

A vertical decorative bar on the left side of the page, composed of overlapping semi-circular shapes in yellow, green, and orange. The background of the entire page is dark blue with large, curved, overlapping shapes in lighter shades of blue and white.

# 25 Years.....

## Relentless pursuit of new horizons

6350<sup>+</sup> Machines  
in  
105 Countries

Over the past quarter century, we've navigated competitive landscapes, expanding our horizons internationally. As an Indian company, we're particularly proud to have supplied our products to over 100 countries worldwide, a testament to our unwavering commitment to quality and reliability.

# Global Presence



We are proud to unveil our first-ever 90 MW 2-Pole Generator, igniting India's future and powering the nation forward. Made in India with passion and innovation, this milestone reflects our commitment to excellence and advancement in the power generation industry.



## COMPANY INFORMATION

[www.tdps.co.in](http://www.tdps.co.in)

CIN: L31103KA1999PLC025071

### Registered Office & Unit 1

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

### Unit 2

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

### Japan Branch Office

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

### Wholly Owned Subsidiaries

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

### Bankers

Bank of Baroda  
Kotak Mahindra Bank  
HDFC Bank Limited

### Auditors

Varma & Varma  
Chartered Accountants  
Bengaluru - 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](http://www.linkintime.co.in)  
[Rnt.helpdesk@linkintime.co.in](mailto:Rnt.helpdesk@linkintime.co.in)

### Investors grievance redressal e-mail id

[investor.relations@tdps.co.in](mailto:investor.relations@tdps.co.in)

### Board of Directors

#### Chairman

Mohib N. Khericha

#### Managing Director

Nikhil Kumar

#### Director

S. Prabhamani

#### Independent Directors

Rahul Matthan  
Karl Olof Alexander Olsson  
Prathibha Sastry

#### Chief Financial Officer

M. N. Varalakshmi

#### Company Secretary & Compliance Officer

Bharat Rajwani

#### Secretarial Auditors

Sudhir V. Hulyalkar  
Company Secretary in  
Practice  
Bengaluru - 560 004

#### Cost Auditors

Rao, Murthy & Associates  
Cost Accountants  
Bengaluru - 560 004

## INDEX

Directors' Report	3
Management Discussion & Analysis	23
Corporate Governance Report	33
Business Responsibility & Sustainability Report	54
Standalone Financial Statements	90
Balance Sheet	100
Statement of Profit & Loss	101
Cash Flow Statement	103
Consolidated Financial Statements	150





## DIRECTORS' REPORT

Dear Members

Your Directors present the Twenty-Fifth Annual Report (Report) together with the Audited Financial Statements of the Company (TDPS) for the fiscal 2024 (April 1 2023 to March 31 2024).

### FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from operations and other Income	100,738.01	84,348.64
Earnings before interest, tax, depreciation and amortization including other income and exceptional item	18,714.38	14,012.38
Finance cost	30.96	106.37
Depreciation and amortization	2031.45	1,964.46
Profit before Tax (PBT) including exceptional items	16,651.97	11,941.55
Tax expense	4,234.15	3,095.72
Profit after Tax (PAT) including exceptional item	12,417.82	8,845.83
Other Comprehensive Income	(192.08)	(4.03)
Total Comprehensive Income including exceptional item	12,225.74	8,841.80

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

On a standalone basis, total income increased by ₹ 16,389.37 Lakhs, or 19.43%, to ₹ 1,00,738.01 Lakhs in Fiscal 2024 from ₹ 84,348.64 Lakhs in Fiscal 2023. Earnings Before interest, tax, depreciation and amortization including exceptional items (EBITDA) increased by ₹ 4,702 Lakhs or 33.56% to ₹ 18,714.38 Lakhs in fiscal 2024 as compared to ₹ 14,012.38 Lakhs in fiscal 2023. Profit before tax including exception items increased by ₹ 4,710.42 Lakhs, or 39.45%, to ₹ 16,651.97 Lakhs in fiscal 2024 from ₹ 11,941.55 in fiscal 2023. Profit after tax increased by ₹ 3,571.99 Lakhs, or 40.38% to ₹ 12,417.82 Lakhs in fiscal 2024 from ₹ 8,845.83 Lakhs in fiscal 2023. Total comprehensive income increased by ₹ 3,383.94 Lakhs or 38.27% to ₹ 12,225.74 Lakhs in fiscal 2024 as compared to ₹ 8,841.80 Lakhs in fiscal 2023.

The net worth of the Company in fiscal 2024 stands at ₹ 70,111.64 Lakhs (including Capital redemption reserve) as compared to ₹ 59,389.25 Lakhs in fiscal 2023.

On consolidated basis, the total income increased by ₹ 12,467.43 Lakhs, or 13.98%, to ₹ 1,01,672.60 Lakhs in Fiscal 2024 as compared to ₹ 89,205.17 Lakhs in Fiscal 2023. Earnings Before interest, tax, depreciation and amortization including other income & exceptional item (EBITDA) increased by ₹ 3,228.54 Lakhs or 21.34% to ₹ 18,360.03 Lakhs in fiscal 2024 as compared to ₹ 15,131.49 Lakhs in fiscal 2023. The Profit before tax including exceptional item increased by ₹ 3,265.56 Lakhs or 25.21% to ₹ 16,220.20 Lakhs in Fiscal 2024 as compared to ₹ 12,954.64 Lakhs in Fiscal 2023. The Profit

after tax increased by ₹ 2,153.69 Lakhs or 22.25% to ₹ 11,834.92 Lakhs in Fiscal 2024 as compared to ₹ 9,681.23 Lakhs in Fiscal 2023. Total comprehensive income increased by ₹ 2,110.93 Lakhs or 22.33% to ₹ 11,564.74 Lakhs in fiscal 2024 compared to ₹ 9,453.81 Lakhs in fiscal 2023.

The standalone and consolidated financial statements for the fiscal ended March 31, 2024 forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

### DIVIDEND

During the fiscal 2024, the Company paid a final dividend of ₹ 0.50/- (fifty paise) per equity share with a face value of ₹ 2/- each for the fiscal 2023, following shareholders' approval. Additionally, the Board of Directors declared an interim dividend of ₹ 0.50/- (fifty paise) per equity share having face value of ₹ 2/- each for the fiscal 2024 during their meeting held on November 8, 2023. The total cash outflow during this fiscal 2024 amounted to ₹ 1,561.70 Lakhs, comprising payments for both the final dividend for fiscal 2023 and interim dividend for the fiscal 2024.

The Board of Directors of your company has recommended a final dividend of ₹ 0.60/- (sixty paise) per equity share (face value of ₹ 2/- each) for fiscal 2024 entailing a cash outflow approx. ₹ 937.02 Lakhs. The dividend payable is subject to tax deducted at sources as applicable. The aforesaid dividend is

## DIRECTORS' REPORT (CONTD.)

subject to approval of shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The Dividend Distribution Policy, in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website at [www.tdps.co.in](http://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 2024.

#### 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	2015-16
Nature of dividend	Final
Dividend per share	₹ 3.05/-
Date of Declaration	22.09.2016
Date of Transfer to IEPF	03.11.2023
Amount	₹ 29,741/-

#### b) SHARES TRANSFERRED

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

Year	2015-16
Nature of Shares	Equity Shares
Number of Shares	1,180
Date of Transfer to IEPF	10.11.2023

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

The paid up equity capital of the Company as of March 31, 2024 was ₹ 31,23,40,202 (comprising 15,61,70,101 Equity Shares with a face value of ₹ 2/- each) as compared to ₹ 31,20,85,270 (comprising 15,60,42,635 Equity Shares with a face value of ₹ 2/- each) as on March 31, 2023.

During the fiscal 2024 under the TDPSL Equity Based Compensation Plan 2019:

- 154,065 ESOPs were exercised by the grantees, resulting in the transfer of an equivalent number of equity shares with a face value of ₹ 2 each from TDPSL Employee Welfare Trust to the respective grantees.
- 137,518 ESARs were exercised by the grantees, resulting in the issuance and allotment of 127,466 equity shares with a face value of ₹ 2 each.

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, investments, securities and guarantees are disclosed in note number 6, 7 and 37 respectively, of the Financial Statements for the year ended March 31, 2024. The loans were provided for to subsidiary companies for working capital requirements, and Advance bank & performance guarantees were issued to customers on behalf of subsidiary companies for business purposes.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval is obtained for the related party transactions which are repetitive in nature. In case of transactions which are unforeseen, the Audit Committee grants an omnibus approval to enter into such unforeseen transactions, provided the transaction value does not exceed the limit of Rs.1 Crore per transaction, in a financial year. The Audit Committee reviews all transactions entered into pursuant to the omnibus approvals so granted, on a quarterly basis.

Transactions entered into with related parties during the fiscal 2024 were at arm's length basis and in the ordinary course of business. During the year under review, there were no transactions for which consent of the Board was required to be taken in terms of Section 188(1) of the Act. The details of material transactions in term of the Company's policy for determining material related party transaction under

## DIRECTORS' REPORT (CONTD.)

Regulation 23 of SEBI Listing Regulations is disclosed in Form AOC-2 which is appended as **Annexure 2** to the Report. The said policy is available on the Company's website [www.tdps.co.in](http://www.tdps.co.in).

### MANAGEMENT DISCUSSION AND ANALYSIS

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

### CORPORATE GOVERNANCE REPORT

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

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

### DECLARATION BY INDEPENDENT DIRECTOR

The Company has received necessary declaration from Independent Directors, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 and other applicable provisions of SEBI (LODR) 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](http://www.tdps.co.in). There has been no change in the policy since the last fiscal year. We affirm that, the 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 of March 31, 2024, the Company has four (4) 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 Europe GmbH in Germany and TD Power Systems Jenerator Sanayi Anonim Sirketi in Turkey. Each of the above subsidiaries are directly owned 100% by the Company.

During the fiscal year, TD Power Systems Japan Limited, a wholly owned subsidiary of the Company was voluntarily liquidated and ceased to be in existence with effect from June 26, 2023 in terms of the closed registration certificate received from the Tokyo Legal Affairs Bureau.

Furthermore, 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. 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 being made available on our website [www.tdps.co.in](http://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

No businesses were undertaken in this subsidiary during the fiscal under Report. The total revenue of the Company during fiscal 2024 is ₹ 6.26 lakhs being interest on deposits with bank. After accounting for other fixed costs, the earnings before interest, tax, depreciation & amortization including other income and exceptional item amounts to a loss of ₹ 5.59 lakhs. The loss after tax is ₹ 5.59 lakhs as against profit of ₹ 55.62 lakhs in the previous year ended March 31, 2023.

Net worth of the Company as at March 31, 2024 continues to be positive.

#### US SUBSIDIARY

The operations of this Company during the fiscal 2024 resulted in a total revenue of ₹ 3,823.25 Lakhs as compared to

## DIRECTORS' REPORT (CONTD.)

₹ 4,834.63 Lakhs in Fiscal 2023. The profit after tax for the year is ₹ 168.28 lakhs in fiscal 2024 as compared to ₹ 388.08 lakhs in fiscal 2023. The total comprehensive income (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2024 is ₹ 135.74 lakhs as compared ₹ 345.48 lakhs in fiscal 2023. During fiscal 2024 the subsidiary has repaid \$ 5.25 lakhs which was provided as loan by TDPS.

The market for TDPS Generators in North America, Central America, and South America continues to improve. The current outlook for critical markets such as Oil & Gas, onshore pipelines, fracking, and offshore drilling/production are still not what they once were. However, with the current world situation and the immense pressure being applied due to high energy costs, more opportunities will be available for us. Power support for new data centers is driving large demand for our gas turbine driven generator products.

Many of the concerns related to covid-19 have diminished and we are observing previously paused projects resuming and progressing. However, the renewables and steam markets remain very soft with few new hydro projects in North America and limited opportunities in geothermal energy. Solar and wind projects are not accessible to us. The majority of hydro activity involves the rehabilitation of existing facilities and equipment, although we see some potential opportunities in this area.

Opportunities in the steam sector continue to be active, particularly in Latin and South America for applications in sugar/ethanol, pulp, biomass, and waste heat markets. The upcoming US presidential election in November could have a significant impact on our industry, depending on the outcome and policies of the prevailing political party.

The steam and gas markets present significant growth opportunities. In the ongoing year, growing Co gen projects, hydrogen plants, projects related to sugar, ethanol, paper, water, and Oil sand & replacement machines present good opportunities in the Steam generator market. Efforts are underway to maximize these opportunities with captive OEMs and packagers. In the gas market, we aim to increase our participation in land-based projects with new machines, approved products for mobile applications with existing customers, and certain new projects, including replacements.

During the year, new customers were added & special project machines were also supplied by the company. Efforts are also being made to strengthen the presence of our products in the market with existing customers. The company is experiencing increased activity levels, with a higher volume of offers being sent out and we anticipate that order intake will grow in the ongoing year.

TDPS generators have gained full acceptance among major OEMs and packagers in North America, Central America, and South America. All our current partners in these regions are highly satisfied with TDPS's pricing, lead times, and overall support."

### JAPAN SUBSIDIARY

All activities of the Japan business continues to be conducted through the Company's Branch office at Japan. As a result, no business activities were conducted in TDPS Japan since March 2022. Subsequently, the subsidiary was voluntarily liquidated and ceased to be in existence with effect from June 26, 2023 in terms of the closed registration certificate from the Tokyo Legal Affairs Bureau. Consequently, a sum of JPY 9,92,585 (net of foreign bank charges of JPY 6,500) equivalent to ₹ 5.67 lakhs, representing equity investment in TDPS Japan, was repatriated to the holding Company.

### GERMAN SUBSIDIARY

The total revenue of the Company during fiscal 2024 is ₹ 11,664.29 lakhs as compared to ₹ 9,252.73 lakhs in fiscal 2023. Profit before tax is ₹ 308.44 lakhs in fiscal 2024 as compared to ₹ 164.97 lakhs in fiscal 2023. The total comprehensive income (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2024 is ₹ 135.17 lakhs as compared to ₹ 118.06 lakhs in fiscal 2023.

The steam turbine generator market has seen remarkable growth compared to last year, with promising prospects for further expansion. Key drivers of this surge include the waste-to-energy and heat recovery sectors, alongside notable advancements in geothermal energy. There has been a surge in demand for hydro turbine generators, driven by projects in Norway and other regions, facilitated by European OEMs. The gas engine generators segment has remained stable throughout the year. Notably during the fiscal 2024, we have supplied generators for a new application of battery storage based on CO2 to a customer in Italy. Overall, the market has grown by approximately 20%, and this positive trend is expected to continue into the following year.

### TURKEY SUBSIDIARY

The total revenue of the Company during fiscal 2024 is ₹ 593.98 lakhs as compared to ₹ 2,759.51 lakhs in fiscal 2023. The loss before tax in fiscal 2024 is ₹ 355.97 lakhs as compared to profit before tax of ₹ 263.89 lakhs in fiscal 2023. The total comprehensive loss (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2024 is ₹ 383.85 lakhs as compared to ₹ 48.53 lakhs in fiscal 2023 mainly due to foreign exchange translation Loss of



## DIRECTORS' REPORT (CONTD.)

₹ 400.53 lakhs in fiscal 2024 as compared to ₹ 180.42 lakhs which is notional in nature due to sharp depreciation of Turkish Lira to Indian Rupee.

The Turkish market has encountered a significant downturn in local manufacturing projects, largely attributable to the prevailing economic slowdown and the incentive policy of the Government towards for made in Turkey power equipment including generators. Currently, only a handful of projects remain active and this trend is anticipated to persist until economic conditions improve and better financing options become available for new projects. Despite these challenges, we have successfully manufactured three generators this year. However, the outlook for the upcoming year appears subdued, with lower expectations compared to the current year. As a result, we are planning to temporarily halt production activities after fulfilling the last of our deliveries. However, we continue to remain market leaders for made in Turkey generators with over 80 generators already manufactured & installed in Turkey over the last 3 years.

### 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, 2024, 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 are disclosed in the Report on Corporate Governance forming part of this Report. In compliance of the Companies Act, 2013 and SEBI LODR, the Company has five (5) Committees of the Board as on March 31, 2024 i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

During the fiscal 2024, Board and Committee meetings were held as prescribed. The details of such meetings are provided 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, Ms. S Prabhamani (DIN: 09695003) retires by rotation at the ensuing 25th Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

During the fiscal 2024, Mr. Rahul Matthan, (DIN: 01573723) and Mr. Karl Olof Alexander Olsson (DIN: 10433826) were appointed as Independent Directors of the Company for a term of 5 years, with effect from April 1, 2024 until March 31, 2029. In the opinion of Board, both Mr. Matthan and Mr. Olsson possess requisite integrity, expertise and experience and proficiency. Furthermore, Mr. Alexander Olsson having recently obtained his director identification number, will appear for the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

Furthermore, Mr. Nithin Bagamane and Mr. Ravi Kanth Mantha, ceased to be Independent Directors of the Company with effect from March 31, 2024, upon the completion of their second terms as Independent Directors. The Board placed on record their sincere appreciation for their invaluable

## DIRECTORS' REPORT (CONTD.)

contributions to the growth and the support and guidance they provided during their tenure as Directors.

### KEY MANAGERIAL PERSONNEL

In terms of the Companies Act, 2013, Mr. Nikhil Kumar, Managing Director, Ms. M N Varalakshmi, Chief Financial Officer and Mr. Bharat Rajwani, Company Secretary are the Key Managerial Personnel of the Company as of March 31, 2024.

### RISK MANAGEMENT

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

### AUDITORS & REPORTS

#### STATUTORY AUDITORS

M/s. Varma & Varma, Chartered Accountants, Bengaluru were re-appointed as Statutory Auditors of the Company at the 23<sup>rd</sup> Annual General Meeting (AGM) held on September 27, 2022 for a period of 5 years, commencing from the conclusion of 23<sup>rd</sup> AGM till the conclusion of 28<sup>th</sup> AGM.

The Auditors' Report on the financial statements for the fiscal 2024 does not contain any qualification, reservation or adverse remark. There have been no instances of fraud committed against the Company by its officers or employees during the year reportable by the Auditors in terms of Section 143(12) of the Companies Act 2013.

#### SECRETARIAL AUDITOR

As required under Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board appointed Mr. Sudhir V Hulyalkar, Practicing Company Secretary Bangalore, as the Secretarial Auditor for the fiscal 2024.

The Secretarial Auditors' Report for the fiscal 2024 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. These certificates are issued by Mr. Sudhir V. Hulyalkar, a practicing Company Secretary and do not contain any qualification, reservation or adverse remarks.

### 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 2024. In terms of Section 148 of the Companies Act 2013, the Company has maintained cost accounts for the year ended March 31, 2024 as prescribed which are subject to a Cost Audit.

### DISCLOSURE

#### EXTRACT OF THE ANNUAL RETURN

In accordance with Section 92(3) read with 134(3) of the Companies Act, 2013, the Annual Return as of March 31, 2024 is made available on the website of the Company at [www.tdps.co.in](http://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 2024 in relation to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is provided in the **Annexure 3** forming part of this Report.

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

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

### PARTICULARS OF EMPLOYEES

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

The details of ratio of the remuneration of each whole-time Director and Key Managerial Personnel (KMP) to the median of employees' remuneration as per the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as in **Annexure 4** to this Report.

## DIRECTORS' REPORT (CONTD.)

### 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](http://www.tdps.co.in)

### SECRETARIAL STANDARD

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

### GENERAL

Your Directors state as follows:

1. No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
2. There was no issue of equity shares with differential rights, as to voting, dividend or otherwise.
3. Details of shares issued during this fiscal 2024 under TDPSL Equity Based Compensation Plan 2019 has been disclosed above 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 2024, the Company has not transferred any amount to reserve.

### GREEN INITIATIVE

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

Further MCA General Circular No 09/2023 dated September 25, 2023, SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 7, 2023 exempts companies from the provision of dispatching hard copies of annual report for this fiscal 2024, Accordingly, soft copies of the Annual Report 2024 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](mailto:investor.relations@tdps.co.in) or [prathan.shetty@linkintime.co.in](mailto:prathan.shetty@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 share holders.

For and on behalf of the Board of Directors

Ahmedabad  
23<sup>rd</sup> May, 2024

**Mohib N. Khericha**  
Chairman

**ANNEXURE TO THE DIRECTORS' REPORT**

**ANNEXURE - 1**

**FORM AOC - 1**

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

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

**Part "A": Subsidiaries**

Amount in ₹ Lakhs

Name of the Subsidiary	DF Power Systems Pvt. Ltd.	TD Power Systems (USA) Inc.	TD Power Systems Europe GmbH	TD Power Systems Jenerator Sanayi Anonim Sirketi
The date since when subsidiary was acquired/ Incorporated	22/09/2008	20/02/2023	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
Reporting Currency and Exchange rate as on the last date of the relevant Fiscal in the case of foreign subsidiaries <sup>(2)</sup>	INR	USD	EURO	Turkish Lira (TL)
	Buy Rate	1USD = ₹ 82.90	1 EURO = ₹ 89.40	1 TL = ₹ 2.57
	Sell Rate	1USD = ₹ 83.72	1 EURO = ₹ 91.08	1 TL = ₹ 2.57
	Avg. Rate	1USD = ₹ 83.31	1 EURO = ₹ 90.24	1 TL = ₹ 2.57
Share Capital	600.00	481.78	414.12	159.35
Reserves and Surplus	236.59	(883.40)	538.51	669.5
Total Assets	838.09	1,992.42	5,634.49	1,830.81
Total Liabilities	1.50	2,394.04	4,681.86	1,001.96
Investments	-	-	-	-
Total Revenue	6.26	3,823.25	11,664.29	593.98
Profit/(Loss) before taxation	(5.59)	167.58	308.44	(355.96)
Provision for taxation	-	-	123.16	27.88
Profit/(Loss) after taxation	(5.59)	167.58	185.28	(383.84)
Comprehensive Income	-	(31.84)	(50.11)	-
Total Comprehensive income	(5.59)	135.74	135.17	(383.84)
Proposed Dividend	Nil	Nil	Nil	Nil* <sup>(3)</sup>
Extent of shareholding (in percentage)	100%	100%	100%	100%

**Note:** <sup>(1)</sup> There are no subsidiaries which are yet to commence operations or sold during the fiscal 2024. TD Power Systems Japan Limited, a wholly owned subsidiary of the Company was voluntarily liquidated and ceased to be in existence with effect from June 26, 2023 in terms of the closed registration certificate received from the Tokyo Legal Affairs Bureau.

<sup>(2)</sup> All foreign assets are translated using the buying exchange rate and foreign liabilities using the selling exchange rate, as of the last date of the fiscal year 2024. Average exchange rate is applied for total revenue, profit/(loss) before taxation, profit/(loss) after taxation and comprehensive income.

<sup>(3)</sup> During fiscal 2024, TD Power Systems Jenerator Sanayi Anonim Sirketi declared a dividend of 1,39,77,680 Turkish Lira (TL) on its total capital of TL 12,78,200. The dividend was received by the Company in euros, equivalent to ₹ 420.94 Lakhs.

