above receivables to the total receivables of the Company	57.05%	61.85%

Receivables in excess of 10% of individual business receivables represents receivables from four customers/group as at 31st March 2022 and four customers/group as on 31st March 2021.

	As at 31.03.2022	As at 31.03.2021
Customer A	18.51%	12.62%
Customer B	17.91%	23.46%
Customer C	10.35%	10.73%
Customer D	10.28%	15.04%

Credit risk on cash and cash equivalents and balances with banks is limited as the Group generally invests in deposits with scheduled banks. Total Cash and Cash equivalents and balances with bank as at 31st March 2022 is ₹ 16,134.33 Lakhs (PY: ₹ 16,430.48 Lakhs). Out of these balances held with banks as deposits was ₹ 12,289.72 Lakhs PY: ₹ 12,345.12 lakhs) the Details of deposits which is more than 10% of the total is as under.

	As at 31.03.2022	As at 31.03.2021
Bamk A	10,232.54	6,750.00
Bamk B	1,900.00	3,455.00
Bank C	157.18	2,140.12

Provision for expected credit losses

The life time expected credit loss ("ECL") is estimated on trade receivables, other amounts due from entities where there is no track record of short receipts. Delays in receiving payments from the customers pursuant to sale of goods or under contracts are not considered if such delays are commonly prevalent in the industry. Other short receipts other than arising from claims are duly considered in determining ECL.

Considering the above as well as business model of the Company, engineered-to-order products and the profile of trade receivables, the determination of a provision based only on age analysis may not be a realistic considering the economic and industry circumstances. Hence, the provision for expected credit loss is determined by the management for the specific trade receivables after considering the above facts and circumstances, particularly in view of the fact that there has no bad debts in the recent past.

Provision matrix (%, amounts) of ECL for trade receivables and the reconciliation of the movement in the provision is given below.

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
Total Receivable	24,619.98	16,815.25
Provision for credit loss	511.22	626.39
Percentage	2.08%	3.73%

Reconciliation of loss allowance provision

	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	626.39	511.22
Provision for credit loss allowance made during the year	-	115.17
Provision utilised during the year - (Bad debts written off)	115.17	-
Balance at the end of the year	511.22	626.39

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach in managing the same is to ensure, as far as possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The company's principal sources of liquidity are cash and cash equivalents, balances with banks, investment in non-convertible debentures and the cash flow that is generated from operations. The cash and cash equivalent, other bank balances and non-convertible debentures aggregates to ₹ 18,127.77 lakhs at 31st March 2022 (PY - ₹ 18,423.92 lakhs). In addition the net trade receivables as at the year end was ₹ 24,108.76 lakhs (PY ₹ 16,188.86 lakhs). The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The following are the contractual maturities of non-derivative financial liabilities due within one year based on contractual cash flows:

Amount in ₹ Lakhs

	As at 31.03.2022	As at 31.03.2021
Trade Payables	15,132.46	10,837.59
Short Term Borrowings	7,096.51	5,199.60
Other Payables:		
Statutory dues	167.22	159.09
Employee dues	10.88	437.29
Other dues	8,178.05	7,724.13
Total	**30,585.12**	**24,357.70**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company also operates internationally and a major portion of the business is transacted in several currencies and consequently the parent Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies.

I) Foreign currency risk exposure -: The parent company's and its Indian Subsidiaries exposure to foreign currency risk at the end of reporting year, are as follows

a) The foreign exchange forward contracts outstanding as on 31.03.2022 in respect of Euro is 1,41,00,000 and USD 26,00,000 is (2021: Euro 1,50,93,000)

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

In Foreign Currency

Particulars	**As at 31.03.2022 (Amount in Lakhs)**			
	USD	**Euro**	**JPY**	**Others**
Assets/ Receivables	39.41	95.12	194.15	0.11
Liabilities (including advances)	64.87	65.99	502.59	-

Rupee Equivalent

Particulars	**As at 31.03.2022 (Amount in Lakhs)**			
	USD	**Euro**	**JPY**	**Others**
Assets/Receivables	2,972.15	7,973.13	119.69	9.03
Liabilities (including advances)	4,889.72	5,634.95	313.76	-

In Foreign Currency

Particulars	**As at 31.03.2021 (Amount in Lakhs)**			
	USD	**Euro**	**JPY**	**Others**
Assets/Receivables	19.78	78.21	580.87	0.17
Liabilities (including advances)	21.83	56.26	2,481.02	0.06

Rupee Equivalent

Particulars	**As at 31.03.2021 (Amount in Lakhs)**			
	USD	**Euro**	**JPY**	**Others**
Assets/Receivables	1,437.87	6,654.55	381.81	15.16
Liabilities (including advances)	1,577.87	4,868.28	1,641.75	4.29 -

c) Sensitivity analysis

A strengthening or weakening of the Indian Rupee, as indicated below, against the USD, Euro, JPY and others as at 31st March 2022 would have increased (decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis is performed on the same basis for previous year, even though the actual foreign exchange rate variances were different.