**Part "B":**

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

For and on behalf of the Board of Directors

May 23, 2024

**Mohib N. Khericha**  
Chairman  
Ahmedabad

**Nikhil Kumar**  
Managing Director  
Frankfurt



## ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

## ANNEXURE – 2

## FORM AOC – 2

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

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

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

All transactions made during the fiscal 2024 were at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis for the fiscal 2024 as follows:**

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any
TD Power Systems Europe GmbH	Sale and purchase transaction, Loan, Interest on loan	These contracts are limited by value of transactions and have no duration	Approved limit : ₹ 10,000/- Lakhs payment terms: not exceeding 180 days Advance against purchase order - Back to back basis with subsidiary company terms. Advance/Performance guarantee - Back to back with subsidiary company terms.	01.02.2024	Nil
	Direct & counter bank guarantee (BG's) towards Advance/ Performance on behalf of TDPS Europe		Approved Limit: ₹ 2,000 Lakhs Advance/Performance guarantee - Back to back with subsidiary company terms.	01.02.2024	Nil

Notes:

- 1) The definition of material contract or transaction is not defined under the Companies Act, 2013 therefore the Company determines materiality of its transaction as defined in its policy for determining material related party transaction with related party and the explanation provided under regulation 23 of SEBI (Listing Obligations and disclosure requirements), Regulations 2015.
- 2) Special resolution under first proviso to section 188 of the Act and SEBI Listing Regulations is not applicable as these inter corporate transactions were entered with a wholly owned subsidiary of the Company.

For and on behalf of the Board of Directors

May 23, 2024

**Mohib N. Khericha**  
Chairman  
Ahmedabad

**Nikhil Kumar**  
Managing Director  
Frankfurt

**ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)**

**ANNEXURE – 3**

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

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

<b>A.</b>	<b>Conservation of Energy</b>	<b>Details as on March 31, 2024</b>
	Steps taken or impact on conservation of energy	<p>A systematic energy conservation approach for both of its manufacturing units' upgraded from time to time. The following steps were taken;</p> <ul style="list-style-type: none"> <li>- Replacement of high wattage tube lights with LED Blub, use of power control mechanism, replacement of starters with less power consumption drives.</li> <li>- Smaller capacity cranes have been installed to replace larger ones for handling lighter loads. This significantly reduces power usage while maintaining operational effectiveness.</li> <li>- Strategic placement of multiple mid-sized capacity cranes has been implemented to handle tasks previously requiring much larger cranes. This optimizes power consumption and streamlines workflows.</li> <li>- Specific areas have been assigned dedicated cranes with a capacity to handle routine tasks. This eliminates the need for larger capacity cranes, leading to power conservation and improved efficiency.</li> <li>- An ongoing training program for workers on the effective use of sources to promote energy conservation.</li> <li>- Migrated from manual process to robotic systems for certain procedures resulting less power consumption and enhanced work efficiency.</li> <li>- Administrative control to maintain uses of power consumptions in shop floors and offices more effectively and on need basis.</li> </ul> <p>With the above measures, about 36,555 units of power (₹ 3.47 lakhs p.a) and about 36,500 units (₹ 3.47 lakhs p.a.) were saved in both Unit I &amp; II respectively.</p>
	Steps taken by the company for utilizing alternate sources of energy	The Company has the option to utilize renewable energy sources to reduce dependency on grid power and diesel during periods of peak demand.
	Capital investment on energy conservation Equipment	During the year, the collective Capital investment in energy conservation equipment for both units was ₹ 81.67 lakhs.
<b>B</b>	<b>Technology Absorption</b>	
1	Efforts made towards technology absorption	<p>The company has undertaken several initiatives to absorb new technologies and improve our manufacturing processes.</p> <ul style="list-style-type: none"> <li>- Automated Coil Taping &amp; Winding: Increased productivity by 50% and reduced manpower needs.</li> <li>- Advanced Brazing &amp; Welding Systems: Improved efficiency, reduced heat, and potential cost savings.</li> <li>- Robotic Assembly Machines: Implemented for stator stacking, coil looping, and spot welding, significantly reducing manual labor and boosting production speed.</li> <li>- Aluminum Rotor Technology: Reduced reliance on expensive copper materials.</li> <li>- Streamlined Testing &amp; Tightening: New equipment enhances accuracy and reduces operator workload.</li> </ul>

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 3 (CONTD.)

		<ul style="list-style-type: none"> <li>- Optimized Energy &amp; Workspace: Inline process equipment, vertical storage systems, and a hydrogen gas generator contribute to efficiency and cost savings.</li> <li>- PPE Vending Machine: Improved shop floor access to personal protective equipment.</li> </ul>
2	Benefits derived like product improvement, cost reduction, product development or import substitution	Designed, manufactured, and supplied high-efficiency cage rotor induction motors and lube oil/jack oil systems for vertical water pump and generator applications (40 MW to 90 MW), resulting in reduced losses, lower operating temperatures, and improved energy conservation. Also, in-house designed vertical thrust bearings for large vertical hydro generators/motors in pump applications contribute to energy savings through reduced bearing friction.
3	In case of imported technology (imported during the last three years reckoned from the beginning of the FY),	
	a. Technology Imported	
	b. Year of Import	Not applicable
	c. Has technology been fully absorbed	
	d. If not fully absorbed, areas where this has not taken place, reasons thereof	
	Expenditure incurred on Research and Development	(₹ in Lakhs)
	a. Capital	Nil
	b. Recurring	₹ 576.84
	c. Total	₹ 576.84
	d. Total R&D expenditure as a percentage of turnover	0.59%
<b>C</b>	<b>Foreign Exchange Earnings and Outgo</b>	
	Earnings in foreign Exchange [Value of Exports on FOB basis]	₹ 27,407.46 Lakhs
	Export of goods calculated on FOB basis	
	Royalty, Knowhow, professional and consultancy fees	₹ 310.25 Lakhs
	<b>Total</b>	<b>₹ 27,717.71 Lakhs</b>
	Foreign Exchange outgo (Expenditure in foreign currency)	₹ 11,537.95 Lakhs

For and on behalf of the Board of Directors

May 23, 2024

**Mohib N. Khericha**  
Chairman  
Ahmedabad

**Nikhil Kumar**  
Managing Director  
Frankfurt

**ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)**

**ANNEXURE – 4**

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

I	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Fiscal	<b>Name of the Director</b>	<b>Designation</b>	<b>Ratio to the Median</b>
		Mr. Nikhil Kumar	Managing Director	17:1
ii	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Fiscal.	<b>Particulars</b>		<b>% Increase</b>
		Mr. Nikhil Kumar	Managing Director	Nil
		Mr. Bharat Rajwani *(Appointed effective from February 18, 2023)	Company Secretary	Nil
		Ms. M N Varalakshmi-CFO		11%
iii	The percentage increase in the median remuneration of employees in the fiscal	10%		
iv	The number of permanent employees on the rolls of Company	722		
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 10%. The increase in remuneration is in line with the market trends. Increase in the managerial salary for the year was 8%.		
vi	Affirmation that the remuneration is as per the remuneration policy of the company	Yes		

For and on behalf of the Board of Directors

May 23, 2024

**Mohib N. Khericha**  
Chairman  
Ahmedabad

**Nikhil Kumar**  
Managing Director  
Frankfurt

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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	a) Designation b) Date of Commencement of Employment c) Age	Educational qualifications	Experience (in year)	Remuneration in fiscal 2024 including perks (₹ in lakhs)	Previous employment and designation
1	Mr. Nikhil Kumar <sup>(1)</sup>	a) Managing Director b) 01/10/2001 c) 57	BE	33 yrs	₹ 410.68	Kirloskar Electric Company Limited
2	Mr. Swapnil Kaushik	a) Director Business Development, b) 18/01/2021 c) 62	BE	30 yrs	₹ 93.90	WEG Industries India pvt ltd
3	Mr. Ramakrishna Varna	a) Chief Operating Officer b) 01/06/2021 c) 55	BE, MBA	31 yrs	₹ 73.13	Kirloskar Electric Company Limited
4	Ms. M N Varalakshmi	a) Chief Financial Officer, b) 07/11/2001 c) 55	CMA	31 yrs	₹ 68.18	Kirloskar Electric Company Limited
5	Mr. Vinay Hegde	a) Head-Marketing, b) 22/10/2001 c) 54	BE	30 yrs	₹ 67.92	Cummins Generator Technologies Limited
6	Mr. Vishwanath Hangari	a) Head Design & Development, b) 5/11/2018 c) 59	M. Tech	35 yrs	₹ 65.29	GE India Technology Private Limited
7	Mr. Abhishek H J <sup>(2)</sup>	a) Head – Project Execution, b) 06/10/2010 c) 39	BE	17 yrs	₹ 59.48	M/s. Electrohms Pvt Ltd
8	Mr. Praveen M S <sup>(2)</sup>	a) Senior Team Lead, b) 17/03/2008 c) 44	BE	17 yrs	₹ 56.18	M/s. Kennametal India Ltd
9	Mr. Kiron Ghorpade V <sup>(2)</sup>	a) Head Unit 02 Shop 1, b) 02/03/2016 c) 56	BE	32 yrs	₹ 55.10	M/s. Avasarala Technologies Ltd
10	Mr. Sheshagiri N Morab <sup>(2)</sup>	a) Senior Team Lead b) 22/08/2016 c) 37	CA	10 yrs	₹ 44.84	BSR & Co. LLP

Notes:

(1) The remuneration disclosed for Mr. Nikhil Kumar above is on a standalone basis and exclusive of commission and salary paid by the subsidiary Company i.e. TD Power Systems Europe GmbH.

(2) The remuneration for Sr. No.7 to 10 includes the perquisite value of ESARs exercised during the fiscal 2024.

For and on behalf of the Board of Directors

**Mohib N. Khericha**  
Chairman  
Ahmedabad

**Nikhil Kumar**  
Managing Director  
Frankfurt

May 23, 2024

**ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)**

**ANNEXURE – 6**

**Annual Report on Corporate Social Responsibility Activities (CSR) and 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 to direct sustainable efforts resulting in meaningful actions to make a positive difference to society.

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

In pursuance of the CSR policy, initiatives to support Education and education related projects, healthcare and sports related projects were taken during the year. These activities align with Schedule VII of the Companies Act 2013. The Company undertakes CSR initiatives both directly and through NGOs.

The following projects were undertaken by the Company during the FY 2023-24. A detailed report on these projects can be accessed on the Company's website in the report section at <https://www.tdps.co.in/corporate-social-responsibility>

Sl. No	Projects
A)	Education: 1. Rooftop Solar PV System 2. School Readiness Program 3. Rehabilitation and remedial support for children with learning difficulties
B)	Healthcare: 1. Equipment Donation - Shri Atal Bihari Vajpayee Medical College and Research Institute in Bangalore. 2. Institute in Bangalore. 3. Neuro Rehabilitation Center. 4. Project Fire Watch 101. 5. Medical Support At Manipal Hospital, Bangalore. 6. Healthy India Mission.
C)	Sports: 1. Equipment donation - Sports Excellence Trust

**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 K Mantha <sup>(1)</sup>	Chairman, Non-Executive Independent Director	1	1
2	Mr. Nikhil Kumar	Member, Executive Director	1	1
3	Ms. S. Prabhamani	Member, Non-executive Independent Director	1	1
4	Ms. Prathibha Sastry	Member-Non executive Independent Director	1	1

1. Ceased to be chairperson of the Committee upon retirement as Independent Director w.e.f. March 31, 2024

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 6 (CONTD.)

3.		
	Composition of the CSR Committee Link:	https://www.tdps.co.in/investor-relations/corporate-governance
	CSR Policy Link:	
	CSR Projects Link:	https://www.tdps.co.in/corporate-social-responsibility
4.	Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable	Not Applicable
5.	a) Average net profit of the company as per sub-section (5) of section 135.	₹ 7,249.98 Lakhs
	b) Two percent of average net profit of the company as per sub-section (5) of section 135.	₹ 144.99 Lakhs
	c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
	d) Amount required to be set-off for the financial year, if any.	₹ 0.86 Lakhs
	e) Total CSR obligation for the financial year [(b)+(c)-(d)]	₹ 144.13 Lakhs
6	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	₹ 144.13 Lakhs
	Amount spent in Administrative Overheads	Nil
	Amount spent on Impact Assessment, if applicable	Nil
	Total amount spent for the Financial Year [(a)+(b)+(c)].	₹ 144.13 Lakhs

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 144.13 Lakhs	-----Not Applicable-----				

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

Sl.No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 144.99 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 144.99 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(I)]	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.)**

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lakh)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹ Lakh)	Amount Spent in the Financial Year (in ₹ Lakh)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial year (in ₹ Lakh)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2022-23	NIL	NA	NA	NA	NA	NA	-
2	2021-22	16.00	Nil	Nil	Nil	NA	Nil	-
3	2020-21	16.09	NIL	NIL	Nil	NA	Nil	-

**8. Details of Capital Assets Created/Acquired during the Financial Year:**

Sl. No.	Short Particulars of the Asset/Property	Complete Address	Pin code	Date of Creation	CSR Amount Spent (₹)	Details of Agency/NGO/Beneficiary		
						CSR Reg. Number	Name	Address
1	11 KWP off grid Solar Power Plant	Karnataka Public School-Hiriadka, Udupi District	576113	16-03-2024	8.13 Lakhs	NA (Company-Direct Driven)	Karnataka Public School	Hiriadka, Udupi District, Karnataka-576113
2	Rooftop Solar Power Plant	Govt. Junior College, High School Section, Nelamangala	562123	06-11-2023	14.59 Lakhs	CSR00003858	Trinity Care Foundation	No.74,4th Main Road, Vivek Nagar Extension, Bengaluru-560047
		Government High School, Yantaganahalli	562123					
		Government High School, Maragondanahalli	562111					
3	Neuro Rehab Centre	Ist Floor, No.231, Defence Layout, Lattice Network Road, Near Vidyananyapura-Bangalore	560097	22-03-2024	11.35 Lakhs	CSR00021502	BSLC	Lions Bhavan, CA Site No. 2, 3rd AECS Layout RVM Extn:II-Bangalore



## ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

## ANNEXURE - 6 (CONTD.)

4	C-Arm High End (Medical Equipment) & Allied Medical Equipment	Shri Atal Bihari Vajpayee Medical College and Research Institute-Lady Curzon Rd, Shivaji Nagar, Bengaluru, Karnataka	560001	05-12-2023	26.07 Lakhs	CSR00000389	Give India Foundation	1st floor, Rigel, No. 15-19, Doddanekkundi, Marathahalli Outer Ring Road, Bengaluru, Karnataka -560037
5	Sports Excellence Centre	No.141, 7th A Cross, HMT Layout, V.V. Nagar, Bangalore	560032	29-01-2024	7.5 Lakhs	NA (Company-Direct Driven)	Sports Excellence Centre	No.141, 7th A Cross, HMT Layout, V.V. Nagar, Bangalore

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

For and on behalf of the Board of Directors

May 23, 2024

**Mohib N. Khericha**  
Chairman  
Ahmedabad

**Nikhil Kumar**  
Managing Director  
Frankfurt

**Prathibha Sastry**  
Chairperson -CSR committee  
Bangalore

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**ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)**

**ANNEXURE - 7**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

[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, 2024, 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, 2024, according to the provisions of:

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

## ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

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

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

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

I further report that

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

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

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

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

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

1. The Company has issued and allotted in total 1,27,466 equity shares on various dates during the year to the eligible employees of the Company pursuant to Company's TDPSL Equity Based Compensation Plan 2019.

Place : Bangalore  
Date : 23-05-2024

**Sudhir Vishnupant Hulyalkar**  
Company Secretary in Practice  
FCS 6040 CP No. 6137  
Peer Review Certificate No. 607/2019  
UDIN: F006040F000431212

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**ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)**

**Annexure to Secretarial Audit Report (Auditors Responsibility)**

To,  
TD Power Systems Limited  
Bengaluru

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

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

Place : Bangalore  
Date : 23-05-2024

**Sudhir Vishnupant Hulyalkar**  
Company Secretary in Practice  
FCS 6040 CP No. 6137  
Peer Review Certificate No. 607/2019  
UDIN: F006040F000431212

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## MANAGEMENT DISCUSSION AND ANALYSIS

### ANNEXURE – 8

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### Steppingstones to a Milestone – 25 Years of excellence

In TDPS, we make generators for the world, catering to both conventional and renewable fuel-based power plants for a diverse range of prime movers. Our output capacities range from 1 MW to 200 MW for steam gas turbine, up to 35 MW for hydro, up to 20 MW for diesel, gas engines and customized ratings for wind turbines.

As we celebrate 25 years, a milestone, TDPS has emerged as a dominant player, highly regarded for delivering robust, reliable, and efficient end-to-end solutions. TDPS is globally recognised as one of the top manufacturers of AC generators. The Company's ability to provide engineered-to-order solutions tailored to meet specific customer requirements has established us as a trusted and reputable name in the industry.

Continuous process automation initiatives, design, manufacturing and quality capabilities honed over the last two decades, enable us to exceed customer expectations across a spectrum of applications – hydro, steam, gas, wind, geothermal and special applications. Our generators cater to different applications, specifications, geographical and climatic challenges, which proves our design, manufacturing and quality capabilities over the years.

With our strong foundation and unwavering commitment to excellence, TDPS continues to drive innovation and deliver exceptional value to our customers. We remain at the forefront of the industry, consistently exceeding expectations and maintaining our position as a reliable partner to our customers.

Our generators are manufactured at our world-class manufacturing facilities in Bengaluru, Karnataka, ensuring the highest standards of quality and precision. Additionally, we have a network of over 57 services centres covering every continent dedicated to assisting our customers with their aftermarket requirements.

World-class manufacturing facilities, continuous process automation initiatives, enhanced design capabilities, innovation, quality, reliability, product offerings catering to diverse applications including marine & Railways, strategic technology partnerships with focus on localized solutions, & expansion of global market reach focused on Europe & North America have been the stepping stones in the our inspiring 25-year journey.

As we celebrate this milestone, we have installed 6,392 generators in 105 countries, reiterating continuing confidence worldwide in our design, reliability and

manufacturing capabilities. This global footprint reflects that an Indian generator manufacturer can deliver a reliable product & compete effectively meeting testing standards and requirements.

The majority of the Installations are in Asia (including Eurasia) & Middle East (4800) followed by Europe (858), Africa (272) North America (253), South America (49) & Oceania (160).

##### Breakthrough efforts and Opportunities

Some of the important breakthrough orders & qualification from OEM's/Customers during fiscal 2024 are as follows:

Generators:

- orders from two leading US companies for supply of 4 units of 1.35MW, 480V gas engine generators and 8MW, 11kV generator for marine engines testing, respectively.
- an order from a leading Italian company for supply of 1 unit of 2.1MW, 3.3kV, 375rpm hydro turbine generator for installation in Tanzania.
- Orders from a leading Italian company for refurbishment of existing hydro turbine generator.
- Orders from one of a leading Austrian company for supply of 3.4MW, 6.3kV hydro turbine generators for installation in Indonesia.
- Supplied 2 units of 46.35MW, 13.8kV steam turbine generators for installation in Guyana.
- Supplied 16MW, 13.8kV gas turbine generator and 4 numbers stators for steam turbine generators for installation in USA.
- Supplied 2 units of 16.8MW, 4.16kV gas turbine generators for installation in Mexico.
- Supplied 18.7MW, 11kV gas turbine generator for installation in Italy.
- Achieved a milestone by building a 2-pole rotor in-house for the first time, used in 2 units of 65MW, 11kV, 3000rpm steam turbine generators.
- Supplied 1 unit of 90MW, 10.5kV steam turbine generator as a replacement for installation in Uttar Pradesh, India. This is the biggest generator supplied by TDPS so far.
- Supplied 5 units of 14MVA, 15kV generators for installation in Poland.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Synchronous motors:

- Supplied 3 units of 1.4MW, 4kV Induction motor and 3 units of 5.22MW, 4kV synchronous motors for installation in Saudi Arabia.
- Supplied vertical induction motors of rating 0.55MW-6.6kV, 0.8MW-6.6kV and 21MW-11kV for installation in India.
- Successfully refurbished and commissioned the first 40MW, 26 Pole synchronous motor at Laxmi Pump House, Kaleshwaram within six months from the date of receipt of order.
- Supplied 5 units of 14MVA, 15kV generators for installation in Poland.

### Approvals:

- Listed as an approved supplier for ADNOC (Abu Dhabi National Oil Company) to supply generators for Diesel Engine, Steam Turbine and Gas Turbine applications.
- Secured approval from the Airport Authority of India for the supply of diesel engine generators.
- Listed as approved supplier by Elliot Group for the supply of generator Hazardous area, Zone-2, IIA/IIB, T3 for supply of generator inside the refinery plant.

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

### SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE WITH OUTLOOK

**Steam Turbine Generators** - It continues to be the highest revenue contributor among all other segments. The domestic market continues to see revival in capex in Fiscal 2025 broadly across all sectors. In the export markets, macro factors like the transition towards renewable energy, waste to heat, garbage burning plants etc. continue to drive this market in Fiscal 25. The Increasing demand for electricity from EV sector and later domestic heating will provide long term sustained demand of new power plants in the long term.

**Hydro Generators**- There is a strong pipeline of orders from OEMs worldwide for Hydro Generators. Vietnam & Nepal are currently the main markets, while India is gradually opening up for small Hydro market.

**Motors, wind repair & railways segment** – This segment saw significant growth of 96% in order bookings in the fiscal 2024 compared to the previous year. A healthy growth rate is projected in Fiscal 2025.

**Gas Turbine & Gas engine Segment** –Orders for Gas Turbine generators and Gas engine Segment from over major customers have shown an increasing trend this year, and the outlook remains strong & stable for the next year.

The gas engine generator segment has been seeing steady growth compared to last fiscal year. Forecast from customers in Austria and Germany looks promising for this fiscal year. Notably, major projects are currently under discussion for installations in the UK, Australia, and Argentina. These potential projects are expected to drive our growth in this segment.

In the international market, the order book is driven by substantial orders in the segment of hydro, gas turbines and gas engines. The gas turbine and gas engine business are strongly driven by demand in oil and gas, data centers for artificial intelligence and grid stabilization power plants. We are seeing significant increases in orders received in these three segments and the pipeline is very strong for fiscal 2025 and beyond.

TDPS has achieved significant progress in the motors business, supplying a wide range of motors, including the largest reaching 40 MW. The Company has secured approvals from various government sectors such as NPCIL and state irrigation bodies across multiple states.

TDPS is now exporting 4-pole and 2-pole generators to the Middle East's oil and gas industry. Also, currently supplying motors to steel, cement and power sectors.

With a healthy pipeline of inquiries and a focus on exports and new markets, we anticipate significant growth in the coming years.

For traction motors, TDPS has been approved as a vendor of Indian Railways and is actively bidding on their regular requirements. We are also exploring export opportunities for traction motors and are currently in discussion with multiple players. The outlook for this segment is also promising.

**Turkey Business**- The Turkish market has encountered a significant downturn in local manufacturing projects, largely attributable to the prevailing economic slowdown and the incentive policy of the Government towards for made in Turkey power equipment including generators. Currently, only a handful of projects remain active and this trend is anticipated to persist until economic conditions improve and better financing options become available for new projects. Despite these challenges, we have successfully manufactured three generators this year. However, the outlook for the upcoming year appears subdued, with lower expectations compared to the current year. As a result, we are planning to temporarily halt production activities after fulfilling the last of our deliveries. However, our equipment will remain inter key for quick start up in the event some orders materialize. We continue to remain market leaders for made in Turkey generators with over 190 generators already manufactured & installed in Turkey over the last 3 years.

Considering the strong order pipeline & emerging opportunities, we are projecting to achieve revenue of ₹ 1,200 Crores on a Consolidated basis in the manufacturing business in Fiscal 2025. This growth is expected to significantly



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

contribute to an improved EBITDA margin by leveraging operational leverage.

Barring unforeseen events, we expect to have a higher level of profit driven by higher top line & improved contribution in fiscal 2025.

### RISK MANAGEMENT AND MITIGATION

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

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

#### Economic slowdown and market concentration

A conducive investment climate and interest rate regime, global economic and market conditions drive growth and performance of the industrial sector which forms the Company's customer base. An economic slowdown directly impacts the demand for capital goods, including the products of the Company. Further, over dependence on any market/s may adversely affect the performance of the Company consequent to varying economic or market factor

While a dominant presence has been achieved in the domestic markets our rising market presence in overseas markets and growing relationships with leading global leaders backed by diversified new product verticals has enabled the Company in achieving sustainability & growth. Strategic focus on the global markets has resulted in growing customer references worldwide & we are now a dominant player in certain verticals in the overseas market. We have continued to grow our export base, by adding new global OEM's & increased market share in existing verticals through better pricing, customization & quality acceptable to global OEM's.

#### Product concentration

During the fiscal 2024, the steam turbine generators has been 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 and design capabilities support technological & design upgrades to meet customer specifications & requirements.

Even though steam turbine 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 globally, our foray into new products in the electric rotating machines as a diversification continues with a view to enlarge our product offerings.

#### Technology Risk

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

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

#### Competition Risk

Given the increasing exposure to overseas OEM'S, the Company continues to face competition from large overseas corporations both in the domestic & overseas market. These large corporations have access and derive significant benefit of advanced technologies, global presence technology or brand preference and larger financial resources.

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

The Company continues to upgrade design capabilities by incorporating latest technologies in its products and improvements in the design of generators enabling it to offer more efficient machines meeting customer requirements from time to time. Reduction in production, distribution costs and improvement in operating efficiencies are continuously

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

pursued supported by increased automation of the manufacturing facilities enabling it to offer competitive prices. The Company prioritizes sourcing good quality raw materials and other inputs at competitive prices with high reliability in meeting delivery timelines from its supply chain.

### **Risk arising from transnational sale of products**

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

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

### **Manufacturing facilities & Manpower**

We have two manufacturing units, both located in Bangalore, equipped with advanced automation/ machines that help deliver 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 units are ISO 9001:2015 compliant. We continuously invest in upgradations, modernization and automation of processes and design to ensure that our facilities remain state of the art, contributing to efficiency, quality and cost effective. Our well trained and experienced manpower focuses on design, planning, manufacturing and quality, enabling production of top-class generators for customers worldwide.

Furthermore, to enhance operational efficiency, during the fiscal 2024, the Company acquired 15 acres of land at the Japanese Industrial Township, Vasanthanarasapura 3rd Phase Industrial Area Tumkur Karnataka, for setting up a facility to manufacture Electrical Generators, Motors, their sub-assemblies and parts. The Company has received possession certificate for this land and entered into a lease cum sale agreement for a period of 10 years. The facility will be used as a feeder shop for manufacturing subassemblies to supply the two main manufacturing units.

### **FINANCIAL PERFORMANCE**

The pending order book as on 1st April 2024 is ₹ 1,18,942.03 Lakhs (₹ 1,17,259.52 lakhs for India and ₹ 1,682.51 lakhs for Turkey), including traction business of ₹ 41,794.24 lakhs. The share of exports and deemed exports is 64% of order book excluding traction business.

During fiscal 2024 the total orders inflows is ₹ 1,05,141.50 lakhs including ₹ 923.90 lakhs at Turkey. Domestic order inflows stood at 43%, while Export including deemed exports orders stood at 57% of the order inflow.

The total sales is ₹ 98,387.90 lakhs in fiscal 2024 as compared to ₹ 82,148.42 lakhs in fiscal 2023, an increase of 20%. Exports and deemed exports contributed 43% of total sales and domestic revenues contributed 57% in fiscal 2024.

While top 10 customers contributed 77% of consolidated revenues in fiscal 2024 (80% in fiscal 2023). We continue to undergo audits by OEMs for supply to Defense, nuclear, wind and Diesel applications.

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

### **Standalone Basis**

Total income increased by ₹ 16,389.37 lakhs, or 19.43%, to ₹ 1,00,738.01 lakhs in Fiscal 2024 from ₹ 84,348.64 lakhs in Fiscal 2023, predominantly due to increase in sales volume. Total sales increased by ₹ 16,239.48 lakhs, or 19.77%, to ₹ 98,387.90 lakhs in Fiscal 2024 from ₹ 82,148.42 lakhs in Fiscal 2023, predominantly due to increase in sales volume. Expressed as a percentage of total income, net sales contributes 97.67% in Fiscal 2024 versus 97.39% in Fiscal 2023.

Other income contributed 2.33% and 2.61% of our total income in Fiscal 2024 and 2023, respectively. Other income remained flat with a small increase by ₹ 149.89 lakhs, or 6.81%, to ₹ 2,350.11 lakhs in Fiscal 2024 from ₹ 2,200.22 lakhs in Fiscal 2023

The profit after tax and other comprehensive income was ₹ 12,225.74 lakhs in fiscal 2024 as compared to ₹ 8,841.80 lakhs in fiscal 2023, an increase of 38.27%.

### **Consolidated Basis**

Total income increased by ₹ 12,467.43 lakhs, or 13.98%, to ₹ 1,01,672.60 Lakhs in Fiscal 2024 from ₹ 89,205.17 Lakhs in Fiscal 2023, predominantly due to increase in sales volume. Sales increased by ₹ 12,822.29 Lakhs, or 14.70%, to ₹ 1,00,051.99 Lakhs in Fiscal 2024 from ₹ 87,229.70 Lakhs in Fiscal 2023, predominantly due to increased sales volume. Expressed as a percentage of total income, net sales remains flat at 98.41% in Fiscal 2024 from 97.79% in Fiscal 2023.

Other income contributed 1.59% and 2.21% of our total income in Fiscal 2024 and 2023, respectively. Other income decreased by ₹ 354.86 Lakhs, or 17.96%, to ₹ 1,620.61 Lakhs in Fiscal 2024 from ₹ 1,975.47 Lakhs in Fiscal 2023, mainly due to reduction in foreign exchange gain on account of translation balances.

The profit after tax and other comprehensive income was ₹ 11,564.74 lakhs in fiscal 2024 as compared to ₹ 9,453.81 lakhs in fiscal 2023, an increase of 22.33%

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



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

**Consolidated basis:**

The results of operations for the year ended March 31, 2024 and 2023 on a consolidated basis is as follows:

Particulars	Fiscal 2024		Fiscal 2023	
	(₹ in Lakhs)	% of Total Income	(₹ in Lakhs)	% of Total Income
<b>Income:</b>				
Sales	1,00,051.99	98.41%	87,229.70	97.79%
Other Income	1,620.61	1.59%	1,975.47	2.21%
<b>Total Income</b>	<b>1,01,672.60</b>	<b>100.00%</b>	<b>89,205.17</b>	<b>100.00%</b>
<b>Expenditure:</b>				
Consumption of Raw Material, Stores, Spare parts and Components	65,518.70	64.44%	59,036.73	66.18%
Operating and Other Expenses	17,793.87	17.50%	15,171.36	17.01%
Interest and Finance Charges	30.96	0.03%	106.37	0.12%
Depreciation Amortization of Technical Knowhow	2,108.87	2.07%	2,070.48	2.32%
<b>Total Expenditure</b>	<b>85,452.40</b>	<b>84.04%</b>	<b>76,384.94</b>	<b>85.63%</b>
<b>Profit Before Tax &amp; Exceptional item</b>	<b>16,220.20</b>	-	<b>12,820.23</b>	-
Exceptional item	-	-	134.41	-
<b>Profit Before Tax</b>	<b>16,220.20</b>	-	<b>12,954.64</b>	-
Current Tax	4,658.98	-	3,755.76	-
Deferred Tax	(273.70)	-	(482.35)	-
<b>Profit/(Loss) After Tax</b>	<b>11,834.92</b>	-	<b>9,681.23</b>	-
<b>Other Comprehensive Income</b>		-		-
Exchange difference on translation of foreign operations	(166.57)	-	(234.56)	-
Income tax on the above	22.27	-	2.81	-
Re-measurement of defined benefit plans	(168.22)	-	5.78	-
Income tax on the above	42.34	-	(1.45)	-
<b>Total</b>	<b>(270.18)</b>	-	<b>(227.42)</b>	-
<b>Total Comprehensive Income</b>	<b>11,564.74</b>	-	<b>9,453.81</b>	-

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Fiscal 2024 compared to Fiscal 2023

#### Income

Total income increased by ₹ 12,467.43 lakhs, or 13.98%, to ₹ 1,01,672.60 Lakhs in Fiscal 2024 from ₹ 89,205.17 Lakhs in Fiscal 2023, predominantly due to increase in sales volume.

#### Sales

Sales increased by ₹ 12,822.29 Lakhs, or 14.70%, to ₹ 1,00,051.99 Lakhs in Fiscal 2024 from ₹ 87,229.70 Lakhs in Fiscal 2023, predominantly due to increased sales volume.

Expressed as a percentage of total income, net sales remains flat at 98.41% in Fiscal 2024 from 97.79% in Fiscal 2023.

#### Other Income

Other income contributed 1.59% and 2.21% of our total income in Fiscal 2024 and 2023, respectively. Other income decreased by ₹ 354.86 Lakhs, or 17.96%, to ₹ 1,620.61 Lakhs in Fiscal 2024 from ₹ 1,975.47 Lakhs in Fiscal 2023, mainly due to reduction in foreign exchange gain on account of translation balances.

#### Expenditure

Total expenditure increased by ₹ 9,067.46 Lakhs, or 11.87%, to ₹ 85,452.40 lakhs in Fiscal 2024 from ₹ 76,384.94 lakhs in Fiscal 2023, primarily due to increased sales volumes.

#### Consumption of Raw Material, Stores, Spare Parts and Components

Consumption of raw material, stores, spare parts and components expenses increased by ₹ 6,481.97 lakhs to ₹ 65,518.70 lakhs in Fiscal 2024 from ₹ 59,036.73 Lakhs in Fiscal 2023, primarily due to increased sales volume. Expressed as a percentage of total income, raw material consumed contributes 64.44% in Fiscal 2024 compared to 66.18% in Fiscal 2023.

#### Operating and Other Expenses

Our operating and other expenses increased by ₹ 2,622.51 lakhs, or 17.29%, to ₹ 17,793.87 lakhs in Fiscal 2024 from ₹ 15,171.36 Lakhs in Fiscal 2023.

Power and fuel expenses increased by ₹ 205.79 lakhs, or 24.25%, to ₹ 1,054.48 lakhs in Fiscal 2024 from ₹ 848.69 lakhs in Fiscal 2023 on account increased production.

Personnel expenses through salaries, wages and bonuses increased by ₹ 1,191.57 lakhs, or 17.00%, to ₹ 8,199.78 lakhs in Fiscal 2024 from ₹ 7,008.21 lakhs in Fiscal 2023 on account of salary revision coupled with additional recruitment, gratuity payments to contract employees/fixed term employee as per the applicable labor law requirements, & a one time voluntary retirement cost of ₹ 321.82 lakhs.

Welfare expenses increased by ₹ 384.66 lakhs, or 28.56%, to ₹ 1,731.49 lakhs in Fiscal 2024 from ₹ 1,346.83 lakhs in Fiscal 2023.

Rent charges increased by ₹ 40.28 lakhs, or 65.22%, to ₹ 102.04 lakhs in Fiscal 2024 from ₹ 61.76 lakhs in Fiscal 2023.

Repair expenses increased by ₹ 178.33 lakhs, or 27.31%, to ₹ 831.40 lakhs in Fiscal 2024 from ₹ 653.07 lakhs in Fiscal 2023 due to repairs of old machines & factory building.

Carriage, freight and selling expenses decreased by ₹ 133.83 lakhs, or 13.18%, to ₹ 881.23 lakhs in Fiscal 2024 from ₹ 1,015.06 lakhs in Fiscal 2023.

Vehicle Maintenance expenses increased by ₹ 39.09 lakhs, or 62.00%, to ₹ 102.14 lakhs in Fiscal 2024 from ₹ 63.05 lakhs in Fiscal 2023 due to larger fleet of vehicles.

Travelling expenses increased by ₹ 221.41 lakhs, or 18.62%, to ₹ 1,410.79 lakhs in Fiscal 2024 from ₹ 1,189.38 lakhs in Fiscal 2023 due to increase in travelling.

Audit Fee increased by ₹ 4.18 lakhs, or 17.13%, to ₹ 28.58 lakhs in Fiscal 2024 from ₹ 24.40 lakhs in Fiscal 2023.

Legal and Professional charges increased by ₹ 127.85 lakhs, or 20.22%, to ₹ 760.04 lakhs in Fiscal 2024 from ₹ 632.19 lakhs in Fiscal 2023 due to increase in consultancy services & product related certifications.

Royalty charges increased by ₹ 164.66 lakhs, or 2643.02%, to ₹ 170.89 lakhs in Fiscal 2024 from ₹ 6.23 lakhs in Fiscal 2023 due to sales of product under license agreement.

Direction charges including other expenses increased by ₹ 156.39 lakhs, or 20.10%, to ₹ 934.54 lakhs in Fiscal 2024 from ₹ 778.15 lakhs in Fiscal 2023.

Manufacturing expenses increased by ₹ 113.78 lakhs, or 42.30%, to ₹ 382.75 lakhs in Fiscal 2024 from ₹ 268.97 lakhs in Fiscal 2023.

Rates and taxes decreased by ₹ 36.87 lakhs, or 30.25% to ₹ 85.03 lakhs in Fiscal 2024 from ₹ 121.90 lakhs in Fiscal 2023.

Software expenses increased by ₹ 15.49 lakhs, or 5.31% to ₹ 307.19 lakhs in Fiscal 2024 from ₹ 291.70 lakhs in Fiscal 2023.

Expressed as a percentage of total income, operating and other expenses is 17.50% in Fiscal 2024 when compared to 17.01% in Fiscal 2023.

#### Interest and Finance Charges

Our interest and finance charges decreased by ₹ 75.41 lakhs, or 70.89%, to ₹ 30.96 lakhs in Fiscal 2024 from ₹ 106.37 lakhs in Fiscal 2023, due to minimal utilization of working capital & interest cost for fiscal 2024 is primarily for provision towards MSMED vendors.

#### Depreciation and Amortization of Technical Know-How

Our depreciation and amortization of technical know-how expense remain flat at ₹ 2,108.87 lakhs in Fiscal 2024 from ₹ 2,070.48 lakhs in Fiscal 2023.

#### Profit Before Tax And Exceptional Item

Profit before tax and exceptional item increased by ₹ 3,399.97 lakhs, or 26.52%, to ₹ 16,220.20 lakhs in Fiscal 2024 from ₹ 12,820.23 lakhs in Fiscal 2023.

#### Exceptional Item

Exception item in fiscal 2024 is NIL. Fiscal 2023 includes write back of payable in Indian subsidiary which amounts to ₹ 62.78 lakhs and Profit on sale of land by holding company amounts to ₹ 71.63 lakhs.

#### Profit Before Tax

Profit before tax increased by ₹ 3,265.56 lakhs, or 25.21%, to ₹ 16,220.20 lakhs in Fiscal 2024 from ₹ 12,954.64 lakhs in Fiscal 2023.

#### Taxation

Our tax expense increased by ₹ 1,111.87 lakhs, or 33.97%, to ₹ 4,385.28 lakhs in Fiscal 2024 from ₹ 3,273.41 lakhs in Fiscal 2023 due higher profit.

#### Profit After Tax

Consequently, our profit after tax increased by ₹ 2,153.69 lakhs, to ₹ 11,834.92 lakhs in Fiscal 2024 from ₹ 9,681.23 lakhs in Fiscal 2023.

The consolidated net worth stands at ₹ 70,513.35 lakhs an increase of ₹ 10,061.38 lakhs over Fiscal 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

## Financial Review

## Stand-alone basis

The results of operations for the year ended March 31, 2024 and 2023 on a standalone basis is as follows:

Particulars	Fiscal 2024		Fiscal 2023	
	(₹ in Lakhs)	% of Total Income	(₹ in Lakhs)	% of Total Income
<b>Income:</b>				
Sales	98,387.90	97.67%	82,148.42	97.39%
Other Income	2,350.11	2.33%	2,200.22	2.61%
<b>Total Income</b>	<b>1,00,738.01</b>	<b>100.00%</b>	<b>84,348.64</b>	<b>100.00%</b>
<b>Expenditure:</b>				
Consumption of Raw Material, Stores, Spare parts and Components	65,804.03	65.32%	56,633.95	67.14%
Operating and Other Expenses	16,225.27	16.11%	13,651.50	16.18%
Interest and Finance Charges	30.96	0.03%	106.37	0.13%
Depreciation and Amortization of Technical Knowhow	2,031.45	2.02%	1,964.46	2.33%
<b>Total Expenditure</b>	<b>84,091.71</b>	<b>83.48%</b>	<b>72,356.28</b>	<b>85.78%</b>
<b>Profit Before Tax and exceptional item</b>	<b>16,646.30</b>	-	<b>11,992.36</b>	-
Exceptional Items	5.67	-	(50.81)	-
Profit Before Tax	16,651.97	-	11,941.55	-
Current Tax	4,507.85	-	3,578.07	-
Deferred Tax	(273.70)	-	(482.35)	-
<b>Profit After Tax</b>	<b>12,417.82</b>	-	<b>8,845.83</b>	-
<b>Other Comprehensive Income</b>				
Exchange difference on translation of foreign operations	(88.47)	-	(11.17)	-
Income Tax on exchange difference on translation of foreign operations	22.27	-	2.81	-
Re-measurement of defined benefit plan	(168.22)	-	5.78	-
Income Tax on re-measurement of defined benefit plan	42.34	-	(1.45)	-
<b>Total</b>	<b>(192.08)</b>	-	<b>(4.03)</b>	-
<b>Total Comprehensive Income</b>	<b>12,225.74</b>	-	<b>8,841.80</b>	-

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Fiscal 2024 compared to Fiscal 2023

#### Income

Total income increased by ₹ 16,389.37 lakhs, or 19.43%, to ₹ 1,00,738.01 lakhs in Fiscal 2024 from ₹ 84,348.64 lakhs in Fiscal 2023, predominantly due to increase in sales volume.

#### Total Sales

Total sales increased by ₹ 16,239.48 lakhs, or 19.77%, to ₹ 98,387.90 lakhs in Fiscal 2024 from ₹ 82,148.42 lakhs in Fiscal 2023, predominantly due to increase in sales volume.

Expressed as a percentage of total income, net sales contributes 97.67% in Fiscal 2024 versus 97.39% in Fiscal 2023.

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

#### Other Income

Other income contributed 2.33% and 2.61% of our total income in Fiscal 2024 and 2023, respectively. Other income remained flat with a small increase by ₹ 149.89 lakhs, or 6.81%, to ₹ 2,350.11 lakhs in Fiscal 2024 from ₹ 2,200.22 lakhs in Fiscal 2023.

#### Expenditure

Total expenditure increased by ₹ 11,735.43 lakhs, or 16.22%, to ₹ 84,091.71 lakhs in Fiscal 2024 from ₹ 72,356.28 lakhs in Fiscal 2023.

#### Consumption of Raw Material, Stores, Spares Part and Components

Consumption of raw material, stores, spare parts and components expenses increased by ₹ 9,170.08 lakhs to ₹ 65,804.03 lakhs in Fiscal 2024 from ₹ 56,633.95 lakhs in Fiscal 2023, primarily due to increase in sales volume.

Expressed as a percentage of total income, a raw material consumed expense contributes to 65.32% in Fiscal 2024 from 67.14% in Fiscal 2023.

#### Operating and Other Expenses

Our operating and other expenses increased by ₹ 2,573.77 lakhs, or 18.85%, to ₹ 16,225.27 lakhs in Fiscal 2024 from ₹ 13,651.50 lakhs in Fiscal 2023.

Expressed as a percentage of total income, operating and other expenses is 16.11% in Fiscal 2024 when compared to 16.18% in Fiscal 2023.

Power and fuel expenses has increased by ₹ 205.79 lakhs, or 24.25%, to ₹ 1,054.48 lakhs in Fiscal 2024 from ₹ 848.69 lakhs in Fiscal 2023 on account increased production.

Personnel expenses through salaries, wages and bonuses increased by ₹ 1,154.73 lakhs, or 17.95%, to ₹ 7,586.26 lakhs in Fiscal 2024 from ₹ 6,431.53 lakhs in Fiscal 2023 on account of salary revision to catch-up the inflationary increases coupled with additional recruits, entitlement of gratuity for contract employees/fixed term employee as per new labor code, one time voluntary retirement cost of ₹ 321.82 lakhs.

Welfare expenses increased by ₹ 360.61 lakhs, or 28.20%, to ₹ 1,639.28 lakhs in Fiscal 2024 from ₹ 1,278.67 lakhs in Fiscal 2023.

Rent charges remains flat at ₹ 33.73 lakhs in Fiscal 2024 from ₹ 33.91 Lakhs in Fiscal 2023.

Repair expenses increased by ₹ 180.84 lakhs, or 27.89%, to ₹ 829.15 lakhs in Fiscal 2024 from ₹ 648.31 lakhs in Fiscal 2023 due to repairs of old machines & factory building.

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

Carriage, freight and selling expenses decreased by ₹ 133.83 lakhs, or 13.18%, to ₹ 881.23 lakhs in Fiscal 2024 from ₹ 1,015.06 lakhs in Fiscal 2023.

Vehicle Maintenance expenses increased by ₹ 41.51 lakhs, or 88.68%, to ₹ 88.32 lakhs in Fiscal 2024 from ₹ 46.81 lakhs in Fiscal 2023 due to larger fleet of vehicles.

Travelling expenses increased by ₹ 181.96 lakhs, or 16.90%, to ₹ 1,258.66 lakhs in Fiscal 2024 from ₹ 1,076.70 lakhs in Fiscal 2023 due to increase in travelling.

Audit Fee increased by ₹ 4.18 lakhs, or 17.64%, to ₹ 27.88 lakhs in Fiscal 2024 from ₹ 23.70 Lakhs in Fiscal 2023.

Consultancy & Professional charges increased by ₹ 172.12 lakhs, or 38.81%, to ₹ 615.58 lakhs in Fiscal 2024 from ₹ 443.46 lakhs in Fiscal 2023 due to increase in consultancy services & product related certifications.

Royalty charges increased by ₹ 164.66 lakhs, or 2643.02%, to ₹ 170.89 lakhs in Fiscal 2024 from ₹ 6.23 lakhs in Fiscal 2023 due to sales of product under license agreement.

Direction charges including other expenses increased by ₹ 55.75 lakhs, or 13.39% to ₹ 472.07 lakhs in Fiscal 2024 from ₹ 416.32 lakhs in Fiscal 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Manufacturing expenses increased by ₹ 113.78 lakhs, or 42.30%, to ₹ 382.75 lakhs in Fiscal 2024 from ₹ 268.97 lakhs in Fiscal 2023.