Particulars	**Impact on profit or loss (before tax)**			
	As at 31.03.2022		**As at 31.03.2021**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
5% Movement in:				
USD	95.88	(95.88)	7.00	(7.00)
EURO	(116.91)	116.91	(89.31)	89.31
JPY	9.70	(9.70)	63.00	(63.00)
Others	(0.45)	0.45	(0.76)	0.76

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

SEGMENT REPORTING (CONTD.)

ii) Interest Rate Risk

The Company's investments are primarily in Fixed rate interest bearing deposits and non-convertible debentures. Also the borrowings bear fixed rate of interest which are reviewed periodically by the banks. Hence, the Company is not significantly exposed to interest rate risks.

D Capital Management

While managing capital, the Company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefit for other stakeholders.

The Board of Directors monitors the earnings before interest, depreciation and tax (EBITDA), which the Company defines as result from operating activities before considering finance cost, depreciation & amortisation, exceptional items and tax expenses. The Board of Directors also monitors the level of dividends to equity shareholders.

The Company's EBITDA excluding other income is 11.52% for the year ended 31st March 2022 in comparison to 11.11% for the year ended t 31.03.2021.

The Company monitors capital, using a medium and long term view, on the basis of a number of financial ratios generally used by industry and by the rating agencies.

40 SEGMENT REPORTING

The company's operation comprises of Manufacturing business & Project Business. Primary segmental reporting comprises of Manufacturing Business & Project Business Segments. Secondary Segmental reporting is based on geographical location of activities. Under primary segment revenue and direct expenses, which relate to a particular segment and which are identifiable, are reported under that segment.

Certain expenses, which are not allocable to any specific segment, are separately disclosed at the enterprise level. Cash and bank balances in India are reported at the enterprise level as the company operates common bank accounts. Property, Plant and Equipment, Liabilities, Current assets and Current liabilities relating to specific business segments are identified and reported. Those that are not identifiable are reported as common items.

Secondary segment is reported based on the geographical location of the company, viz., India, Japan, USA, Europe and Hongkong. Revenues in the secondary segment are based on the sales made by the branch office or subsidiaries. Inter-segmental purchases & sales are separately identified and reported. Property, plant and Equipment, Current Assets including Cash and Bank accounts, and Current Liabilities are identified based on the branch office or subsidiary to which they relate and are reported accordingly.

(i) Business segment

Amount in ₹ Lakhs

Current 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**

Amount in ₹ Lakhs

Previous Year

	Particulars	Primary Segment				Total
		Manufacturing	Project Business	EPC	Common	
1	**Segment Revenues**					
	External Revenues	69,209.21	2,262.61	-	-	71,471.82
	Inter segment revenues	(624.40)	-	-	-	(624.40)
	Inter company	(11,488.99)	-	-	-	(11,488.99)
	Total Revenues	**57,095.82**	**2,262.61**	**-**	**-**	**59,358.43**
2	**Segment Results**					
	Profit Before Taxation, Interest and Depreciation	6,451.24	40.91	(15.30)	118.02	6,594.87
	Less: Finance cost	446.54	-	-	-	446.54
	Less: Depreciation and Amortizations	2,144.26	2.58	-	2.92	2,149.76
	Total	**3,860.44**	**38.33**	**(15.30)**	**115.10**	**3,998.57**
3	Unallocable & Other Income including exceptional item					1,649.76
	Less: Tax					1,127.89
	Profit after tax					**4,520.44**
4	Segment Assets - Current Year	74,522.41	2,294.91	0.70	13,851.44	90,669.46
	Segment Assets - Previous Year	60,311.25	3,719.90	115.29	14,341.34	78,487.78
5	Segment Liabilities - Current Year	28,337.81	1,684.94	17.25	7,913.03	37,953.03
	Segment Liabilities - Previous Year	22,574.34	2,204.04	791.14	5,850.62	31,420.14
6	Capital Expenditure (Gross Block)	1,427.53	-	-	-	1,427.53
	Disposal (Gross Block)	(57.59)	-	-	-	(57.59)
	Capital Expenditure (Net of disposal) - Current Year	**1,369.94**	**-**	**-**	**-**	**1,369.94**
	Capital Expenditure (Gross Block)	1,547.70	-	-	-	1,547.70
	Disposal (Gross Block)	(98.13)	-	-	-	(98.13)
	Capital Expenditure (Net of disposal) - Previous Year	**1,449.57**	**-**	**-**	**-**	**1,449.57**