Software expenses increased by ₹ 15.49 lakhs, or 5.31%, to ₹ 307.19 lakhs in Fiscal 2024 from ₹ 291.70 lakhs in Fiscal 2023.

Rates and taxes decreased by ₹ 46.60 lakhs, or 40.44%, to ₹ 68.62 lakhs in Fiscal 2024 from ₹ 115.22 lakhs in Fiscal 2023.

### Interest and Finance Charges

Our interest and finance charges decreased by ₹ 75.41 lakhs, or 70.89%, to ₹ 30.96 lakhs in Fiscal 2024 from ₹ 106.37 lakhs in Fiscal 2023, due to minimal utilization of working capital & interest cost for fiscal 2024 is primarily towards provision towards MSMED vendors.

### Depreciation and Amortization of Technical Know-How

Our depreciation and amortization of technical know-how expense remain flat at ₹ 2,031.45 lakhs in Fiscal 2024 from ₹ 1,964.46 lakhs in Fiscal 2023.

### Profit Before Tax and Exception Items

Profit before tax and exceptional items increased by ₹ 4,653.94 lakhs, or 38.81%, to ₹ 16,646.30 lakhs in Fiscal 2024 from ₹ 11,992.36 lakhs in Fiscal 2023.

### Exceptional Items

Exceptional items includes amount received from subsidiary towards repayment of Share Capital (held as Investment in the Company) amounting to ₹ 5.67 lakhs. Since the Company has made provision for diminution in the value of investment during the financial year ended March 31, 2023, this repayment is reported under "Exceptional Items" in the financial statements.

### Profit Before Tax

Profit before tax increased by ₹ 4,710.42 lakhs, or 39.45%, to ₹ 16,651.97 lakhs in Fiscal 2024 from ₹ 11,941.55 lakhs in Fiscal 2023.

### Taxation

Our tax expense including deferred tax increased by ₹ 1,138.43 lakhs to ₹ 4,234.15 lakhs in Fiscal 2024 from ₹ 3,095.72 lakhs in Fiscal 2023 due higher profit.

### Profit After Tax

Our profit after tax increased by ₹ 3,571.99 lakhs to ₹ 12,417.82 lakhs in Fiscal 2024 from ₹ 8,845.83 lakhs in Fiscal 2023 due higher profit.

**Key Financial Ratios:** The financial ratios, such as debtor turnover (trade receivables turnover), inventory turnover, current ratio, debt-equity ratio and net profit margin (net profit ratio), have been disclosed in note no.56 of the Standalone financial statements with explanation provided.

However, there were no significant changes in these ratios compared to the previous year. The additional ratios required under listing regulations are stated below on a standalone basis:

Particulars	2024	2023	Change in %
Operating Profit Margin (%)	16.63	14.44	15.17
Return on Net Worth (%)	17.44	14.89	17.13

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.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

## Environment, Health and Safety

The Company's environmental, occupational health, operational and safety management systems fulfill ISO 9001-2015, 14001-2015, ISO 45001-2018 for OH&S Management system, EN ISO 3834-2 and Compliance issued by CSA International. Our operations incorporate due care and responsibility towards environment, health and safety of employees, customers, suppliers and the community in large and is a zero-discharge facility. In fulfilling this commitment, we maintain and continually improve all our process and complying with legal and other requirements, in order to

- Ensure safety and Health of our employees, associated stakeholders and focus on how to make the world a better place to live.
- Comply with all applicable legal Safety and Health performance of individuals at different levels while considering their career advancement in the organization.
- Enhance Safety, Health and Environment (SHE) awareness amongst employees and associated stakeholders through effective communication and training.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

- 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

The Company is committed to training, skilling and upskilling its work force on an ongoing basis which ensures that its work force is able to adopt evolving technologies, processes and techniques.

Around 125 training / awareness & management development programs were conducted covering various aspects in manufacturing process Safety, quality and statistical analysis, testing & design correlation, basic electrical concepts in generator design, statistical process control & applications, lead management, maintenance of material movement equipment, finance, prevention of sexual harassment (POSH), communication skills, Safety, waste handling and disposal covering the entire spectrum of employees.

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

Crucial functions in the Company like Chief of Finance, Head of Global Supply chain is helmed by women leaders.

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

The Company's leadership engages affirmatively in employee development and engagement activities such as involvement in the 'Corporate Responsibility' initiatives, active participation of work force in safety initiatives, quality improvement programs, language skills, leadership development programs, training programs and training under license agreements, on an ongoing basis. Employee relations continue to remain peaceful and cordial. At end of fiscal 2024, the total strength of permanent employees, excluding contract basis and trainees stood at 722.

In fiscal 2024, the Company implemented the TD Power Systems Ltd Voluntary Retirement Scheme 2023-24 to provide financial support to workmen. More details on the scheme are provided in note no.58 of Standalone Financial Statements of the Company.

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.

For and on behalf of Board of Directors

**Mohib N. Khericha**  
Chairman  
Ahmedabad

**Nikhil Kumar**  
Managing Director  
Frankfurt

May 23, 2024

## ANNEXURE - 9

## CORPORATE GOVERNANCE REPORT

## Company's Philosophy

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

**A. Composition and Category of Directors, Attendance at Board Meetings and Annual General Meeting, Membership of other Boards/Committees as of March 31, 2024:**

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

\*Mr. Nithin Bagamane and Mr. Ravi Kanth Mantha, ceased to be Independent Directors of the Company with effect from March 31, 2024, consequent upon completion of their second terms as Independent Directors.

**Other disclosures:**

- As required under Regulation 26 of the LODR, disclosure considers chairpersonship (in Listed Companies) and membership of Audit Committee & Stakeholders' Relationship Committee of Public Limited companies.-
- The necessary disclosure regarding change in Committee positions, if any, have been made by all the Directors, during the year under review. None of the Director is a Member of more than 10 Committees or

Our Corporate Governance Report for fiscal 2024 forms part of this Annual Report.

**I. Board of Directors and Procedures**

The composition of the Board of Directors as on March 31, 2024 comprised of six directors consisting of a Non-Executive Chairman, a Managing Director (“MD”), a Non-Executive Non-Independent Director and three Independent Directors. The Company's Board comprises two women directors out of which one is Independent Director. The positions of the Chairman of the Board and the Managing Director (Chief Executive Officer) of the Company are held by separate individuals. The Chairman of the Board is a Non-Executive Non-Independent Director and one of the promoters of the Company.

Chairman of more than 5 Committees across all Indian Listed public limited Companies in which he/she is a Director.

- None of the Directors had any relationship inter-se.
- As on March 31, 2024, Mr. Mohib N. Khericha, Non-Executive Director does not holds any shares of the Company and Ms. S Prabhamani, Non- Executive Directors holds 3,13,130 equity shares of face value of Rs. 2 each of the Company.

**CORPORATE GOVERNANCE REPORT (CONTD.)**

- The Company has proper systems to enable the Board to periodically review compliance Reports of all laws applicable to the Company, as prepared by the Company.
- None of the Non-executive Directors held convertible instruments of the Company during the fiscal 2024.

**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 above, none of directors of TDPS holds directorship in any other listed entity as of March 31, 2024.*

**B. Board Meetings**

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. During the year, the Board met five times on May 9, 2023, July 12, 2023, August 9, 2023, November 8, 2023, and February 01, 2024. 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**

**Ms. S Prabhamani (DIN: 09695003) retires by rotation**

Pursuant to provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms. S Prabhamani (DIN: 09695003) retires by rotation at the ensuing 25th Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

Mr. Rahul Matthan, (DIN: 01573723) and Mr. Karl Olof Alexander Olsson (DIN: 10433826) have been appointed as Independent Directors of the Company for a term of 5 years, with effect from April 1, 2024 until March 31, 2029.



## CORPORATE GOVERNANCE REPORT (CONTD.)

**E. Skills, expertise and competence of Directors**

The table given below described the core skill, expertise and competence of directors of the Company as of March 31, 2024 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	Admini- stration	Technical
Mr. Mohib N Khericha	√	√	√	√	√
Mr. Nikhil Kumar	√	√	√	√	√
Ms. S Prabhamani	√	-	-	√	√
Mr. Nithin Bagamane	√	√	√	√	√
Mr. Ravi K Mantha	√	√	-	√	-
Ms. Prathibha Sastry	√	√	-	√	-

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

**F. Independent Directors**

- Independent Director means a Non-Executive Director, who fulfills the criteria as laid down in Regulation 16 read with regulation 25 of the LODR.
- 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.
- 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.
- During the year, separate meeting of the Independent Directors was held on March 15, 2024 without the attendance of non-independent directors and members of the management. All Independent Directors attended the said meeting.
- 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](http://www.tdps.co.in).
- 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.

**G. 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:-

- 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.
- Annual Familiarization Programme
  - On an annual basis, the Company briefs 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 periodically briefed on the various changes in the regulations governing the conduct of Independent Directors. The above familiarization program is placed on our website at <https://www.tdps.co.in/investor-relations/corporate-governance>

**CORPORATE GOVERNANCE REPORT (CONTD.)**

**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 2024 has been completed.

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

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

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

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

**I. Remuneration of Directors**

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

**Disclosures with respect to remuneration paid to Individual Directors:**

i) Details of the remuneration (sitting fee) on standalone basis to Non-executive Directors for the year ended March 31, 2024:

Particulars	(₹ in Lakhs)
Mr. Mohib N Khericha	8.00
Mr. Nithin Bagamane	8.00
Ms. Prathibha Sastry	7.70
Mr. Ravi K Mantha	6.10
Ms. S Prabhamani	5.30

ii) Details of the remuneration on standalone basis to Executive Director (Nikhil Kumar, Managing Director) for the year ended March 31, 2024:

Particulars	(in Lakhs)
Salary & Allowances	99.63
Employer PF contribution	11.96
Perquisites	0.40
Commission	202.14
Service Contract/Tenure	5 years
Notice Period	NA
Severance Fees	Nil
Stock Options	Nil

**J. Remuneration Policy**

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

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

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

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

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

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

**Remuneration**

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

## CORPORATE GOVERNANCE REPORT (CONTD.)

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.

**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 as follows:

Mr. Alexander Olsson	Independent Director	Chairman
Mr. Rahul Matthan	Independent Director	Member
Ms. Prathibha Sastry	Independent Director	Member
Mr. Mohib N. Khericha	Non-Independent Director	Member

*Note:*

1. Mr. Alexander Olsson and Mr. Rahul Matthan have been appointed as Independent Directors of the Company w.e.f. April 1, 2024
2. Mr. Nithin Bagamane and Mr. Ravi Kanth Mantha, ceased to be Independent Directors of the Company with effect from March 31, 2024, consequent upon completion of their second terms as Independent Directors.

The constitution of the committee meets with the requirements of section 177 of the Companies Act, 2013 along with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company Secretary Mr. Bharat Rajwani is the Secretary of the Audit Committee.

The former Chairman of the Audit Committee Mr. Nithin Bagamane attended the 24th Annual General Meeting held on Monday, August 9, 2023.

The Audit Committee met Five (5) times during the fiscal ended March 31, 2024 on May 9, 2023, July 12, 2023, August 09, 2023, November 08, 2023 and February 1, 2024. Particulars of attendance by the members of the Committee during the year ended March 31, 2024 are as follows:

Date of meeting	Members Present
May 9, 2023	All the members attended all the meetings except Mr. Ravi Kanth Mantha, who was absent from the meeting held on July 12, 2023.
July 12, 2023	
August 9, 2023	
November 8, 2023	
February 1, 2024	

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

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

Review of Management Discussion and Analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued

**CORPORATE GOVERNANCE REPORT (CONTD.)**

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 as follows:

Mr. Rahul Matthan	Independent Director	Chairman
Ms. Prathibha Sastry	Independent Director	Member
Mr. Mohib N. Khericha	Non-Independent Director	Member

*Note:*

1. Mr. Rahul Matthan has been appointed as Independent Director of the Company and also inducted as Chairman of the NRC committee w.e.f. April 1, 2024.
2. Mr. Nithin Bagamane ceased to be chairman of the Committee upon completion of his second terms as Independent Director of the Company w.e.f. April 1, 2024.

The Company Secretary Mr. Bharat Rajwani is the Secretary of the Nomination and Remuneration Committee.

During the fiscal 2024, two meeting was held on August 9, 2023 and February 1, 2024 and all the members were present.

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

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.

- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
- 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, removal and all remuneration in whatever form payable to them.

**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**

The Stakeholders' Relationship Committee ("The Committee") presently consists as follows:

Mr. Mohib N. Khericha	Non-Independent Director	Chairman
Ms. S Prabhamani	Non-Independent Director	Member
Ms. Prathibha Sastry	Independent Director	Member

*Note:*

1. Mr. Mohib N Khericha has become Chairman of the Committee w.e.f. April 1, 2024
2. Ms. S Pabhamani has been inducted as member of the Committee w.e.f. April 1, 2024
3. Mr. Nithin Bagamane ceased to be member of the Committee upon completion of his second terms as Independent Director of the Company w.e.f. April 1, 2024.

The Company Secretary Mr. Bharat Rajwani is the Secretary of the Stakeholders' Relationship Committee.

## CORPORATE GOVERNANCE REPORT (CONTD.)

During the year one meeting was held on March 5, 2024 and all the members were present. The Company has not received any complaint from shareholders during the fiscal 2024.

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

The Risk Management committee ("The Committee") presently consists as follows:

Mr. Mohib N. Khericha	Non-Independent Director	Chairman
Mr. Nikhil Kumar	Executive Director	Member
Ms. Prathibha Sastry	Independent Director	Member
Ms. M N Varalakshmi	Chief Financial Officer	Member

Note:

1. Mr. Mohib N Khericha has become Chairman of the Committee w.e.f. April 1, 2024
2. Ms. Prathibha Sastry has been inducted as member of the Committee w.e.f. April 1, 2024
3. Mr. Nithin Bagamane and Mr. Ravi Kanth Mantha ceased to be chairman and member of the Committee respectively, upon completion of their second terms as Independent Directors of the Company w.e.f. April 1, 2024

Particulars of attendance by the members of the Committee during the year ended March 31, 2024 are as follows:

Date of meeting	Members Present
September 11, 2023	All the members were present in all the meetings of Risk Management Committee held during the Financial Year 2023-24
March 5, 2024	

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

#### E. Corporate Social Responsibility Committee.

The Corporate Social Responsibility Committee ("The Committee") presently consists as follows:

Ms. Prathibha Sastry <sup>(1)</sup>	Independent Director	Chairperson
Mr. Nikhil Kumar	Executive Director	Member
Ms. S. Prabhamani	Non-Independent Director	Member

Note:

1. Ms. Prathibha Sastry has been re-designated as Chairperson of the Committee w.e.f. April 1, 2024 in place of Mr. Ravi K Mantha who ceased to be chairman of the Committee upon his retirement as an Independent Director w.e.f. March 31, 2024.

Particulars of attendance by the members of the Committee during the year ended March 31, 2024 are as follows:

Date of meeting	Members Present
August 9, 2023	All the members were present in the meeting of CSR Committee held during the Financial Year 2023-24

### III. Senior Management

Our Senior Management team and the changes during the financial year in the senior management team are as below:

Sl. No.	Name	Designation
1	Mr. Ramakrishna Varna	Chief Operating Officer
2	Mr. Vinay Hegde	Head-Marketing
3	Mr. Vasudev Murthy <sup>(1)</sup>	Head-Human Resources & IT Infrastructure
4	Mr. Swapnil Kaushik	Director-Business Development
5	Ms. M N Varalakshmi	Chief Financial Officer
6	Mr. Bharat Rajwani	Company Secretary & Compliance Officer
7	Mr. Vishwanth Hangari	Head - Design & Development
8	Mr. Chandrashekar K B <sup>(2)&amp; (4)</sup>	Head-Human Resources
9	Ms. Ramya Ramesh <sup>(3)</sup>	Head-Global Supply Chain and Information Technology
10	Mr. Shripad K Hegde	Head-Quality Assurance
11	Mr. Kamachiraja M	Head-Customer Support

- (1) Mr. Vasudev Murthy has been retired from his position as Head- Human Resources & IT Infrastructure with effect from April 1, 2023



## CORPORATE GOVERNANCE REPORT (CONTD.)

- (2) Mr. Chandrashekar K B has been appointed as Head-Human Resources w.e.f. January 5, 2024
- (3) Ms. Ramya Ramesh has been re-designated to the position as Head- Global Supply Chain and Information Technology from her previous role as Head-Global Supply Chain w.e.f. from January 1, 2024.
- (4) Mr. Chandrashekar K B has resigned as Head-Human Resources w.e.f. April 30, 2024.

### IV. Subsidiaries

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

During the fiscal 2024 the Company had five Wholly Owned Subsidiaries (WOS) i.e. one Indian and four overseas subsidiaries, out of which one overseas subsidiary i.e. TDPS Japan has been liquidated. The detailed summary of these subsidiaries are as follows;

#### Indian Subsidiary

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

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

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

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

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

This subsidiary does not have income or net worth exceeding 10% of the consolidated income or net worth respectively of TD Power Systems Limited - the holding company and its subsidiaries, in the immediately preceding accounting year. Accordingly, it is not a material subsidiary in terms of Regulation 16 of SEBI LODR Regulations.

#### Overseas Subsidiaries

##### USA Subsidiary

TD Power Systems (USA) Inc. (TDPS USA) was incorporated on February 20, 2013 as a Delaware Corporation and the principal place of business of the Company located in Ohio, USA. The TDPS USA consists of 4 directors out of which three Directors of the Company Mr. Mohib N. Khericha, Mr. Nikhil Kumar and Ms. S Prabhamani are Directors of TDPS USA.

The financial statements of the TDPS Europe 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 2024 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 ehitleri Cad. No.37/6 Susli/Istanbul. Turkey. Mr. Nikhil Kumar, Managing Director, Ms. Prathibha Sastry, Independent Director and Mr. N. Srivatsa are Directors of TDPS Turkey.

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

This subsidiary does not have income or net worth exceeding 10% of the consolidated income or net worth respectively of TD Power Systems Limited - the holding company and its subsidiaries, in the immediately preceding accounting year. Accordingly, it is not a material subsidiary in terms of Regulation 16 of SEBI LODR Regulations.

The Company has formulated a policy on determining material subsidiaries which is available on our website [www.tdps.co.in](http://www.tdps.co.in)

##### Japan Subsidiary

All activities of the Japan business continues to be conducted through the Company's Branch office at Japan. As a result, no business activities were conducted in TDPS Japan since March 2022. Subsequently, the subsidiary was voluntarily liquidated and ceased to be in existence with effect from June 26, 2023 in terms of the closed registration certificate from the Tokyo Legal Affairs Bureau. Consequently, a sum of JPY 9,92,585 (net of foreign bank charges of JPY 6500) equivalent to

## CORPORATE GOVERNANCE REPORT (CONTD.)

Rs.5.67 lakhs, representing equity investment in TDPS Japan, was repatriated to the holding Company.

**V. Related party transaction**

During the fiscal 2024, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large.

**VI. 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
31-03-2023	09-08-2023 And 2.00 PM	Through video conferencing ("VC")/ other audio-visual means ("OAVM")	Nil
31-03-2022	27-09-2022 & 12.00 Noon	Through video conferencing ("VC")/ other audio-visual means ("OAVM")	<ul style="list-style-type: none"> <li>- Re-appointment of Ms. Prathibha Sastry (DIN 01505172) as an Independent Director.</li> <li>- Approve remuneration payable to the Managing Director of the Company.</li> <li>- Authorization for creating charge on the assets of the Company.</li> <li>- Alteration of Articles of Association of the Company.</li> </ul>
31-03-2021	27-09-2021 & 10.30 AM	Through video conferencing ("VC")/ other audio-visual means ("OAVM")	Approve modification in the remuneration of the Managing Director of the Company.

During the fiscal 2024, 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.

**VII. Means of Communication****Quarterly/Half Yearly/Yearly Results**

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

Financial results, duly approved by the Board, are filed with Stock Exchanges (BSE and NSE) and also displayed on Company's Website [www.tdps.co.in](http://www.tdps.co.in). Along with the

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is made available on the website of the Company [www.tdps.co.in](http://www.tdps.co.in). Details of transactions with related parties are provided in Annexure 2 of the Directors Report in Form AOC 2 and note No.43 to the Annual Accounts.

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](http://digitalexchange.nseindia.com) (Digital Exchange) and also on company's website [www.tdps.co.in](http://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](http://www.tdps.co.in).

**CORPORATE GOVERNANCE REPORT (CONTD.)**

**VIII. General Shareholder Information:**

a.	Annual General Meeting Date, Time and Venue	Tuesday 13th day of August 2024 at 2.00 p.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”),																				
b.	Fiscal	A twelve-month period starting from April 1, 2023 to March 31, 2024.																				
c.	Dividend Payment Date	The final dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid within the statutory period of 30 days.																				
d.	Date of Book closure/ Record date	As mentioned in the Notice of this AGM.																				
e.	Listing on Stock Exchanges	The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE) BSE LIMITED, P J Towers, Dalal Street, Mumbai 400 001 NATIONAL STOCK EXCHANGE OF INDIA LIMITED, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 The listing fees dues as on the date has been paid to the respective stock exchanges.																				
F	Stock Code	BSE – 533553 NSE – TDPOWERSYS																				
G	ISIN No.	INE419M01027																				
H	Market Price Data	(As per Annexure A)																				
I	Stock Performance in comparison to BSE Sensex and NSE Nifty	(As per Annexure B)																				
J	Registrar and Transfer Agents (RTA)	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000																				
K	Share Transfer System	Share transfers are registered and returned in the normal course within a period of 15 days from the date of receipt.																				
L	Distribution of shareholding as on March 31, 2024	(As per Annexure C)																				
M	Shareholding Pattern as on March 31, 2024	(As per Annexure D)																				
N	Dematerialisation of Shares and Liquidity as on March 31, 2024	<table border="1"> <thead> <tr> <th>Description</th> <th>No. of Holders</th> <th>No. of Shares</th> <th>% of Equity</th> </tr> </thead> <tbody> <tr> <td>Physical</td> <td>1</td> <td>10</td> <td>0.00%</td> </tr> <tr> <td>NSDL</td> <td>21,508</td> <td>11,81,28,541</td> <td>75.64%</td> </tr> <tr> <td>CDSL</td> <td>47,857</td> <td>3,80,41,550</td> <td>24.26%</td> </tr> <tr> <td><b>Total</b></td> <td><b>69,366</b></td> <td><b>15,61,70,101</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>	Description	No. of Holders	No. of Shares	% of Equity	Physical	1	10	0.00%	NSDL	21,508	11,81,28,541	75.64%	CDSL	47,857	3,80,41,550	24.26%	<b>Total</b>	<b>69,366</b>	<b>15,61,70,101</b>	<b>100.00</b>
Description	No. of Holders	No. of Shares	% of Equity																			
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<b>Total</b>	<b>69,366</b>	<b>15,61,70,101</b>	<b>100.00</b>																			
O	Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	No outstanding GDRs/ADRs/Warrants or any Convertible Instruments.																				