(ii) Geographical Segment

	Particulars	Segment revenue by geographical Market	
		Year ended 31.03.2022	Year ended 31.03.2021
	Sales from India		
	Domestic Sales (including Deemed Export)	47,558.94	29,396.50
	Export Sales	23,139.91	19,467.08
	Sales of Overseas Branch and Subsidiary	19,821.23	22,608.24
	Less: Inter-segmental sales	(271.52)	(624.40)
	Less: Inter-company sales	(10,506.10)	(11,488.99)
	Total	**79,742.46**	**59,358.43**

Amount in ₹ Lakhs

Carrying amounts of geographical assets & additions to property, plant and equipment & intangible assets

	Particulars	Carrying amounts of segment assets (Rs. in Rupees)		Additions to property, plant and equipment and intangible assets (Net of deletion)	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
	Located in India	78,665.88	65,739.77	1,069.98	1,334.59
	Located outside India	12,003.58	12,748.01	299.96	114.98
	Total	**90,669.46**	**78,487.78**	**1,369.94**	**1,449.57**

(iii) Information about Major customers -

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

Particualrs	As at 31.03.2022	As at 31.03.2021
Customer A	12.24%	10.58%
Customer B	12.30%	11.35%
Customer C	16.04%	10.15%

41 Disclosure as per Ind AS 19 on 'Employee benefits

A <u>Gratuity - Funded</u>

The Parent Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 20 Lakhs. The gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The liability has been assessed using projected unit credit actuarial method. The Parent Company made annual contributions to the Employee's Group Gratuity scheme of the Life Insurance Corporation of India.

i. Movement in net defined benefit asset on Gratuity plan Amount in ₹ Lakhs

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening balance	1,097.49	1,032.40	1,329.50	1,143.75	232.01	111.34
Included in profit or loss:						
Current service cost	92.87	93.37	-	-	(92.87)	(93.37)
Interest Income on planned asset	-	-	96.49	79.09	96.49	79.09
Interest cost	73.41	69.21	-	-	(73.41)	(69.21)
Total amount recognised in profit or loss	166.28	162.58	96.49	79.09	(69.78)	(83.49)
Included in OCI:						
Actuarial loss (gain)	85.23	(68.21)	-	-	(85.23)	68.21
Return on plan assets greater/(lesser) than discount rate	-	-	0.90	67.92	0.90	67.92
Total amount recognised in other comprehensive income	85.23	(68.21)	0.90	67.92	(84.34)	136.13
Contributions paid by the employer	-	-	215.00	68.03	215.00	68.03
Benefits paid	35.96	29.29	35.96	29.29	-	-
Closing balance	**1,313.04**	**1,097.49**	**1,605.93**	**1,329.50**	**292.89**	**232.01**

ii. Details of Plan assets

	31.03.2022	31.03.2021
Government of India securities (central and state)	-	-
Schemes of insurance - conventional products	100.00%	100.00%
Others (including Fixed Deposits and Special Deposits)	-	-
	100.00%	**100.00%**

iii. Acturial Assumptions

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

	31.03.2022	31.03.2021
Financial assumptions:		
Discount rate	6.80%	6.80%
Salary escalation rate	7.00%	7.00%
Demographic assumptions:		
Retirement age	58 Years	58 Years
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	
Withdrawal rate % (All ages)	3.00%	3.00%

IV. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

Amount in ₹ Lakhs

	31.03.2022		31.03.2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(131.42)	155.46	(113.96)	135.74
Salary escalation rate (1% Movement)	146.02	(128.96)	129.59	(111.52)
Withdrawal rate (1% Movement)	1.08	(1.27)	(2.05)	2.29

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

V. Expected benefit payment of the gratuity plan in future years

Amount in ₹ Lakhs

	Gratuity (Funded)	
	31.03.2022	31.03.2021
For the year ending:		
Less than 1 year	129.07	120.16
Between 1-2 years	46.40	39.94
Between 2-3 years	83.69	42.95
Between 3-4 years	74.28	72.23
Between 4-5 years	69.46	70.04
Between 5-10 years	616.68	554.75

VI. Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals.

B Long term Leave Liability - Unfunded

The parent company provides for earned leave benefit to the employees which accrue at 15 days (maximum) for the year. The earned leave is encashable while in service and upto a maximum of 105 days on retirement. The leave liability has been treated as other long term benefits and has been assessed using projected unit credit actuarial method.

I. Movement in net defined benefit (asset)/liability

Amount in ₹ Lakhs

	Defined benefit obligation	
	31.03.2022	**31.03.2021**
Opening balance	531.06	528.26
Included in profit or loss:		
Current service cost	124.09	127.60
Interest cost	36.11	35.36
Actuarial loss (gain)	(105.84)	(143.56)
Total amount recognised in profit or loss	**54.36**	**19.40**
Benefits paid	-	16.60
Closing balance	**585.42**	**531.06**

II. Acturial Assumptions

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

	31.03.2022	**31.03.2021**
Financial assumptions:		
Discount rate	6.80%	6.80%
Salary escalation rate	7.00%	7.00%
Demographic assumptions:		
Mortality table	100% of Indian Assured Lives Mortality (2006-08)	
Withdrawal rate % (All ages)	3.00%	3.00%
Retirement age	58 years	58 years

42 RELATED PARTY DISCLOSURE

Related Party	Relationship
Ravindu Motors Private Limited Trident Automobiles Private Limited	Companies in which director/ relative of director is interested
Nikhil Kumar, Managing Director Mohib N Khericha, Director K G Prabhakar, Director N Srivatsa, Company Secretary M N Varalakshmi, CFO	Key management personnel

DETAILS OF TRANSACTIONS

Amount in ₹ Lakhs

Nature of transactions	Companies in which director/relative of director is interested		Key management personnel	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Directors Remuneration:				
Nikhil Kumar:				
Short-term employee benefits including commission of ₹ 226.26 lakhs (PY: 144.35 Lakhs)	-	-	488.36	389.34
Other long term employee benefit	-	-	16.36	18.79
Dividend	-	-	116.57	34.92
Amount Outstanding at the year end	-	-	-	6.84
Remuneration to Key Managerial Personnel:				
N Srivatsa				
Short-term employee benefits	-	-	53.56	53.87
Other long term employee benefit	-	-	3.46	3.46
Employees Share Option Cost (Refer Note No. 49)	-	-	13.59	30.90
Dividend	-	-	1.56	0.25
Amount Outstanding at the year end	-	-	-	2.44
M N Varalakshmi				
Short-term employee benefits	-	-	40.07	39.67
Other long term employee benefit	-	-	2.52	2.49
Employees Share Option Cost (Refer Note No. 49)	-	-	7.79	17.71
Dividend	-	-	1.11	0.14
Amount Outstanding at the year end	-	-	-	3.16
Directors Sitting fees				
Mohib N Khericha	-	-	5.20	4.60
Nikhil Kumar	-	-	0.80	0.80
K G Prabhakar	-	-	2.80	2.80
Ravindu Motors Private Limited				
Servicing of Vehicles	1.40	2.02	-	-
Purchase of Motor Vehicle	-	40.00	-	-
Trident Automobiles Private Limited				
Servicing of Vehicles	0.72	0.43	-	-
Purchase of Motor Vehicle	10.78	36.46	-	-

43 Operating Lease

The group has taken office facilities, guesthouse and residential premises of employees under short term lease and are renewable on a periodic basis, and cancelable at its option. Rental expenses recorded for short term leases for the year is ₹ 91.86 lakhs (Previous year ₹ 97.69 lakhs).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

44 a The Group does not have any pending litigations which would impact its financial position as on the reporting date except to the extent disclosed in Note 37

b The Company does not have any long term contracts for which there were any material foreseeable losses. The provision made for forward foreign exchange contracts is as at the previous year end disclosed in Note No. 21.

c No amounts required to be transferred to the Investor Education and Protection Fund by the Group as on the reporting date.

d To the best of its knowledge and belief of the management, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

e To the best of our knowledge and belief, no funds have been received by the Company or such subsidiaries, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

f Additional information , as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Amount in ₹ Lakhs