## CORPORATE GOVERNANCE REPORT (CONTD.)

P	Commodity price risk or Foreign exchange risk and hedging activities –	Nil
Q	Registered Office and Factory (Plant Location)	Unit I: # 27, 28 and 29 KIADB Industrial Area, Dabaspet, Nelamangala Taluk, Bangalore, Karnataka - 562111  Unit II: Sy. No. 59/2, Yedehalli Village Nelamangala Taluk, Sompura Hobli Dabaspet, Bangalore, Karnataka - 562111
R	Compliance Officer and Company Secretary	Bharat Rajwani
Q	Address for correspondence	Shareholders/Beneficial owners are requested to correspond with the Company's RTA (Registrar and 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 and 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 and Factory TD POWER SYSTEMS LIMITED # 27, 28 and 29 KIADB Industrial Area Dabaspet, Nelamangala Taluk Bangalore, Karnataka - 562111 Ph.: 080-22995700 Fax: 080-22995718

## Annexure A

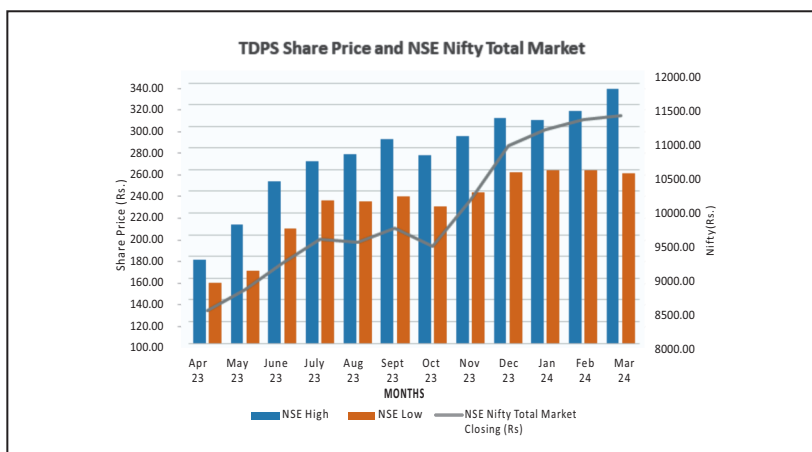
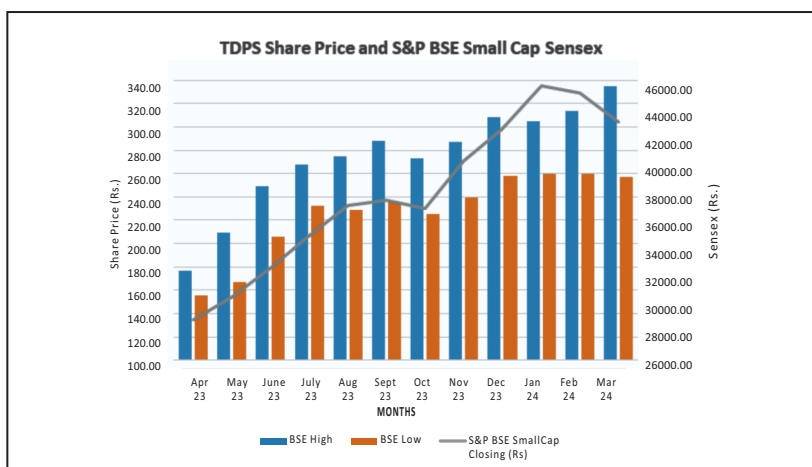
## Market Price Data: High, Low, close, volume during each month of the Fiscal 2024

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 - 23	176.9	155.45	173.9	6,98,827	177	155.50	174.45	75,66,000
May -23	209.8	167.2	207.2	18,88,148	209.70	167.05	207.00	1,77,09,000
Jun - 23	249.55	206.00	247.2	18,39,433	249.40	206.05	247.10	2,09,78,000
Jul - 23	267.9	231.95	260.35	13,05,826	268.20	232.00	260.00	1,78,17,000
Aug - 23	274.4	228.85	267.1	10,24,353	274.30	230.90	265.00	1,77,72,000
Sep – 23	288.1	235.5	257.85	6,87,323	287.80	235.00	257.90	97,53,000
Oct – 23	272.7	225.2	241.25	3,68,325	272.95	226.05	242.20	62,49,000
Nov - 23	287.15	239.00	277.75	7,66,167	291.00	238.75	277.05	73,63,000
Dec – 23	307.9	257.95	260.05	11,35,233	307.85	257.95	260.05	1,14,31,000
Jan – 24	305	259.75	301.9	11,11,481	305.85	259.60	302.40	1,13,24,000
Feb - 24	313.2	260.00	297.85	11,17,174	314.00	259.80	298.30	1,11,65,000
Mar - 24	334.4	256.75	296.25	62,04,563	334.60	256.95	296.70	1,58,81,000

Annexure B

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



Annexure C

Distribution of shareholding as on March 31, 2024

Shareholding of Nominal Shares	Shareholders	% to Total Shareholders	Total Shares	% of Paid up Capital
1 to 500	62072	89.4848	56,37,820	3.6101
501 to 1000	3935	5.6728	28,41,683	1.8196
1001 to 2000	1559	2.2475	22,42,727	1.4361
2001 to 3000	570	0.8217	14,21,394	0.9102
3001 to 4000	263	0.3791	9,36,512	0.5997
4001 to 5000	205	0.2955	9,62,951	0.6166
5001 to 10000	350	0.5046	25,51,317	1.6337
Above 10000	412	0.5940	13,95,75,697	89.3741
<b>Total</b>	<b>69366</b>	<b>100</b>	<b>15,61,70,101</b>	<b>100</b>

## CORPORATE GOVERNANCE REPORT (CONTD.)

## Annexure D

## Shareholding Pattern as on March 31, 2024

Sl. No.	Category	Number of Shares	% of Holding
<b>(A)</b>	<b>Promoters &amp; Promoters Group</b>		
1	Promoters		
1(a)	Individual (Indian Nationals)	1,91,93,320	12.29
1(b)	Individual (Foreign National)	1,00,40,486	6.43
1(c)	Body Corporate	2,39,58,225	15.34
2	Promoters Group	3,25,530	0.21
	<b>Total (A1 + A2)</b>	<b>5,35,17,561</b>	<b>34.27</b>
<b>(B)</b>	<b>Public Shareholdings</b>		
1	Mutual Funds	4,73,28,947	30.31
2	Alternate Investment Funds	25,60,332	1.64
3	Foreign Portfolio Investor (Corporate)	2,00,63,290	12.85
4	Financial Institutions	6,32,622	0.41
5	Individuals	2,67,33,101	17.12
6	Others	53,34,248	3.4
	<b>Total (B)</b>	<b>102652540</b>	<b>65.73</b>
<b>(C)</b>	Non Promoter - Non Public shareholder	-	-
	TDPSL Employee Welfare Trust	-	-
	<b>Grand Total (A +B+C)</b>	<b>15,61,70,101</b>	<b>100</b>

## IX. 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.

### 2. Whistle Blower Policy / Vigil Mechanism

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

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

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

This Whistle Blower Policy and Vigil Mechanism ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors/Employees of the Company to approach the Chairperson of the Audit Committee of the Company or Chairman of the Company. Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed is implemented through this Whistle Blower Policy to provide for adequate safeguards to the whistle blowers against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in terms of Regulation 22 of SEBI (Listing Obligations and Disclosure

**CORPORATE GOVERNANCE REPORT (CONTD.)**

Requirements), Regulations 2015 and Section 177 of the Companies Act, 2013. The above policy is available on our website [www.tdps.co.in](http://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, 2024. The said certificate forms part of this Report.

**4. Compliance certificates from Practicing Company Secretary**

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

- (I) Compliance of conditions on Corporate Governance and
- (ii) None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The said certificates form part of this Report.

**5. Details of total fees paid to Statutory Auditors**

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

(₹ in lakhs)

Particulars	Fiscal 2024	Fiscal 2023
Audit Fees (including audit of consolidated financial statements)	16.45	13.70
Limited Review (Quarterly financial results including consolidated financial results)	10.05	8.25
Other services – Certifications fees	2.08	2.45

*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 no.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. 1. Code for prevention of Insider Trading/Fair Disclosure**

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

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

**10. Management Discussion and Analysis Report**

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

## CORPORATE GOVERNANCE REPORT (CONTD.)

**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-Executive Directors with at least one woman director and the composition of the Board is in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Listing Regulation and the statutory, regulatory obligations of the Company. The Board Diversity Policy is available on our website [www.tdps.co.in](http://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 Managing Director or CEO – The Chairman and Managing Director/ CEO are two separate persons.

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

Audit Qualifications - The Company has unmodified financial statements for the Fiscal 2024.

**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  
May 23, 2024

**Mohib N. Khericha**  
Chairman

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**CORPORATE GOVERNANCE REPORT (CONTD.)**

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

**The Board of Directors**

**TD Power Systems Limited (Company)**

# 27, 28 & 29, KIADB Industrial Area  
Dabaspet, Nelamangala Taluk  
Bangalore 562111

This is to certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 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.

May 23, 2024

**Nikhil Kumar**  
Managing Director  
Frankfurt

**M N Varalakshmi**  
Chief Financial Officer  
Bangalore

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## CORPORATE GOVERNANCE REPORT (CONTD.)

**Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding adherence to the Code of Business Conduct and Ethics****The Board of Directors****TD Power Systems Limited (Company)**

# 27, 28 &amp; 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, 2024, 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 23, 2024

**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, 2024.

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  
23/05/2024

**Sudhir Vishnupant Hulyalkar**  
Company Secretary in Practice  
FCS No: 6040. CP No. 6137  
Peer Review Certificate No. 607/2019  
UDIN: F006040F000431168

**Certificate on Directors Appointment and Continuation on The Board of Directors of TD Power Systems Limited (the Company)****(In terms of Regulation 34(3) read with Para C, Sub Para 10 (i) of the Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)**

I have examined the relevant records of the Company and disclosures made by the directors of the Company, relevant information on disqualification and proclaimed offenders as declared by Courts and disseminated on the website of Ministry of Corporate affairs, the Orders and other information available on the website of Securities and Exchange Board of India and the stock exchanges, Reserve Bank of India and information on wilful defaulters as declared by the banks and made available at the web sites of credit information companies registered with the Reserve Bank of India and based upon such examination, I hereby certify that none of the directors on the board of TD POWER SYSTEMS LIMITED (CIN: L31103KA1999PLC025071) as on March 31, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India and other statutory authorities.

Bengaluru  
23/05/2024

**Sudhir V Hulyalkar**  
Company Secretary in Practice  
Membership No. : FCS 6040. CP No: 6137  
Peer Review Certificate No. 607/2019  
UDIN: F006040F000431113

**ANNEXURE – 10**

Disclosure with respect to Employees Stock Option Scheme (ESOS) & Stock Appreciation Rights scheme (SAR) of the Company as on March 31, 2024 Pursuant to regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021:

Sl. No.	Particulars	TDPSL Equity Based Compensation Plan 2019	
		ESOP	ESAR
A	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Please refer to Note No. 1.13 and No. 51 of Standalone Financial Statements for the Financial Year ended on March 31, 2024	
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. 39 of Standalone Financial Statements for the Financial Year ended on March 31, 2024.	
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	28,19,420 (i.e. 5,63,884 Options before sub-division)	19,96,080 (i.e.3,99,216 ESAR before sub-division)
	(c) Vesting requirements	Stock Options/ESAR granted under TDPSL Equity Based Compensation Plan 2019 would vest not earlier than one year from the date of grant. The vesting shall happen every year equally with 33.33% of the number of options granted for 3 years from the date of grant of the options/ ESAR and would be subject to continued employment with the Company. Vesting of Stock options/ESAR would be subject to fulfilment 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 Vesting Conditions 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 of Options.	
	(d) Exercise/SAR price or pricing formula	The exercise price decided by NRC for each Option and ESAR is 67.25/- and face value of share i.e 10/- respectively.  However, owing to subdivision of shares of the Company during FY 2022-23, the price of each stock option and ESAR has been adjusted to one fifth (1/5) of the exercise price fixed at the time of grant of such option.  The exercise Price per ESOP is determined by the NRC considering the 50% discount on market price per share as on date of Grant of options (i.e. August 16, 2019)	
	(e) Maximum term of options/SAR granted	Stock Options/ESAR granted under TDPSL Equity Based Compensation Plan 2019 shall be capable of being exercised within a period not more than four years from the date of vesting of respective employees' stock options/ESAR.	

## ANNEXURE - 10 (CONTD.)

	(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. 01.04.2023	154,065 Options (i.e. 30813 ESOPs before sub-division)	165,375 ESARs (i.e. 33075 ESARs before sub-division)
	Number of options/SAR granted during the year i.e.2023-24	Nil	98,910 ESAR
	Number of options/SAR forfeited / lapsed during the year i.e.2023-24	Nil	
	Number of options/SAR vested during the year i.e.2023-24	Nil	
	Number of options/SAR exercised during the year i.e. 2023-24	154,065 Options (i.e. 30813 ESOPs before sub-division)	137520 ESARs (adjusted post sub-division)
	Number of shares arising as a result of exercise of options during i.e.2023-24	During the year, 154065 equity shares held by TDPSL trust have been transferred to ESOP allottees. On account of exercise of ESAR, 127,466 Equity Shares of face value of Rs.2 each were issued & allotted by the Company.	
	Money realized by exercise of options (INR), if scheme is implemented directly by the company during 2022-23	Not applicable as the scheme is implemented by TDPSL Trust.	
	Loan repaid by the Trust during the year from exercise price received*	₹ 20.72/- Lakhs	
	Number of Stock options/SAR outstanding at the end of the year	Nil	1,26,765 ESARs
	Number of options/SAR exercisable at the end of the year	Nil	27855 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 ₹ 2/- respectively. ₹ 159.35-weighted-average fair values	

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.)**

**(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 vest 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:**

Sl. No.	Particulars	Details
1	Name of the Trust	TDPSL EMPLOYEE WELFARE TRUST
2	Details of the Trustee(s)	Mr. Ramakrishna Varna 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	Nil
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	Not applicable

## ANNEXURE - 10 (CONTD.)

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

Sl. No.	Particulars	Details
1	Number of shares held at the beginning of the year;	3,75,883 Equity Shares
2	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	<p><b>Primary Issuance:</b> During the year under ESAR, 127466 Equity Shares being 0.08% of paid up capital as on March 31, 2023 were issued &amp; allotted by the Company to TDPSL Trust and thereafter it was transferred to ESAR allottees through off-market transaction.</p> <p>The weighted average cost of acquisition was 2/- per share.</p>
3	Number of shares transferred to the employees / sold along with the purpose thereof;	During the year, 281531 Equity shares having a face value of 2 each were transferred to employees by TDPSL Trust including 127466 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.	Nil

## (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	0.50%
Acquired during the year	0%
Sold during the year	Nil
Transferred to the employees during the year	0.50%
Held at the end of the year	Nil

For and on behalf of the Board of Directors

Ahmedabad  
May 23, 2024**Mohib N. Khericha**  
Chairman

**ANNEXURE - 11**

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT FY 2023-24**

**SECTION A: GENERAL DISCLOSURES**

**1. Details of listed entity**

Sr. No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Listed Entity	L31103KA1999PLC025071
2	Name of the Listed Entity	TD Power Systems Limited
3	Year of incorporation	April 16, 1999
4	Registered office address Corporate address	# 27, 28 and 29, KIADB Industrial Area, Dabaspet, Nelamangala Taluk, Bangalore – 562111
5	E-mail	tdps@tdps.co.in
6	Telephone	080-22995700/6633 7700
7	Website	https://www.tdps.co.in/
8	Financial year for which reporting is being done	FY 2023-24
9	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. (BSE) National Stock Exchange of India Ltd. (NSE)
10	Paid up capital	₹ 3,123.40 Lakhs
11	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Bharat Rajwani Email: investor.relations@tdps.co.in
12	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a Standalone basis
	Name of assurance provider	Not applicable
	Type of assurance obtained	

**II. Products/Services**

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

Sr. no.	Description of Main Activity	Description of Business activity	% of Turnover of the entity
1	Manufacturing	Manufacturing of Generator	92%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	AC Generator and its spares/components	27101	92%

**III. Operations**

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

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



## ANNEXURE - 11 (BRSR CONTD.)

## 4. Markets served by the entity:

## a. Number of locations

Locations	Number
National (No. of States)	28 states
International (No. of Countries)	105

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

Response: Exports contributed 43% of total sales.

## c. A brief on types of customers

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

## IV. Employees

## 5. Details as at the end of Financial Year:

## a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	453	414	91%	39	9%
2.	Other than Permanent (E)	0	0	NA	0	NA
3.	Total employees (D + E)	453	414	91%	39	9%
WORKERS						
4.	Permanent (F)	252	252	100%	0	NA
5.	Other than Permanent (G)	156	152	97%	4	3%
6.	Total workers (F + G)	408	404	99%	4	9%

## b. Differently abled Employees and workers:

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

## 6. Participation/Inclusion/Representation of women:

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

Note: Key Management Personnel includes Managing Director, Chief Financial Officer and Company Secretary.

**ANNEXURE - 11 (BRSR CONTD.)**

**7. Turnover rate for permanent employees and workers**

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.9%	2%	1%	1.4%	2.6%	1.4%	1.1%	1.6%	1.1%
Permanent Workers	0.3%	0%	0.3%	0.1%	0%	0.1%	0.6%	0%	0.6%

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

**8. Names of holding / subsidiary / associate companies / joint ventures**

**Response:** Please refer to Annexure 1 (Form AOC-1) of the Annual Report for the details of subsidiaries, joint ventures and associate companies. The subsidiaries of the Company do not participate directly in the Business Responsibility initiatives. However, all these subsidiaries generally adopt the same practices as carried out by the Company.

**VI. CSR Details**

9. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes  
 (ii) Turnover (₹ in lakhs): 98,387.90  
 (iii) Net worth (₹ in lakhs): 70,111.64

**VII. Transparency and disclosures compliances**

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the details are disclosed in Essential Indicator 3 of principle 8	Nil			Nil		
Investors (other than shareholders)  Shareholders	Yes, Company is registered on Scores portal of SEBI to redress grievance of shareholders also a tab is created on the Company's website exclusively for investors related queries & grievance	Nil			Nil		
Employees and workers	Yes, group email ID, suggestion box, grievance form, drop box	Nil			Nil		
Customers	Yes, (A dedicated customer Support team is in place to address their complaints)						
Value Chain Partners Others	Yes, (A set procedure exists on the Company's intranet)						

ANNEXURE - 11 (BRSR CONTD.)

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

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

Sr. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Energy	Opportunity	With growing demand for efficient turbines and generators, product innovation and offering advanced solutions that cater to the expanding energy market can help us in positioning ourselves as a leader in sustainable energy technology.	-	Positive
2	Emissions	Risk	With our operations being energy intensive, emissions are bound to be significant. Investors are now becoming environmentally conscious, and therefore committing to reduce emissions can lead to a better progress towards sustainable efforts.	We have started to comprehensively account for our GHG emissions across Scope 1, 2 and have also identified relevant categories to report on Scope 3. In the subsequent years, we shall monitor our emissions intensity and set appropriate company wide targets to reduce them.	Negative
3	Occupational Health & Safety	Risk	The nature of our operations is risky and require the utmost precision on the shopfloor. Failure to comply with safety protocols can result in workplace accidents and hazards, causing production delays and increased employee absenteeism.	We maintain a Hazard Identification and Risk Assessment (HIRA) register that provides detailed information on safety activities, potential hazards, and associated risks.	Negative

ANNEXURE - 11 (BRSR CONTD.)

				We conduct regular safety meetings under the supervision of the safety committee. These meetings aim to identify workplace hazards, assess exposure to risks, and report any incidents that occur.	
4	Supply Chain	Opportunity	We cater to a diverse array of suppliers for raw materials being used in our products. Supplier diversity can enhance our sustainability efforts within our value chain by carrying out routine inspections and checks on environmental and social parameters and ensuring adherence to relevant regulations.	-	Positive
5	Product Quality & Safety	Opportunity	By adhering to relevant norms and regulations during production, we can ensure the product's safety and quality, meeting customer requirements effectively.		Positive

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ANNEXURE - 11 (BRSR CONTD.)

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	<p>The company's policies can be found on the website:  <a href="https://www.tdps.co.in/investor-relations/corporate-governance">https://www.tdps.co.in/investor-relations/corporate-governance</a></p> <p>Code of Conduct for Directors and Senior Management:  <a href="https://www.tdps.co.in/_files/ugd/83abf4_3d1441e4dbe64bc7ad5230a6f7c01376.pdf">https://www.tdps.co.in/_files/ugd/83abf4_3d1441e4dbe64bc7ad5230a6f7c01376.pdf</a></p> <p>CSR Policy:  <a href="https://www.tdps.co.in/_files/ugd/83abf4_7f6009b26c714b0ea45a98ccc1a713e6.pdf">https://www.tdps.co.in/_files/ugd/83abf4_7f6009b26c714b0ea45a98ccc1a713e6.pdf</a></p> <p>Whistleblower Policy:  <a href="https://www.tdps.co.in/_files/ugd/83abf4_ae6907568e164692a00160fbd95e2fa.pdf">https://www.tdps.co.in/_files/ugd/83abf4_ae6907568e164692a00160fbd95e2fa.pdf</a></p> <p>Board Diversity Policy:  <a href="https://www.tdps.co.in/_files/ugd/83abf4_4807b997fb1749e3921dd5065141aab0.pdf">https://www.tdps.co.in/_files/ugd/83abf4_4807b997fb1749e3921dd5065141aab0.pdf</a></p> <p>Privacy Policy:  <a href="https://www.tdps.co.in/_files/ugd/83abf4_b625db97e7a947a6a1100b924fde5707.pdf">https://www.tdps.co.in/_files/ugd/83abf4_b625db97e7a947a6a1100b924fde5707.pdf</a></p> <p>The following policies are on our intranet:</p> <ul style="list-style-type: none"> <li>• Code of Ethics and Conduct</li> <li>• Non-Discrimination Policy</li> <li>• Policy on POSH</li> <li>• Policy On Prevention or Prohibition of Sexual Harassment of Women in Company's Workplace</li> <li>• Grievance &amp; Harassment Redressal Policy</li> <li>• Career Development Policy</li> <li>• Employees Health Policy</li> <li>• Prevention of forced labour at Workplace</li> <li>• Freedom to join Association</li> <li>• Anti-bribery Policy</li> <li>• Prohibition of Child Labour Policy</li> <li>• Policy on Human Trafficking Slavery</li> <li>• Cybersecurity Policy</li> <li>• Data Privacy Policy</li> </ul>								

**ANNEXURE - 11 (BRSR CONTD.)**

<p>2. Whether the entity has translated the policy into procedures. (Yes / No)</p>	<p>Yes</p>
<p>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</p>	<p>Yes</p>
<p>4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</p>	<p>The details of the certifications can be accessed at <a href="https://www.tdps.co.in/certifications">https://www.tdps.co.in/certifications</a></p>
<p>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</p>	<ul style="list-style-type: none"> <li>- Enhance energy efficiency through process optimisation and technology adoption to reduce operating costs.</li> <li>- Initiate the utilisation of renewable energy sources and increase installation capacity as per requirement and feasibility to reduce reliance on conventional grid power during peak demand.</li> </ul>



ANNEXURE - 11 (BRSR CONTD.)

<p>6. at Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.</p>	<ul style="list-style-type: none"> <li>- Significant energy conservation and energy efficiency measures have been adopted, leading to power savings of 73,055 units, and cost savings of 7 Lakhs.</li> <li>- Process automation increased the productivity by 50%.</li> <li>- Employee LTIFR reduced by 7% compared to previous FY.</li> </ul>
<p><b>Governance, leadership and oversight</b></p>	
<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</p> <p><i>“Sustainability, at its core, is about meeting our present needs without compromising the ability of future generations to meet theirs. Our commitment to ESG principles is not merely a strategic decision but a fundamental aspect of our identity as a responsible and forward-thinking organization. In order to achieve this, we remain focused on overcoming challenges, achieving our targets, and driving sustainable growth.</i></p> <p><i>We are actively implementing strategies to reduce our environmental impact. This includes utilizing advanced technologies in manufacturing, optimizing energy use in our workspace and promoting responsible electricity consumption. These efforts aim to streamline our operations and conserve energy.</i></p> <p><i>We strongly believe in providing equal opportunities for all and fostering diversity and inclusion within our workforce. We have implemented various initiatives that prioritize the safety, well-being and development of our employees. These include safeguarding their health and safety along with continuous skill development programs to prepare them for the future.</i></p> <p><i>As a part of our CSR activities for the year, the Company has also empowered government-run schools with solar power systems to become self-reliant in meeting their energy needs. This initiative reduces their dependency on fossil fuels and ultimately contributing to a reduction in carbon emissions and combating climate change.</i></p> <p><i>The Company is committed to ensuring sustainable and inclusive growth by taking a balanced approach to create a long-term value for all our stakeholders.”</i></p> <p style="text-align: right;"><b>Nikhil Kumar</b> Managing Director</p>	
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p>	<p>The Board of Directors holds responsibility for implementing and overseeing business responsibility initiatives, which encompass a range of policies aligning with our company's code of conduct and operational standards.</p>

**ANNEXURE - 11 (BRSR CONTD.)**

<p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>No, we do not have a dedicated committee. The Board of Directors assumes responsibility for making decisions regarding sustainability-related matters.</p>
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**10. Details of Review of NGRBCs by the Company:**

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

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

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
No								

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

Question	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider	No								

## ANNEXURE - 11 (BRSR CONTD.)

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

## PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

## Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	Presentation on Company's sales, marketing, business outlook and strategies.	100%
Key Managerial Personnel		Update on compliance status of the applicable laws and Cost Audit Report. Amendments under SEBI Listing Regulations.  Setting up an extended/Additional Manufacturing facility  Regulatory amendments under MCA & Statutory Compliances.	
Employees other than BoD and KMPs	71	Safety awareness programs, 8D methodology problem solving program, Business & Communication skills, Mentorship, Technical trainings, Safety programs , MSDS, POSH,	71%
Workers	40	Employee wellness program, Financial literacy, PPEs training.	62%

**ANNEXURE - 11 (BRSR CONTD.)**

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

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

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

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

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

**Response:** Yes, the Company has an anti-bribery policy that highlights the categories of bribery and corruption, provides guidance to employees for adhering to the policy, and outlines actions pertaining to violation of the policy. The policy is available on the Company intranet.

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

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs		
Employees		
Workers		

## ANNEXURE - 11 (BRSR CONTD.)

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

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None		None	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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

**Response:** Not applicable

8. Number of days of accounts payables (Accounts payable \*365)/ Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	77 days	80 days

## 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.60%	0.65
	b. Sales (Sales to related parties / Total Sales)	14.12%	13.77%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties / Total Investments made)	62.37%	45.37%

**ANNEXURE - 11 (BRSR CONTD.)**

**Leadership Indicators**

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

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
5	Human rights and fair working conditions; Environment responsibilities and sustainability; Business integrity; Data security; Code of Conducts; Regulatory requirements.	40%

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

**Response:** Within its governance framework, the Company has adopted best practices for reviewing Directors' conflicts of interest. The Company regularly assesses disclosures provided by Board members regarding their involvement with other entities, ensuring that necessary approvals are obtained before engaging in transactions with such entities.

**PRINCIPLE 2:**

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

**Essential Indicators**

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

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	100%	100%	Consumption of inhouse designed and manufactured air to air, air to water coolers, lube oil and jack oil system in motors and generators ranging from 40 MW to 90MW.
Capex	86%	100%	Inhouse design and development of vertical thrust bearings for use in Large Vertical Hydro Generators or Motors used in Pump applications with reduced losses in bearing, thereby resulting in bearing temperature reduction and improvement in energy efficiency.  Designed, manufactured, and supplied cage rotor induction motors for vertical water pump application. Operating at lower speeds, and with high efficiency and increased temperature, there is a reduction in the losses, hence resulting in energy conservation.  Established high end analysis methodologies such rotor dynamics analysis of high-speed rotors with dynamic stiffness, seismic analysis for complete machine to optimize the Generator or Motor Designs for efficient and highly reliable operation.

**ANNEXURE - 11 (BRSR CONTD.)**

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

**Response:** Yes, a policy for sustainable sourcing has been developed in FY 2023-24. Additionally, relevant training and awareness sessions will be conducted for the suppliers.

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

**Response:** Since the company is in the process of conducting trainings for the suppliers on sustainable sourcing, the percentage for fiscal 2024 has not been measured yet.

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

**Response:** There are no products or parts that require recycling back into the manufacturing process within the company. Once dispatched to the site/customer, it is the customer's responsibility to adhere to the Operation and Maintenance manual and comply with relevant regulatory requirements based on local regulations.

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

**Response:** Yes, all operations of TDPS fall under the purview of Extended Producer Responsibility (EPR), and the waste collection plan aligns with the EPR proposal submitted to the Karnataka State Pollution Control Board (KSPCB). Following this submission, the company obtained consent from the KSPCB.

**Leadership Indicators:**

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

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

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

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

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Construction waste	We use original mill certified material to achieve the specified efficiency results. Hence, no input material is recycled/reused.	

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



**ANNEXURE - 11 (BRSR CONTD.)**

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including packaging)	All products are packaged using new materials such as plywood and pinewood before being shipped to customers located in both our domestic and international business markets. Retrieving scrapped or damaged parts after delivery is neither practical nor cost-effective. Consequently, we have not implemented any product reclamation processes at the end of their lifecycle.					
E waste						
Hazardous waste						
Other waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
All products are packaged using new materials such as plywood and pinewood before being shipped to customers located in both our domestic and international business markets. Retrieving scrapped or damaged parts after delivery is neither practical nor cost-effective. Consequently, we have not implemented any product reclamation processes at the end of their lifecycle.	

**PRINCIPLE 3:**

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

**Essential Indicators**

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

% of employees covered by											
Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	414	-	-	414	100%	NA	NA	-	-	-	-
Female	39	-	-	39	100%	39	100%	NA	NA	-	-
Total	453	-	-	453	100%	39	9%	NA	NA	-	-
<b>Other than Permanent Employees</b>											
Male	-	-	-	-	-	NA	NA	-	-	-	-
Female	-	-	-	-	-	-	NA	NA	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

## ANNEXURE - 11 (BRSR CONTD.)

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

% of workers covered by											
Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	252	252	100%	252	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	252	252	100%	252	100%	0	0%	0	0%	0	0%
Other than Permanent Workers											
Male	152	0	0%	152	100%	0	0%	0	0%	0	0%
Female	4	0	0%	4	0%	0	0%	0	0%	0	0%
Total	156	0	0%	156	100%	0	0%	0	0%	0	0%

## c. Details of measures for the well-being of workers:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.21%	0.24%

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

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Pf	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	100	100	Y	100	100	Y
Others – please specify	Nil			Nil		

## 3. Accessibility of workplaces

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

**Response:** Yes, our premises are accessible to differently abled employees and workers. Additionally, Unit II has a lift facility for further convenience.

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

**Response:** Yes, the policy is available on the Company's intranet.

**ANNEXURE - 11 (BRSR CONTD.)**

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	0	NA	0	NA
Total	0	NA	0	NA

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

	<b>Yes/No (If yes, then give details of the mechanism in brief)</b>
Permanent Workers	Workers can directly raise any grievances to the Human Resources/Investor Relations (HR/IR) departments.
Other than Permanent	
WorkersPermanent Employees	Employees can submit their grievances either via email or through individual discussions.
Other than Permanent Employees	

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

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	453	0	Nil	386	0	Nil
Male	414	0	Nil	349	0	Nil
Female	39	0	Nil	37	0	Nil
Total Permanent Workers	252	227	90%	268	262	97.7%
Male	252	227	90%	268	262	97.7%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (AL)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employee</b>										
Male	120	57	13.9	90	75	355	39	10.9	170	47.9
Female	39	0	0	20	51.3	40	0	0	22	55
Total	159	57	13.9	110	69.1	395	39	9.8	192	48.6

ANNEXURE - 11 (BRSR CONTD.)

Workers										
Male	290	83	28.6	180	44.6	528	266	50.3	64	12.1
Female	22	12	54.5	12	54.5	17	0	0	0	0
Total	312	95	30.4	192	61.5	545	266	48.8	64	11.74

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	414	398	96	337	305	91
Female	39	38	97	38	38	100
Total	453	436	96	375	343	91
Workers						
Male	252	0	NA	268	0	NA
Female	0	0	NA	0	0	NA
Total	252	0	NA	268	0	NA

10. Health and safety management system:

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

**Response:** Yes, we have integrated an occupational health and safety management system across all our operations. We have established comprehensive policies and procedures to ensure compliance with these systems, including the Integrated Management System (IMS) policy. According to this policy, we adhere to and operate in accordance with the ISO 45001:2018 standard for health and safety management systems.

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

**Response:** We maintain a Hazard Identification and Risk Assessment (HIRA) register that provides detailed information on safety activities, potential hazards, and associated risks. This register also outlines preventive measures to mitigate hazards and minimize safety risks.

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

**Response:** Yes, we conduct regular safety meetings under the supervision of the safety committee. These meetings aim to identify workplace hazards, assess exposure to risks, and report any incidents that occur.

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

**Response:** Yes. We have on-going partnerships with two medical centres: Ravi Kirloskar Hospital and Narayana Nethralaya. All our employees and workers have access to the medical facilities offered by both centres. Additionally, the Company has an occupational medical and healthcare centre in its premises, which is also accessible for medical services addressing general health and wellness needs, not just work-related injuries or illnesses.

**ANNEXURE - 11 (BRSR CONTD.)**

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

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.4	1.5
	Workers	6.2	6.04
Total recordable work-related injuries	Employees	1	2
	Workers	9	8
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

*\*Including in the contract workforce*

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

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

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

FY 2023-24				FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	42	7	Unsafe working conditions leading to replacement of certain equipment.	36	6	Unsafe working conditions leading to replacement of certain equipment.
Health & Safety	12	1	Physical health (sprains and strains) leading to retrofits in equipment (use of trolleys)	9	2	Physical health (sprains and strains) leading to retrofits in equipment (use of trolleys)

14. Assessments for the year:

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

**ANNEXURE - 11 (BRSR CONTD.)**

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

**Response:** We provide comprehensive training on a range of safety topics to mitigate potential risks. A key initiative includes the organization of the 'National Safety Week' to raise awareness of safety issues. Safety posters are strategically placed throughout the facility to guide and remind all employees and workers of safety protocols, minimizing the likelihood of unsafe incidents. Moreover, we have automated specific areas of our facility through the deployment of robots, further reducing the risk of exposure to hazardous working conditions.

**Leadership Indicators:**

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

**Response:** Yes. we offer statutory coverages such as Employees' Deposit Linked Insurance, Gratuity, and Employee General Insurance.

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

**Response:** The Company monitors the GST charged by value chain partners to ensure they comply with statutory regulations. We track all GST transactions carefully to verify that partners deposit the collected GST with the Government. This helps maintain accurate records and ensures we can claim input tax credit without any complications. For additional check and to ensure compliance with all statutory obligation throughout the value chain, the Company includes a compliance clause in agreements with its partners whenever possible. By these measures, we ensure partners meet statutory requirements, supporting our overall compliance efforts.

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

**Response:**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil		Nil	
Workers				

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

**Response:** Yes

5. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	52%
Working Conditions	

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

**Response:** There were no risks or concerns identified post the assessment.

**ANNEXURE - 11 (BRSR CONTD.)**

**PRINCIPLE 4**

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

**Essential Indicators:**

- Describe the processes for identifying key stakeholder groups of the entity.  
**Response:** Stakeholder groups are determined according to their level of involvement with the entity. Core stakeholders encompass individuals, groups, or institutions that contribute value to the Company's business chain. This includes employees, investors, customers, suppliers, and various other stakeholders.
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

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

**Leadership Indicators:**

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.  
**Response:** Consultation between stakeholders, such as investors, and the Board of Directors is done through conference calls to discuss the company's financial performance every quarter. These interactions are led by the Managing Director. For Social and Environmental Responsibility initiatives, the Company collaborates with NGOs that act as intermediaries. These NGOs assess stakeholders needs in areas such as education, healthcare and environmental conservation and propose projects aligned with the Company's CSR goals. The Board of Directors reviews these projects while granting approval. Additionally, the Company provides the Board with a comprehensive report detailing the impact of each project.
- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.  
**Response:** No



## ANNEXURE - 11 (BRSR CONTD.)

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

**Response:** None of our stakeholders represent vulnerable/marginalised groups. Hence, no concerns have been raised.

### PRINCIPLE 5:

**Businesses should respect and promote human rights.**

#### Essential Indicators:

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

Category	FY 2023-24			2022-23		
	Total (A)	No. of Employees/ Workers (B)	%(B/A)	Total (C)	No. of Employees/ Workers (D)	%(D/C)
Employees						
Permanent	453	453	100	395	395	100
Other than Permanent	0	0	NA	34	0	NA
Total Employees	453	453	100	429	395	92.90
Workers						
Permanent	252	252	100	545	545	100
Other than Permanent	156	156	100	199	152	76.05
Total	408	408	100	744	697	93.60

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

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
Employees										
<b>Permanent</b>										
Male	414	0	NA	414	100	349	0	NA	349	100
Female	39	0	NA	39	100	37	0	NA	37	100
<b>Other than Permanent</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
<b>Permanent</b>										
Male	252	0	NA	252	100	268	0	NA	268	100
Female	0	0	NA	0	NA	0	0	NA	0	NA
<b>Other than Permanent</b>										
Male	152	NA	NA	152	100%	268	0	0%	268	100%
Female	4	NA	NA	4	100%	16	0	0%	16	0%

**ANNEXURE - 11 (BRSR CONTD.)**

3. Details of remuneration/salary/wages

a. Median remuneration / wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4	₹ 8 LPA	2	₹ 6.5 LPA
Key Managerial Personnel	2	₹ 170.69 LPA	1	₹ 70.54 LPA
Employees other than BoD and KMP	405	₹ 6.11 LPA	37	₹ 5.29 LPA
Workers	404	₹ 5.79 LPA	4	₹ 2.28 LPA

\*Key Management Personnel includes Managing Director, Chief Financial Officer and Company Secretary.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	5%	5%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

**Response:** Yes, our human resources department serves as the focal point for addressing human rights impacts and issues.

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

**Response:** We have a grievance policy in place, which outlines the procedure to addresses grievances related to human rights.

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

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL			NIL		
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages/Other human rights related issues						

## ANNEXURE - 11 (BRSR CONTD.)

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format.

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0%	0%
Complaints on POSH upheld	0	0

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

**Response:** : Yes, we have a grievance policy which guides us to take necessary actions and prevent adverse consequences for complainants in discrimination and harassment cases.

9. Do human rights requirements form part of your business agreements and contracts?

**Response:** Yes, we consider all pertinent human rights criteria when engaging in business activities and entering into contracts.

10. Assessments for the year

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

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

**Response:** No significant risks or concerns were identified during the assessment. Therefore, corrective actions are not currently necessary.

#### Leadership Indicators:

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

**Response:** None of our business processes have been modified, since there have been no complaints/grievances relating to human rights.

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

**Response:** The Company prioritizes human rights and has established a comprehensive human rights due diligence process as an integral part of various policies. Our process focuses on identifying, preventing, mitigating and accounting for potential human rights impacts throughout our operations. We also consider the valuable feedback and due diligence conducted by our customers and auditors. This combined approach helps us ensure a comprehensive understanding and management of human rights risks.

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

**Response:** Yes, our premises are accessible to differently abled visitors, Additionally, Unit II has a lift facility for further convenience.

**ANNEXURE - 11 (BRSR CONTD.)**

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	52%
Discrimination at workplace Child Labour	
Child Labour	
Forced Labour	
Involuntary Labour Wages	
Others-please specify	

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

**Response:** No significant risks or concerns were identified during the assessment. Therefore, corrective actions are not currently necessary.

**PRINCIPLE 6:**

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

**Essential Indicators**

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

Parameter	FY 2023-24	FY 2022-23
From Renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
From Non-renewable sources		
Total electricity consumption (D)	35,487.9 GJ	29,746.4 GJ
Total fuel consumption (E)	2,289.7 GJ	597.8 GJ
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	37,777.7 GJ	30,344.2 GJ
Total energy consumed (A+B+C+D+E+F)	37,777.7 GJ	30,344.2 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000003840 GJ/₹	0.000003694 GJ/₹
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000085115	0.000083381
Energy intensity in terms of physical output	3	3.23
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

## ANNEXURE - 11 (BRSR CONTD.)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency.

**Response:** No.

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

**Response:** Not Applicable

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

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(I) Surface water	0	0
(ii) Groundwater	56,800kl	45,500kl
(iii) Third party water	7,171kl	6,823kl
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	63,971 kL	52,323 kL
Total volume of water consumption (in kilolitres)	63,971 kL	52,323 kL
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000650 kL/₹	0.00000636 kL/
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00014413	0.00014377
Water intensity in terms of physical output	5.09	5.57
Water intensity (optional) the relevant metric may be selected by the entity	-	-

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

**Response:** No.

**ANNEXURE - 11 (BRSR CONTD.)**

4. Provide the following details related to the water discharged.

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)	-	-
I. To Surface Water	Not used	Not used
- No Treatment	-	-
- With treatment- 2 stage treatment	-	-
ii. To Groundwater	1050KL	705KL
- No Treatment	-	-
- With treatment- please specify level of treatment	-	-
iii. To Seawater	-	-
- No Treatment	-	-
- With treatment- please specify level of treatment	-	-
iv. Sent to third parties		
- No Treatment		
- With treatment- please specify level of treatment		
v. Others	-	-
- No Treatment		
- With treatment- please specify level of treatment		
Total water discharged (in kilolitres)	1050KL	705KL

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

**Response:** No.

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

**Response:** Yes, we operate both a sewage treatment plant (STP) and an effluent treatment plant (ETP) to manage common effluents (CETP). Additionally, we recycle water for gardening to reduce discharge. Any sludge produced during operations is transferred to authorized agencies for safe disposal.

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Nox	Ppm	17.1	17.4
Sox	Ppm	6.8	7.6
Particulate Matter (PM)	Mg/Nm <sup>3</sup>	73.4	72.8
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	-	0	0
Hazardous air pollutants (HAP)	-	0	0
Others – please specify	-	0	0

## ANNEXURE - 11 (BRSR CONTD.)

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

**Response:** Bangalore Analytical Research Centre Pvt. Ltd.

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

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into Co2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of Co2 equivalent	1,078.45	191.9
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of Co2 equivalent	5,990.6	6,734.2
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MTCO2e/	0.00000072	0.00000084
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Power Purchasing Parity (PPP)		0.00001590	0.00001903
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.56	0.73
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

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

**Response:** No.

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

**Response:** Yes, the Company is actively committed to reducing greenhouse gases emission. This includes, implementing various strategies into operations such as utilizing advanced technologies in manufacturing, optimizing energy use in our workspace and promoting responsible electricity consumption. As a part of our CSR commitments, we donated solar panel systems to government schools, promoting renewal energy and reducing their reliance on fossil fuels. This results in a reduction of emissions and combats climate change.

The Company will continue to make efforts in this area, which includes;

1. Setting a goal to install Solar rooftops at Unit-2 and Unit-3 of the Company in the year 2025-26.
2. Reducing transportation related emission by sourcing materials locally where feasible.
3. Exploring and developing supply chain emission reductions projects.
4. Encouraging the use of recycled materials within the supply chain, where feasible, to lower the overall carbon footprint.
5. Focusing the business towards renewable energy sources such as Hydro, Geothermal, Biomass, Waste to Energy, Waste Heat Recovery, Gas based power plants and Wind to minimize our environmental footprint.



**ANNEXURE - 11 (BRSR CONTD.)**

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

Parameter	FY 2023-24	FY 2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	1.27	3.3
Bio-medical waste	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other hazardous waste. Please specify, if any (G)	29.90	362.37
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G + H)	31.17	365.67
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000032	0.0000000446
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00000007	0.000001
Waste intensity in terms of physical output	0.0024	0.038
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	0.00	0.00
Recycled	31.17	366.60
Reused	0.00	0.00
Other recovery options	0.00	0.00
Total	31.17	366.60
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
Incineration	0.00	0.00
Landfilling	0.00	0.00
Other disposal options	0.00	0.00
Total	0.00	0.00

## ANNEXURE - 11 (BRSR CONTD.)

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

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

**Response:** We maintain a scrap yard for the storage of hazardous waste and closely monitor the volume of scrap generated. However, at present, we have not established any reduction targets aimed at minimizing the quantity of waste generated.

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

Sr. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
We do not have any operations/offices in/around ecologically sensitive areas.			

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

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

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

Response:

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

### Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(I) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, .consumption, and discharge in the following format

**ANNEXURE - 11 (BRSR CONTD.)**

	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)	Nil	Nil
Surface water		
Groundwater		
Third party water		
Seawater/desalinated water		
Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
Surface water	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
Groundwater		
No treatment		
With treatment – please specify level of treatment		
Seawater		
No treatment		
With treatment – please specify level of treatment		
Sent to third parties		
No treatment		
With treatment – please specify level of treatment		
Others		
No treatment		
With treatment – please specify level of treatment		

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

**ANNEXURE - 11 (BRSR CONTD.)**

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

**Whether total Scope 3 emissions & its intensity is applicable to the company?**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if	tCO2e	34,338.02	0.00
<b>Total Scope 3 emissions per rupee of</b>	tCO2e / Rs.	0.00000335	0.00
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)			No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

**Response:** Not Applicable.

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

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	CETP, Rain Harvesting	We utilized wastewater treated by the Common Effluent Treatment Plant (CETP) for gardening purposes and recharged the groundwater by channeling rainwater into bore wells, thereby enhancing our groundwater resources.	The outcomes of these initiatives were quite negligible to quantify.
2.	LED Lightings, Exciter Frame	By replacing conventional or CFL lamps with LED lights, we achieved a 50% reduction in power consumption.	
3.	Exciter frame heating insertion eliminated	The exciter frames were subjected to a heating insertion process before completion. However, we have now eliminated this heating process entirely through cold pressing, resulting in significant power savings and the elimination of emissions.	
4.	OXY Hydro gas generator implemented instead of oxy acetylene gas brazing process	We previously utilized oxy-acetylene gas for brazing purposes. However, we have transitioned to using an oxy-hydrogen generator, resulting in reduced emissions, heat generation, and overall cost. On average, this shift has led to a 50% reduction in our operational expenses compared to the oxy-acetylene process.	

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

**Response:** Yes, we at TDPS have developed a comprehensive business continuity and disaster management plan, which encompasses three key business areas: manufacturing activities, data and IT infrastructure, and outsourced process materials. Each area within the plan identifies potential disaster scenarios, categorized by their probability of occurrence (ranging from 'Low' to 'Medium') and severity (ranging from 'Low' to 'Very High').