Name of the entities in consolidated financial statement	Net Assets i.e., total assets minus total liabilities		Share in profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (in Lakhs)	As % of Consolidated profit or loss	Amount (in Lakhs)	As % of Consolidated other 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	99.15%	52,265.72	77.02%	5,441.49	13.44%	(123.87)	86.56%	5,317.62
TD Power Systems Limited - Previous Year	100.80%	47,442.63	38.66%	1,747.75	-29.95%	46.10	41.08%	1,793.85
Subsidiaries								
Indian								
DF Power Systems Private Limited	1.49%	786.56	10.79%	762.26	0.00%	-	12.41%	762.26
DF Power Systems Private Limited- Previous Year	0.05%	24.30	18.15%	820.35	0.00%	-	18.79%	820.35
Foreign								
TD Power Systems USA Inc	-1.67%	(882.84)	2.57%	181.91	5.07%	(46.69)	2.20%	135.22
TD Power Systems USA Inc - Previous Year	-2.16%	(1,018.06)	-1.94%	(87.49)	-30.75%	47.33	-0.92%	(40.16)
TD Power Systems Japan Limited	0.02%	9.44	-0.15%	(10.88)	0.16%	(1.49)	-0.20%	(12.37)
TD Power Systems Japan Limited - Previous Year	0.05%	21.81	0.00%	0.02	1.03%	(1.59)	-0.04%	(1.57)
TD Power Systems Europe GmbH	1.33%	699.40	2.25%	159.11	-0.30%	2.76	2.63%	161.87
TD Power Systems Europe - GmbH - Previous Year	1.14%	537.53	4.82%	217.79	-4.17%	6.42	5.13%	224.21
TD Power Systems Jenerator Sanayi Anonim Sirketi	3.19%	1,682.17	5.59%	395.20	81.63%	(752.30)	-5.81%	(357.10)
TD Power Systems Jenerator Sanayi Anonim Sirketi- Previous Year	4.33%	2,039.27	42.89%	1,938.80	163.84%	(252.17)	38.63%	1,686.63
Consolidation adjustments	-3.50%	(1,844.02)	1.92%	135.82	0.00%	-	2.21%	135.82
Consolidation adjustments- Previous Year	-4.21%	(1,979.84)	-2.58%	(116.78)	0.00%	-	-2.67%	(116.78)
Total	**100.00%**	**52,716.43**	**100.00%**	**7,064.91**	**100.00%**	**(921.59)**	**100.00%**	**6,143.32**
Total - Previous Year	**100.00%**	**47,067.64**	**100.00%**	**4,520.44**	**100.00%**	**(153.91)**	**100.00%**	**4,366.53**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

45 During the year, the group has made provisions towards Warranty claims, the details of the same are as under

	Warranty claims	
	As at 31.03.2022	**As at 31.03.2021**
Balance outstanding at the beginning	298.06	246.32
Provision for the reporting period	102.36	51.74
Withdrawn and credited to Statement of Profit and Loss	24.11	-
Balance outstanding at the end of the reporting period	376.31	298.06

46 Corporate Social Responsibility

Sl. No.	Particulars	As at 31.03.2022	As at 31.03.2021
i)	Amount required to be spent by the company	28.25	26.03
ii)	Amount of expenditure incurred (set off ₹ 2.06 of excess spent in earlier year)	12.25	12.00
iii)	Shortfall at the end of the year	16.00	14.03
iv)	Total of previous years shortfall	-	-
v)	Reason for shortfall	Ongoing projects	
vi)	Nature of CSR activities	Educational Empowerment & School Infrastructure Development	
vii)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provisions during the year shall be shown separately	Not Applicable	

The shortfall of ₹ 16.00 lakhs (PY ₹ 16.10 lakhs) has been transferred to a separate bank account within 30 days from the end of the year for utilisation in the ongoing projects in the subsequent years.

47 Final Dividend

On 10th May 2022, (2021: 19th May 2021) the Board of Directors of the Company have proposed a dividend of ₹ 3.50 (2021: ₹ 2.50) per share in respect of the year ended 31st March 2022 subject to approval of shareholders at the Annual General Meeting.

48 Creditors Written Back

During the year ended 31st March 2022, the Indian Subsidiary has written back creditors amounting to ₹ 757.72 lakhs (PY: ₹ 717.51 lakhs) due to liquidated damages against project supplies, counter claims in respect of performance guarantees and amount unclaimed.