**ANNEXURE - 11 (BRSR CONTD.)**

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

**Response:** The release of carbon emissions into the environment has a significant impact. Considering this, we at TDPS have initiated regular interactive sessions with our suppliers to educate and provide awareness on emission reduction strategies and techniques.

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

**Response:** 77%

**PRINCIPLE 7:**

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

**Essential Indicators**

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

**Response: 2**

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

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

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

**Response:** Not Applicable

**Leadership Indicators**

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

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

**PRINCIPLE 8:**

**Businesses should promote inclusive growth and equitable development.**

**Essential Indicators**

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

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

## ANNEXURE - 11 (BRSR CONTD.)

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

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

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

**Response:** Our dedicated Industrial Relations department effectively addresses community grievances through various channels, including one-on-one and group discussions with beneficiaries. We also utilize meetings and correspondence to provide opportunities for receiving and resolving grievances.

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

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	48%*	24.77%
Directly from within India	81%	80%

\*In FY 2022-23, not all our suppliers had submitted the certificates. However, in FY 2023-24, there was a conscious effort from our side to collect the certificates due to certain changes in the Income tax policies. Hence, there is an increase in % of sourcing from MSMEs.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

	FY 2023-24	FY 2022-23
Rural	26%	24%
Semi-urban	25%	29%
Urban	49%	47%
Metropolitan	0%	0%

### Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

S. No.	State	Aspirational District	Amount spent (in )
Nil			

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

**Response:** No

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

**Response:** Not Applicable



**ANNEXURE - 11 (BRSR CONTD.)**

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

**Response:** Not Applicable

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

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

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

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

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
The brief details of each CSR project undertaken by the company during FY 2023-24 are disclosed in Annexure 6 of the Annual Report.			

**PRINCIPLE 9:**

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

**Essential Indicators:**

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

**Response:** The company's customer care department is responsible for addressing consumer grievances and complaints. To ensure efficient handling, we have established standard operating procedures for managing these issues, including warranty claims. Details regarding these procedures can be found in our documentation.

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

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

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

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	There were no consumer complaints pertaining to any of these aspects.			There were no consumer complaints pertaining to any of these aspects.		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

**ANNEXURE - 11 (BRSR CONTD.)**

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

	Number	Reasons for recall
Voluntary Recalls	Nil	-
Forced Recalls	Nil	

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

**Response:** Yes, the Company has policies on cyber security and data privacy. These policies are available on the Company's intranet.

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

**Response:** Not applicable, as no complaints were received.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

**Response:** Nil

b. Percentage of data breaches involving personally identifiable information of customers

**Response:** Not applicable

c. Impact, if any, of the data breaches

**Response:** Since there were no data breaches, there was no impact.

**Leadership Indicators:**

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

**Response:** Details regarding our products and services are available on the company's website <https://www.tdps.co.in/>.

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

**Response:** Many initiatives are undertaken to ensure consumer safety when handling our products and responsibly utilizing our services. For instance, when supplying generators, we include an operation and maintenance manual detailing equipment operation. Additionally, we affix warning stickers as needed on the generators.

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

**Response:** In case of any such risk/discontinuations, customers will be notified via email.

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

**Response:** Yes, we provide comprehensive product information on the nameplate, which includes details such as power rating, machine serial number, purchase order number, and adherence to statutory requirements like CE/CSA certifications. Any additional statutory requirements mandated by the destination country's guidelines are also compiled and noted on the nameplate. Furthermore, we conduct customer satisfaction surveys, utilizing feedback to enhance both our service and product performance, as necessary.

For and on behalf of the Board of Directors

Ahmedabad  
May 23, 2024

**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 Standalone Balance Sheet as at 31st March, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material 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 31st March, 2024, 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 these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained 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.52 (a) and 52 (b) to the audited standalone financial statements, which describes the basis

on which the going concern assumption in the preparation of financial statements of two subsidiaries is considered appropriate and the evaluation of the carrying value of investment in one subsidiary and that no further provision for impairment in the carrying value of the investment in that subsidiary is considered necessary by the management. Our opinion is not modified in respect of the above matters.

#### **Key Audit Matters**

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

#### **Revenue Recognition for contracts with customers**

##### **Reasons why the matter was determined to be a key audit**

**matter:** The Company generates a significant portion of the business by manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications. The Company recognizes revenue in accordance with IND AS 115 Revenue from contracts with customers, generally when or as the entity satisfies a performance obligation by transferring a promised goods, services to a customer; i. e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account the creditworthiness of the customers. (Refer to note 1.5 & 27 to the standalone financial statements). 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, in view of the significance of the matter, the following key audit procedures were performed by us.

- Assessed the compliance of the Company's revenue recognition accounting policies with applicable accounting standards.
- 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.

**INDEPENDENT AUDITORS' REPORT (CONTD.)**

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board of Directors' report, Business Responsibility and Sustainability 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 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 when it becomes available 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 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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,

## INDEPENDENT AUDITORS' REPORT (CONTD.)

forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial 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 ₹ 2,605.04 Lakhs as at 31st March, 2024 and total revenues of ₹ 3,527.64 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 auditor.

Our opinion is not modified in respect of this 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 auditor except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity, and the Standalone Statement of Cash 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 auditor.



INDEPENDENT AUDITORS' REPORT (CONTD.)

- e. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- f. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- h. With respect to the adequacy of the internal financial controls with reference to these standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- 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. 37 of standalone financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note No. 42(b) of the standalone financial statements;
  - iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year – Refer Note 42(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.42(d) of the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of their knowledge and belief, as disclosed in Note No.42(e) of the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and
- v. (a) The final dividend paid by the Company during the year, in respect of the same declared for the previous year is in accordance with Section 123 of the Act, to the extent it applies to the payment of dividend.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with the section 123 of the Companies Act, 2013.
- (c) As stated in note no 48(b), the Board of Directors of the Company have proposed final dividend for the financial year 2022-23 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with the section 123 of the Act to the extent it applies to proposed dividend, as applicable.
- vi. Based on our examination and audit procedures carried by us which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:
  - (a) The feature of recording audit trail (edit log) facility was not available for the accounting software used for maintaining payroll records.



## INDEPENDENT AUDITORS' REPORT (CONTD.)

(b) The feature of recording audit trail (edit log) facility was enabled at the application layer of the accounting software for maintaining the general ledger with effect from April 4, 2023 onwards.

(c) In the case of vendor master, customer master, bank master, and general ledger creation, the feature of audit trail was not enabled during the year.

Further, for the periods where the audit trail (edit log) facility was enabled for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. 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 the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed any other details under Section 197(16) of the Act which are required to be commented upon by us.

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

**ABRAHAM BABY CHERIAN**

Partner

M. No. 218851

Place : Bangalore

Date : 23<sup>rd</sup> May 2024

UDIN : 24218851BKA0JX7698

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**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 2024.**

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

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

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

b) The Company has a programme of physical verification of Property, Plant, and Equipment of the Company, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, certain Property, Plant, and Equipment were physically verified by the management during the year. 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 all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements, are held in the name of the Company except for the following:

Description of property	Gross carrying value (In Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of the Company
Lease-hold land 15.00 acres of land at Japanese Industrial Township, Vasanthanarasapura 3rd Phase Industrial Area, Tumkur, Karnataka.	1720.07	TD Power Systems Limited	No	March, 2024	The lease-cum-sale agreement has been entered with the Karnataka Industrial Areas Development Board. This is registered before the Sub-Registrar, Tumkur post the year-end. (Refer to note 4 of the standalone financial statements).

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

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

the year or are pending against the Company as at 31st March, 2024 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 on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks in respect of the gross value of collateral security (excluding the impact of quarterly book closure adjustments & other adjustments as per sanctioned terms with bankers) are in agreement with the books of account of the Company (Refer to Note 55 of standalone financial statements). The Company has not been sanctioned any working capital limit from the financial institutions.
- 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 (excluding loans to employees), 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 during the year. 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 one wholly owned subsidiary in the earlier years, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular except for Rs 371.43 lakhs which were 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 or before maturity. However, no fresh loans have been granted to settle the overdue of existing loans given to the same parties. The details of loans renewed during the year are given below:

Name of the parties	Aggregate amount of overdues of existing loans renewed during the year.	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
TD Power Systems USA Inc	(Rs. In Lakhs) Rs 371.43	Not Applicable No fresh loans were granted

- 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, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate

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

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 2024, except for the following:

Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)	Period (financial year) to which the amount relates to	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15.80	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	27.56	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,942.67	2016-17	High Court of Karnataka
Income Tax Act, 1961	Income Tax	25.61	2021-22	Commissioner of Income Tax (Appeals)
Goods and Service Tax Act, 2017	Goods and Service Tax	6.89	July 2017 to March 2018	National Appellate Tribunal (Appellate Tribunal)

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 standalone 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 standalone financial statements of the Company, the Company has not

taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

- f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. a. According to the information and explanations given to us and as per our verification of records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3(x)(a) of the Order are not applicable.
- b) According to the information and explanations given to us and as per our verification of records of the Company, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a. According to the information and explanations given to us and as per our verification of records of the Company, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) According to the information and explanation given to us and as per our verification of the records of the company, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to 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 (Ind AS).
- xiv. a) In our opinion the Company has an internal audit system which is commensurate with the size and the nature of its business.

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

- 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. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- 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) of the Order is not applicable.
- d) As represented to us by the management, there is no core investment company as defined in the regulations made by the Reserve Bank of India within the Group. Hence, reporting under clause 3(xvi)(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 and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- 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. In our opinion and according to the information and explanation given to us, 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.
- b. In our opinion and according to the information and explanations given to us, there are no amount remaining unspent in respect of ongoing projects at the end of the financial year. Accordingly, reporting under clause (xx)(b) of the Order is not applicable.

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

**ABRAHAM BABY CHERIAN**  
Partner

Place : Bangalore  
Date : 23<sup>rd</sup> May 2024

M. No. 218851  
UDIN : 24218851BKA0JX7698

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## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

### ANNEXURE REFERRED TO IN PARA 2 (h) "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 with reference to standalone financial statements of TD Power Systems Limited ("the Company") as of 31st March, 2024 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements.

#### Meaning of Internal Financial Controls with reference to these standalone financial statements

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

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

#### Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **VARMA & VARMA**

Chartered Accountants

FRN 004532S

**ABRAHAM BABY CHERIAN**

Partner

Place: Bangalore

Date : 23<sup>rd</sup> May 2024

M No. 218851

UDIN : 24218851BKA0JX7698

**BALANCE SHEET AS AT MARCH 31, 2024**

Particulars	Note No.	Amount in ₹ Lakhs			
		As at 31.03.2024		As at 31.03.2023	
<b>I. ASSETS</b>					
<b>Non - current assets</b>					
Property, plant and equipment	2	15,497.07		14,949.81	
Capital work in progress	3	55.90		23.50	
Right-of-use assets	4	1,720.07		-	
Other intangible assets	5	930.62		819.54	
<b>Financial assets</b>					
Investments	6	2,653.71		3,649.19	
Loans	7	352.33		776.25	
Other financial assets	8	236.17		127.27	
Other non-current assets	9	1,821.43	23,267.30	2,008.22	22,353.78
<b>Current assets</b>					
Inventories	10	23,772.56		19,125.04	
<b>Financial assets</b>					
Trade receivables	11	31,034.56		25,476.08	
Cash and cash equivalents	12	5,524.71		2,439.42	
Bank balances other than cash and cash equivalents	13	13,426.22		12,717.93	
Other financial assets	14	1,524.75		1,124.61	
Other current assets	15	2,676.01	77,958.81	3,760.87	64,643.95
<b>TOTAL ASSETS</b>			<b>1,01,226.11</b>		<b>86,997.73</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>Equity:</b>					
Equity share capital	16	3,123.40		3,120.85	
Other equity	17	66,988.24	70,111.64	56,268.40	59,389.25
<b>Liabilities:</b>					
<b>Non - current liabilities</b>					
Financial Liabilities - Lease Liabilities	21	0.89		-	
Provisions	18	708.72		594.46	
Deferred tax liabilities (Net)	19	36.18	745.79	309.87	904.33
<b>Current Liabilities</b>					
<b>Financial Liabilities:</b>					
Borrowings	20	-		-	
Lease Liabilities	21	0.06		-	
Trade payables					
- total outstanding dues of micro enterprises and Small enterprises	22	2,487.10		112.66	
- total outstanding dues of creditors other than micro enterprises and Small enterprises		11,389.08		12,339.58	
Other financial liabilities	23	8,134.55		7,550.58	
Other current liabilities	24	6,696.39		5,495.43	
Provisions	25	25	503.59		439.54
Current tax liabilities-Net	26	1,157.91	30,368.68	766.36	26,704.15
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>1,01,226.11</b>		<b>86,997.73</b>

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

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore

Date: 23<sup>rd</sup> May 2024

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

For **Varma & Varma**  
Chartered Accountants  
Firm Registration No. 004532S  
**Abraham Baby Cherian**  
Partner  
Membership No.218851

Place:Bangalore  
Date: 23<sup>rd</sup> May 2024

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Note No.	Year ended 31.03.2024		Year ended 31.03.2023
<b>I</b> Revenue from operations	27	98,387.90		82,148.42
<b>II</b> Other income	28	2,350.11		2,200.22
<b>III</b> <b>TOTAL INCOME (I + II)</b>		<b>1,00,738.01</b>		<b>84,348.64</b>
<b>IV</b> <b>Expenses</b>				
Cost of materials consumed	29	66,539.02		54,903.34
Purchases for spares & after market business, net of changes in inventories of stock in trade	30	1,911.67		(437.22)
Changes in inventories of finished goods and work in progress	31	(2,646.66)	65,804.03	2,167.83
Employee benefits expense	32	9,609.94		8,082.62
Finance costs	33	30.96		106.37
Depreciation and amortization expense	34	2,031.45		1,964.46
Other expenses	35	6,615.33		5,568.88
<b>TOTAL EXPENSES</b>		<b>84,091.71</b>		<b>72,356.28</b>
<b>V</b> <b>Profit before exceptional items and tax (III-IV)</b>		<b>16,646.30</b>		<b>11,992.36</b>
<b>VI</b> Exceptional items	36	5.67		(50.81)
<b>VII</b> <b>Profit before tax (V+VI)</b>		<b>16,651.97</b>		<b>11,941.55</b>
<b>VIII</b> <b>Tax expense: (Refer Note No.40(a) &amp; (b))</b>				
Current tax		4,507.85		3,578.07
Deferred tax (credit)		(273.70)	4,234.15	(482.35)
<b>IX</b> <b>Profit for the year (VII-VIII)</b>		<b>12,417.82</b>		<b>8,845.83</b>
<b>X</b> <b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement of defined benefit plans		(168.22)		5.78
Income tax on exchange difference on translation of foreign operations (Refer Note No.40(c))		42.34	(125.88)	(1.45)
<b>Items that will be reclassified to profit or loss</b>				
Exchange difference on translation of foreign operations	38	(88.47)		(11.17)
Income tax on exchange difference on translation of foreign operations (Refer Note No.40(c))		22.27	(66.20)	2.81
<b>Total</b>		<b>(192.08)</b>		<b>(4.03)</b>
<b>XI</b> <b>Total comprehensive income for the year (IX+X)</b>		<b>12,225.74</b>		<b>8,841.80</b>
<b>XII</b> Earnings per equity share of 2/- each (Refer Note No.53)				
Basic (in ₹)	39	7.95		5.70
Diluted (in ₹)		7.95		5.68

The accompanying notes form an integral part of the standalone financial statements

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

**Mohib N. Khericha**  
Chairman  
DIN: 00010365  
Place: Ahmedabad

**Nikhil Kumar**  
Managing Director  
DIN:00062243  
Place: Frankfurt

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore  
Date: 23<sup>rd</sup> May 2024

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

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

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

**Abraham Baby Cherian**  
Partner  
Membership No.218851

Place:Bangalore  
Date: 23<sup>rd</sup> May 2024



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	Equity Share Capital (Equity Shares of Rs.2 each issued, subscribed and fully paidup)	Other Equity						Total other equity attributable to equity share holders of the company	
		Reserves and surplus				Stock option Outstanding Account	Shares Purchased by ESOP Trust		Exchange difference on translation of foreign operations
		Securities Premium	Retained earnings	General reserve	Capital Redemption Reserve				
<b>Balance as at 1st April 2023</b>	<b>3,120.85</b>	<b>19,296.80</b>	<b>33,731.24</b>	<b>2,939.63</b>	<b>230.42</b>	<b>66.97</b>	<b>(26.60)</b>	<b>29.94</b>	<b>56,268.40</b>
Shares issued during the year to ESOP trust	2.55	-	-	-	-	-	-	-	-
Profit for the year 1st Apr 2023 to 31st Mar 2024	-	-	12,417.82	-	-	-	-	-	12,417.82
Remeasurement of defined benefit plans for the year (net of tax)	-	-	(125.88)	-	-	-	-	-	(125.88)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(66.20)	(66.20)
Transfer from Share option outstanding to Securities premium on exercise of ESAR	-	22.20	-	-	-	(22.20)	-	-	-
Transfer from Share option outstanding to general reserve	-	-	-	15.43	-	(15.43)	-	-	-
Transfer to Stock Options Outstanding account for the year (Refer Note No.51)	-	-	-	-	-	35.54	-	-	35.54
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	20.72	-	20.72
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	(25.33)	24.87	-	(0.46)
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	18.99	-	-	-	(18.99)	-	-
Interim Dividend (Refer Note No.48(a))	-	-	(780.85)	-	-	-	-	-	(780.85)
Dividend for the year (Refer Note No.48(b))	-	-	(780.85)	-	-	-	-	-	(780.85)
<b>Balance as at 31st March 2024</b>	<b>3,123.40</b>	<b>19,319.00</b>	<b>44,480.47</b>	<b>2,955.06</b>	<b>230.42</b>	<b>39.55</b>	<b>-</b>	<b>(36.26)</b>	<b>66,988.24</b>
<b>Balance as at 1st April 2022</b>	<b>3,110.35</b>	<b>19,201.04</b>	<b>26,752.60</b>	<b>2,939.63</b>	<b>230.42</b>	<b>256.93</b>	<b>(263.55)</b>	<b>38.30</b>	<b>49,155.37</b>
Shares issued during the year to ESOP trust	10.50	-	-	-	-	-	-	-	-
Profit for the year 1st April 2022 to 31st March 2023	-	-	8,845.83	-	-	-	-	-	8,845.83
Remeasurement of defined benefit plans for the year (net of tax)	-	-	4.33	-	-	-	-	-	4.33
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(8.36)	(8.36)
Transfer from Share option outstanding to Securities premium on exercise of ESAR	-	95.76	-	-	-	(95.76)	-	-	-
Transfer to Stock Options Outstanding account for the year (Refer Note No.51)	-	-	-	-	-	32.62	-	-	32.62
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	105.68	-	105.68
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	(126.82)	126.82	-	-
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	0.99	-	-	-	(0.99)	-	-
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	5.44	-	5.44
Interim Dividend (Refer Note No.48(a))	-	-	(780.21)	-	-	-	-	-	(780.21)
Dividend for the year (Refer Note No.48(b))	-	-	(1,092.30)	-	-	-	-	-	(1,092.30)
<b>Balance as at 31st March 2023</b>	<b>3,120.85</b>	<b>19,296.80</b>	<b>33,731.24</b>	<b>2,939.63</b>	<b>230.42</b>	<b>66.97</b>	<b>(26.60)</b>	<b>29.94</b>	<b>56,268.40</b>

Refer Note No.17 for nature and purpose of other reserves

The accompanying notes form an integral part of the standalone financial statements

For and on behalf of Board of Directors of TD Power Systems Limited This is the statement of changes in equity referred to in our report of even date attached

TD Power Systems Limited  
CIN No. L31103KA1999PLC025071

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

**Mohib N. Khericha**  
Chairman  
DIN: 00010365  
Place: Ahmedabad

**Nikhil Kumar**  
Managing Director  
DIN:00062243  
Place: Frankfurt

**Abraham Baby Cherian**  
Partner  
Membership No.218851

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

Place:Bangalore  
Date: 23<sup>rd</sup> May 2024

Date: 23<sup>rd</sup> May 2024

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	16,651.97	11,941.55
Adjustments for		
Depreciation	1,738.69	1,727.91
Amortisation	292.76	236.55
(Profit)/Loss on disposal of Property, Plant and Equipments	(0.23)	(78.04)
Unbilled Revenue	(5.17)	(1.58)
Dividend Income from subsidiary	(420.94)	-
Interest income on bank deposits	(1,014.15)	(694.82)
Interest income on financial assets		
(Non-convertible debentures carried at amortised cost)	(80.69)	(80.87)
Interest income accrued on financial assets		
(Non-convertible debentures carried at amortised cost)	(49.84)	(94.43)
Interest on the loan given to subsidiaries	(49.37)	(47.65)
Finance cost (including foreign exchange difference recorded as adjustment to borrowing cost)	30.96	106.37
Compensation expenses under Employee Stock Option/ Appreciation Rights Scheme	35.54	32.62
Profit on Sale of land (Refer Note No.57)	-	(71.63)
Provision for diminution in the value of investment (Refer Note No.52)	-	122.44
Unrealised foreign exchange loss/(gain) (net)	(247.83)	290.51
Reversal of provision for diminution in the value of investment	(5.67)	-
Provision for warranty claims	66.76	54.66
Provision for leave encashment	242.13	175.64
	532.95	1,677.68
<b>Operating profit before working capital changes</b>	<b>17,184.92</b>	<b>13,619.23</b>
<b>Adjustments for changes in working capital</b>		
Decrease/(Increase) in trade receivables	(5,509.05)	(783.57)
Decrease/(Increase) in other receivables	1,191.22	(100.73)
Decrease/(Increase) in inventories	(4,647.52)	27.89
(Decrease)/Increase in trade payables	1,433.50	(2,228.47)
(Decrease)/Increase in other payables & provisions	1,290.51	1,104.93
	(6,241.34)	(1,979.95)
<b>Cash generated from operations</b>	<b>10,943.58</b>	<b>11,639.28</b>
Direct taxes paid including TDS receivable	(3,851.01)	(3,439.27)
<b>Net Cash from/(used in) Operating Activities</b>	<b>7,092.57</b>	<b>8,200.01</b>
<b>B Cash flow from investing activities</b>		
Payment for property, plant and equipments (net of transfer of CWIP to Property, plant and equipment)	(2,324.65)	(1,591.62)
Payment for intangible assets (including intangible assets under development)	(403.84)	(469.18)
Payment for leasehold land	(1,720.07)	-
Proceeds from disposal of freehold land	-	429.75
Proceeds from disposal of property, plant and equipments	6.53	25.45
Proceeds from repayment of loan given to subsidiary (gross)	343.28	275.47
Proceeds from closure of investment	1,000.00	-
Movement in deposits (net)	(990.00)	-
Dividend received from subsidiary	420.94	-
Interest received on loan given to subsidiary	49.37	47.65
Interest received on bank deposits	1,112.01	579.37
<b>Net Cash from/(used in) investing activities</b>	<b>(2,506.43)</b>	<b>(703.11)</b>

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024(CONTD.)**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
<b>C. Cash flow from financing activities</b>		
Proceeds from/(Repayment of) working capital borrowings (net)	-	(7,096.51)
Proceeds from ESOP exercised received	20.72	105.68
Proceeds from issue of shares to ESOP Trust	2.55	10.50
Interest paid	(30.96)	(64.80)
Dividend Received by ESOP Trust	-	5.44
Dividend Paid	(1,561.70)	(1,872.51)
<b>Net Cash from/(used in) financing activities</b>	<b>(1,569.39)</b>	<b>(8,912.20)</b>
Net Foreign exchange difference on translation of foreign operations	66.20	8.36
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,082.95</b>	<b>(1,406.94)</b>
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	2.34	0.01
Cash and cash equivalents at the beginning of the year	2,439.42	3,846.35
<b>Cash and cash equivalents at the end of the year</b>	<b>5,524.71</b>	<b>2,439.42</b>
<b>Cash and cash equivalents at the end of the year - constitute</b>		
Balances with banks		
In current accounts	601.83	1,368.51
In EEFC account	938.57	21.36
In Cash Credit Account	180.65	341.98
In deposit accounts with less than 3 months maturity	3,800.00	700.00
Cash on hand	3.66	7.57
<b>Total Cash &amp; Cash equivalents</b>	<b>5,524.71</b>	<b>2,439.42</b>

Note: Cashflows are reported using the indirect method. Cash and cash equivalents is after adjusting translation gain/loss. Expenditure towards CSR activities: 144.13 lakhs (PY: 81.34 lakh)

The accompanying notes form an integral part of the standalone financial statements

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

**Mohib N. Khericha**  
Chairman  
DIN: 00010365  
Place: Ahmedabad

**Nikhil Kumar**  
Managing Director  
DIN:00062243  
Place: Frankfurt

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

Date: 23<sup>rd</sup> May 2024

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

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

**Abraham Baby Cherian**  
Partner  
Membership No.218851

Place:Bangalore  
Date: 23<sup>rd</sup> May 2024

## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2024

### SIGNIFICANT ACCOUNTING POLICIES

#### Corporate Information

The TD Power Systems Limited ('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 standalone financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on 23rd May 2024.