49 Employee Stock Benefit Plans

During August 2019, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 10,00,000 shares in aggregate, out of which not more than 5,65,000 shares to be acquired by the Trust through Secondary Acquisition and not more than 4,35,000 shares shall be issued by way of Primary / Fresh shares. The maximum number of options that may be granted to any employee in any year and in aggregate shall not exceed 2,00,000 options under the plan.

In accordance with the shareholders' approval in Annual General Meeting held on 12th August 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, has approved grant of 5,63,884 employee stock options ("ESOPs) and 3,99,216 employee stock appreciation rights ("ESARs") to the eligible employees of the Company and/or its Subsidiary Company(ies) under its TDPSL Equity Based Compensation Plan 2019 ("Plan"). These were outstanding at the yea end.

Out of which 97,962 ESOPs and 56,160 ESOPs have been granted to Company Secretary and Chief Financial Officer of the company respectively.

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	ESOP No. of Options	ESAR No. of Options
Market Price (₹)	134.45	134.45
Expected Life (in Years)	3 - 5	3 - 5
Volatility (%)	38.84 - 40	38.84 - 40
Risk free Rate (%)	5.93 - 6.26	5.93 - 6.26
Exercise Price (₹)	67.25	67.25
Dividend Yield (%)	1.49	1.49
Weighted Average Fair Value of the Vest (₹)	78.92	78.92

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

During the year 31st March 2022, 1,70,084 Equity Shares of ₹ 10/- each were issued & allotted to the TDPSL Employee Welfare Trust (Trust) in respect of the exercise of 2,26.760 ESARs by grantees. Consequently, the paid up capital of the Company as at March 31, 2022 stands at ₹ 3,110.35 Lakhs comprising 3,11,03,498 Equity Shares of ₹ 10/-each. As per the TDPSL Equity Based Compensation Plan 2019, the said shares were transferred by the Trust to the ESAR Grantees in settlement of the ESAR'S Exercised.

During the year 31st March 2022, 1,87,961 ESOPs were vested and exercised at an exercise price of ₹ 67.25 against which 1,87,961 Equity shares of the Company were transferred to the ESOP grantees by TDPSL Employee Welfare Trust. ₹ 126.41 lakhs was received from the ESOP grantees upon the Exercise of ESOPs.

The details of ESOP/ESAR as at 31.03.2022 is as under

	31.03.2022		31.03.2021	
	ESOP	**ESAR**	**ESOP**	**ESAR**
Outstanding at the beginning of the period / year	ESOP	ESAR	ESOP	ESAR
Vested & Exercised during the period/year	3,75,923	3,99,216	5,63,884	3,99,216
Balance at the end of the period / year - Not vested	1,87,961	2,26,760	1,87,961	-
Balance at the end of the period / year - Vested & Not Excercised	1,87,962	1,33,072	3,75,923	2,66,144

50 In case of Indian subsidiary, consequent to an ex-parte order dated April 30, 2019 passed by the Asst. Commissioner of Commercial Taxes, Chhattisgarh in respect of the Financial Year 2014-15, a claim has been received for ₹ 110.01 lakhs towards VAT and for ₹ 19.52 lakhs towards entry tax. That Company filed a remand application with the Commissioner of Commercial Taxes, Chhattisgarh against the said ex-parte order.

Based on the remand application by that Company, the matter was referred to the assessing officer (Assistant Commissioner) for reassessment during the year. Based on the documents and data provided by that Company, the demand of ₹ 110.01 lacs in respect of VAT was dropped & the demand relating to entry tax was revised to ₹ 0.12 Lakhs vide order dated 20th October 2021.

51 The Company has borrowings from banks on the basis of security of current assets. The quarterly statement of current assets filed by the Company with banks during the year are in agreement with the books of accounts.

52 The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these Consolidated financial statements has used internal and external sources of information to assess the expected future performance of the Company. The Company has internally assessed sensitivity of the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2022, are fully recoverable. The management has also estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the Covid-19 pandemic may be different from that estimated as at the date of approval of these Consolidated financial statements.

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

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

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

TD Power Systems Limited
REGISTERED OFFICE & FACTORY:

27, 28 and 29, KIADB Industrial Area
Dabaspet, Nelamangala Taluk
Bengaluru Rural District
Bengaluru – 562 111, India

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