The company's subscription to the Share Capital of its Wholly Owned Subsidiaries included in investment under non-current assets as at 31st March 2024 are as follows: -

- The company subscribed to a Wholly Owned Subsidiary in United States of America under the name M/s TD Power Systems (USA) Inc. incorporated as Delaware Corporation on 20th February 2013 located at Ohio. The company subscribed to 80,100 shares of USD 10/- each
- The company incorporated a Wholly Owned Subsidiary in Japan under the name M/s TD Power Systems Japan Limited on 19th March 2013 in Tokyo. The company subscribed to 2,000 shares of JPY 10,000/- each and has been voluntarily liquidated and ceased to be in existence with effect from June 26, 2023 (Refer note 52)
- The company acquired 100% shareholding of a company named Platin 1255 GmbH in Germany during January 2016 and subsequently changed its name to M/s TD Power Systems Europe GMBH during March 2016. The company subscribed to 5,50,000 shares of Euro 1 each
- The company acquired 100% shareholding of a company named TD Power Systems Jenerator Sanayi Anonim Sirketi in Turkey during June 2017. The company subscribed to 12,782 shares of Lira 100 each
- 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)

### MATERIAL ACCOUNTING POLICIES

#### 1.1 Basis of preparation of standalone financial statements:

The standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

The areas involving significant estimates and assumptions are as follows:

- (i) Measurement of useful lives of Property, Plant and Equipment and Intangible assets [Note 1.4(b), Note 2 & Note 5]
- (ii) Estimation of Employee benefits (Defined benefits) [Note 1.12(c), 1.12(e) & Note 44]
- (iii) Impairment of assets [Note 1.10 and Note 1.17(viii)]
- (iv) Estimation of taxes on income [Note 1.15 & Note 19]
- (v) Provisions and contingencies [Note 1.22, Note 47 and Note 37]

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

**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. On disposal of investments in Subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

**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 standalone financial statements. A disclosure for contingent liabilities is made where there is a possible obligation or present obligation that may probably not require an outflow of resources. When there is a possible obligation or present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made in the standalone financial statements. Gain contingencies are not recognized until the contingencies are resolved and the amounts are received or recoverable.



## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

### 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.

Revenue recognised by the Company where services are rendered to the customer and for which invoice has not been raised (which we refer as unbilled revenue) are classified as contract assets. Amount collected from the customer and services have not yet been rendered are classified as contract liabilities.

#### 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. Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### 1.6 Export Incentives

Export incentives are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### 1.7 Property, plant and equipment (PPE)

#### Initial Measurement

Free hold land is carried at historical cost. All other items of Property, Plant and Equipment's are carried at cost of acquisition/construction net of recoverable taxes, less accumulated depreciation / amortization and impairment losses, if any. The cost includes directly

**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)**

attributable expenses relating to the acquisition and bringing the assets to the location and condition of use net of any sale proceeds and finance cost till assets are put to use, are capitalized. Stores, spares and parts which can be used only in connection with an item of plant or equipment and whose useful life is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Property, Plant and Equipment manufactured internally are capitalized at Factory Cost incurred up to the date the asset is ready for its intended use

**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:

<b>Type of Assets</b>	<b>Useful Life</b>
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.



## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

**1.10 Impairment of Assets****a. Financial assets (other than at fair value)**

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

**b. Non-Financial Assets****Property, plant and equipments and intangible assets**

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

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

**1.11 Inventories**

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

**1.12 Employee Benefits**

Employee 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

**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)**

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 Trust) 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. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

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. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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”.

## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

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 (Rs/₹), which is also the Company's functional currency. Transaction in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

#### b. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying foreign currency exchange rates between the reporting currency and the foreign currency prevailing at the dates of the transactions.

#### c. Measurement of foreign currency monetary items and Non-monetary items at the balance sheet date

Monetary items outstanding at the balance sheet date are restated at the rate as on reporting date. Non – monetary items which are carried in terms of historical cost denominated in a foreign currency are not restated and hence is reported using the exchange rate prevailing at the date of transactions.

#### d. Treatment of exchange differences on monetary items

Exchange differences arising on settlement / restatement of foreign currency assets and

**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)**

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

## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

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 standalone 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. A disclosure for contingent liabilities is made where there is a possible obligation or present obligation that may probably not require an outflow of resources. When there is a possible obligation or present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made in the standalone financial statements. Gain contingencies are not recognized until the contingencies are resolved and the amounts are received or recoverable.

##### Provision for Warranty

Provision for warranty related cost are recognized when the product is sold. Initial recognition is based on historical experience and future estimates of claims by the management. The estimate of such warranty related cost is revised annually.

##### Provision for Credit Loss

The Company reviews the position of trade receivable and ascertains a provision for life time credit loss after considering the industry and economic conditions in which customer operate, the profile of the customer and the past experience.

#### 1.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### 1.24 Earnings per share

Basic earnings/ (loss) per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares after adjustments for treasury shares, outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other changes or income relating to the dilutive potential equity shares, by the weighted average



number of equity shares considered for deriving basic earnings per share and weighted average number of shares which could have been issued on the conversion of all dilutive potential equity shares.

The number of equity shares is adjusted retrospectively for all periods presented for any share splits and bonus shares issued.

### **1.25 Dividend Distribution**

Dividend paid (including income tax thereon) is recognized in the period in which the interim dividend is approved by the Board of Directors, or in

the respect of the final dividend when approved by shareholders.

### **1.26 Onerous Contracts**

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

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

**NOTE-2: PROPERTY, PLANT AND EQUIPMENT**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2023	Additions	Disposal	As at 31.03.2024	As at 01.04.2023	For the year	Disposal	As at 31.03.2024	As at 31.03.2024
Free hold land	1,627.30	-	-	1,627.30	-	-	-	-	1,627.30
Buildings	11,322.14	30.59	-	11,352.73	4,014.56	325.05	-	4,339.61	7,013.12
Plant and machinery	24,054.96	1,661.67	3.04	25,713.59	8,696.63	1,166.68	2.89	19,860.42	5,853.17
Office equipments	388.01	51.66	14.79	424.88	298.13	28.76	13.89	313.00	111.88
Furniture and fixtures	392.04	13.03	-	405.07	346.96	19.04	-	366.	39.07
Computers	923.35	266.01	82.10	1,107.26	730.09	134.19	78.10	786.18	321.08
Communication equipments	17.05	-	-	17.05	16.25	0.03	-	16.28	0.77
Motor vehicles	507.17	269.29	24.91	751.55	259.67	64.94	23.66	300.95	450.60
<b>TOTAL - A</b>	<b>39,232.02</b>	<b>2,292.25</b>	<b>124.84</b>	<b>41,399.43</b>	<b>24,362.29</b>	<b>1,738.69</b>	<b>118.54</b>	<b>25,982.44</b>	<b>15,416.99</b>

**PROPERTY, PLANT AND EQUIPMENT - RESEARCH & DEVELOPMENT** Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2023	Additions	Disposal	As at 31.03.2024	As at 01.04.2023	For the year	Disposal	As at 31.03.2024	As at 31.03.2024
Plant and machinery	1,600.92	-	-	1,600.92	1,520.84	-	-	1,520.84	80.08
<b>TOTAL - B</b>	<b>1,600.92</b>	<b>-</b>	<b>-</b>	<b>1,600.92</b>	<b>1,520.84</b>	<b>-</b>	<b>-</b>	<b>1,520.84</b>	<b>80.08</b>
<b>TOTAL - C=A+B</b>	<b>40,832.94</b>	<b>2,292.25</b>	<b>124.84</b>	<b>43,000.35</b>	<b>25,883.13</b>	<b>1,738.69</b>	<b>118.54</b>	<b>27,503.28</b>	<b>15,497.07</b>

**NOTE - 2: PROPERTY, PLANT AND EQUIPMENT**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2022	Additions	Disposal	As at 31.03.2023	As at 01.04.2022	For the year	Disposal	As at 31.03.2023	As at 31.03.2023
Free Hold Land (Refer Note 57)	1,950.92	-	323.62	1,627.30	-	-	-	-	1,627.30
Buildings	11,178.98	143.16	-	11,322.14	3,691.91	322.65	-	4,014.56	7,307.58
Plant and machinery	22,943.84	1,313.01	201.89	24,054.96	17,711.47	1,170.40	185.24	18,696.63	5,358.33
Office equipments	357.24	32.61	1.84	388.01	279.51	20.36	1.74	298.13	89.88
Furniture and fixtures	360.94	31.10	-	392.04	315.25	31.71	-	346.96	45.08
Computers (including computer servers & networks)	840.26	86.78	3.69	923.35	626.44	107.15	3.50	730.09	193.26
Communication equipments	16.91	0.14	-	17.05	16.24	0.01	-	16.25	0.80
Motor vehicles	524.38	24.79	42.00	507.17	261.09	38.48	39.90	259.67	247.50
<b>TOTAL - A</b>	<b>38,173.47</b>	<b>1,631.59</b>	<b>573.04</b>	<b>39,232.02</b>	<b>22,901.91</b>	<b>1,690.76</b>	<b>230.38</b>	<b>24,362.29</b>	<b>14,869.73</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**PROPERTY, PLANT AND EQUIPMENT - RESEARCH & DEVELOPMENT**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2022	Additions	Disposal	As at 31.03.2023	As at 01.04.2022	For the year	Disposal	As at 31.03.2023	As at 31.03.2023
Plant and machinery	1,600.92	-	-	1,600.92	1,483.69	37.15	-	1,520.84	80.08
<b>TOTAL - B</b>	<b>1,600.92</b>	<b>-</b>	<b>-</b>	<b>1,600.92</b>	<b>1,483.69</b>	<b>37.15</b>	<b>-</b>	<b>1,520.84</b>	<b>80.08</b>
<b>TOTAL - C=A+B</b>	<b>39,774.39</b>	<b>1,631.59</b>	<b>573.04</b>	<b>40,832.94</b>	<b>24,385.60</b>	<b>1,727.91</b>	<b>230.38</b>	<b>25,883.13</b>	<b>14,949.81</b>

**Note:**

- A. The borrowings and non fund based facilities from Bank of Baroda, Kotak Mahindra Bank & HDFC Bank are secured by way of:
- 1st Pari passu charge with Kotak Mahindra Bank & HDFC Bank by way of equitable mortgage of unit-1 of factory comprising of factory land and buildings situated at plot nos.27,28,29 & 30A area, 25304 sq. mts Phase-I KIADB Dabaspet Industrial Area, Yedahalli Village, Bengaluru Rural District, Bengaluru.
  - 1st Pari passu charge with Kotak Mahindra Bank & HDFC Bank by way of equitable mortgage of unit-II of factory comprising of factory 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.
  - 1st Pari passu charge with Kotak Mahindra Bank & HDFC Bank by way of equitable mortgage of unit-II of factory comprises of factory land and buildings situated Sy.No. 55 (Part1), 56/1, 56/2, 57 & 58 Yedahalli Village, Dabaspet Bangalore Rural District, Bangalore measuring 12.55 acres.
  - 1st Pari passu hypothecation charge with Kotak Mahindra Bank & HDFC Bank on entire plant and machinery of the company.
- B. The Group does not hold any Benami Property which is either recorded or not recorded in the books of account and there are no proceedings initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act,1988 and rules made thereunder. Accordingly, no disclosure made in this regard.

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Note No	Particular	As at 31.03.2024	As at 31.03.2023
<b>3</b>	<b>CAPITAL WORK-IN-PROGRESS</b>		
	Plant and Machinery	41.09	23.50
	Factory Building	14.81	-
	<b>TOTAL</b>	<b>55.90</b>	<b>23.50</b>

**Capital work-in-progress ageing schedule**

Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
<b>As at 31st March 2024</b>					
Plant and Machinery	41.09	-	-	-	41.09
Factory Building	14.81	-	-	-	14.81
	<b>55.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55.90</b>
<b>As at 31st March 2023</b>					
Plant and Machinery	23.50	-	-	-	23.50
	<b>23.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.50</b>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

**NOTE-4: RIGHT OF USE ASSETS**

**Lease-hold land**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Balance at the beginning of the year</b>	-	-
Add: Additions during the year (Refer note below)	1,720.07	-
Less: Deletions during the year	-	-
<b>Balance at the end of the year</b>	<b>1,720.07</b>	-

The following is the break-up of current and non-current lease liabilities as at

Particulars	As at 31.03.2024	As at 31.03.2023
Current lease liabilities	0.06	-
Non-current lease liabilities	0.89	-
	<b>0.95</b>	

The following is the movement in lease liabilities during the

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Balance at the beginning of the year</b>	-	-
Add: Additions during the year	0.95	-
Less: Deletions during the year	-	-
Less: Payments during the year	-	-
<b>Balance at the end of the year</b>	<b>0.95</b>	

The table below provides details regarding the contractual maturities of lease liabilities :

Particulars	As at 31.03.2024	As at 31.03.2023
Up to one year	0.06	-
From one to 5 years	0.31	-
More than 5 Years	0.58	-

**Others**

Particulars	As at 31.03.2024	As at 31.03.2023
Interest on lease liabilities*	-	-
Expenses relating to short-term leases	33.73	33.91
<b>Total cash outflows for leases</b>	<b>33.73</b>	<b>33.91</b>

These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

\* Interest on lease liabilities for the year is less than 10,000. Hence reported as NIL

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

The Karnataka Industrial Areas Development Board (KIADB) has on terms & conditions stated in its letter dated November 27, 2023 allotted 15.00 acres of land at Japanese Industrial Township, Vasanthanarasapura 3rd Phase Industrial Area, Tumkur, Karnataka to the Company for setting up a facility to manufacture "Electrical Generators, Motors, their sub-assemblies and Parts". The Company has received possession certificate for the said land on 30th January 2024 and entered into "Lease cum Sale Agreement" on 11th March 2024 for a period of 10 years. The lease cum sale agreement has been since registered on 17th May 2024.

Note No	Particulars	As at 31.03.2024	As at 31.03.2023
<b>5</b>	<b>OTHER INTNGIBLE ASSETS</b>		
	<b>Softwares:</b>		
	Gross block (at deemed cost) as at the beginning of the year	253.32	105.10
	Additions during the year	48.00	148.22
	<b>Gross block at the end of the year</b>	<b>301.32</b>	<b>253.32</b>
	Accumulated amortisation at the beginning of the year	67.79	36.18
	Amortisation for the year	55.46	31.61
	<b>Accumulated amortisation at the end of the yea</b>	<b>123.25</b>	<b>67.79</b>
	<b>NET CARRYING VALUE -A</b>	<b>178.07</b>	<b>185.53</b>
	<b>Other Intangible assets - Technical Knowhow</b>		
	Gross block (at deemed cost) as at the beginning of the year	1,878.62	1,557.66
	Additions during the year	355.84	320.96
	<b>Gross block at the end of the year</b>	<b>2,234.46</b>	<b>1,878.62</b>
	Accumulated amortisation at the beginning of the year	1,244.61	1,039.67
	Amortisation for the year	237.30	204.94
	<b>Accumulated amortisation at the end of the year</b>	<b>1,481.91</b>	<b>1,244.61</b>
	<b>NET CARRYING VALUE - B</b>	<b>752.55</b>	<b>634.01</b>
	<b>NET CARRYING VALUE - A+B</b>	<b>930.62</b>	<b>819.54</b>

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Details of Investments	Currency	Per Security	Number of Securities		Amount in Lakhs	
			As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>FINANCIAL ASSETS</b>						
<b>6 INVESTMENTS</b>						
<b>A Non current investments *</b>						
<b>Investments in equity instruments of subsidiaries - unquoted - carried at cost</b>						
D F Power Systems Private Limited ** (Refer Note. No.52(a))	INR	10	59,99,998	59,99,998	2,040.75	2,040.75
TD Power Systems USA Inc (Refer Note No.52(b))	USD	10	80,100	80,100	481.78	481.78
TD Power Systems Japan Limited (Refer Note No.52 (C))	JPY	10,000	-	2,000	-	122.44
TD Power Systems Europe GMBH	Euro	1	5,50,000	5,50,000	414.12	414.12
TD Power Systems Jenerator Sanayi Anonim Sirketi	Lira	100	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 52(a))					(1,440.75)	(1,440.75)
Less: Provision for diminution in the value of TD Power Systems Japan Limited (Refer note No 52(C))					-	(122.44)
<b>Total investment in equity of subsidiaries - A</b>					<b>1,655.25</b>	<b>1,655.25</b>
<b>B Investments in Non-convertible Debentures carried at amortised cost - (quoted)</b>						
Tata Capital Financial Services Limited @ 8.90% (Maturity on 27.09.2023)	INR	1,000	-	1,00,000	-	995.48
Tata Capital Financial Services Limited @ 8.50% (Maturity on 26.08.2024)	INR	1,000	1,00,000	1,00,000	997.96	997.96
<b>C Investment carried at fair value through Profit and Loss (FVTPL)</b>						
<b>Investments in Equity Shares - (fully paid up) (unquoted)</b>						
The Shamrao Vithal Co-operative Bank limited-A Scheduled Bank (Cost per share is ₹25)	INR	25	2,000	2,000	0.50	0.50
<b>Grand Total (A+B+C)</b>					<b>2,653.71</b>	<b>3,649.19</b>
<b>Additional Information:</b>						
Aggregate Carrying value of quoted Non-convertible debentures					997.96	1,993.44
Market value of quoted Non Convertible Debentures					1,049.80	2,089.08
Aggregate amount of unquoted shares					3,096.50	3,218.94
Amount of impairment in the value of investments in unquoted shares (Refer Note 52(a))					(1,440.75)	(1,563.19)
Aggregate carrying value of unquoted shares (net of provision for impairment)					1,655.75	1,655.75
* 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.						

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Note No	Particulars	As at 31.03.2024	As at 31.03.2023
<b>7</b>	<b>LOANS:</b>		
	<b>(Unsecured , considered good)</b>		
	Loans to related parties	352.33	776.25
		<b>352.33</b>	<b>776.25</b>
	<b>Details of Loans</b>		
	Unsecured loan to TD Power Systems USA Inc	352.33	776.25
	Rate of Interest: SOFR + 3% p.a.		
	Period of loan: 24 months		
	Currency: USD		
	Unsecured loan given to wholly owned subsidiary is to meet their operating expenses and working capital requirement.		
<b>8</b>	<b>OTHER FINANCIAL ASSETS:</b>		
	<b>(Unsecured , considered good)</b>		
	Security deposits - electricity deposit	133.09	125.19
	Bank deposits with more than 12 months maturity	101.00	-
	Security deposit for others	2.08	2.08
		<b>236.17</b>	<b>127.27</b>
<b>9</b>	<b>OTHER NON CURRENT ASSETS</b>		
	<b>(Unsecured, considered good)</b>		
	Capital advances*	759.25	943.27
	Advance tax (net of provision)	585.15	535.25
	Balance with Government authorities - GST Refund receivable	183.04	183.04
	Others - VAT input credit refund receivable	-	6.01
	Prepaid expenses	8.40	2.70
	Gratuity- Excess of fair value of plan assets over defined benefit obligation	285.59	337.95
		<b>1,821.43</b>	<b>2,008.22</b>
	*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 482.26 lakhs (PY 882.26 lakhs) represents 182.26 lakhs (PY 182.26 lakhs) towards approx. 6.75 acres (PY 6.75 acres) of land and 300 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.		
<b>10</b>	<b>INVENTORIES</b>		
	<b>(Valued at lower of cost or net realisable value)</b>		
	Raw materials	12,803.93	9,245.86
	Work in progress	9,341.68	7,252.60
	Work in progress - Spares	1,367.21	809.63
	Stock in trade	127.90	1,478.69
	Goods in transit:		
	Raw materials	131.84	338.26
	(Refer accounting policy No. 1.11 for valuation of inventories)	<b>23,772.56</b>	<b>19,125.04</b>
	Note: There are no allowances towards slow and non-moving items during the year.		

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	As at 31.03.2024	As at 31.03.2023
<b>11 TRADE RECEIVABLES (Financial asset, carried at amortised cost)</b>		
Trade receivable, considered good and covered under letter of credit	1,604.06	2,070.38
Trade receivable, Unsecured and considered good	29,430.50	23,405.70
Trade receivable, Unsecured and credit impaired	636.27	636.27
Less: Expected credit loss allowance Refer Note 4(C)	(636.27)	(636.27)
<b>Trade receivables considered good</b>	<b>31,034.56</b>	<b>25,476.08</b>
<b>Notes:</b>		
<b>(a) Trade Receivables ageing schedule</b>		
Undisputed Trade receivables - considered good		
Not Due	23,474.42	21,330.89
Less than 6 months	6,320.69	2,899.31
6 months - 1 years	175.43	594.76
1 - 2 years	578.57	302.38
2 - 3 years	0.21	136.42
More than 3 years	485.24	212.32
Undisputed Trade Receivables - which have significant increase in credit risk		
More than 3 years	636.27	636.27
Less: Expected credit loss allowance (on receivables considered doubtful)	(636.27)	(636.27)
	<b>31,034.56</b>	<b>25,476.08</b>
(b) The above balances includes dues from related parties (Refer Note 45)	3,380.46	4,511.25
(c) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Further, there are no trade or other receivables which are due from firms or private companies in which any director is a partner, a director or a member except as disclosed in note 45 to the financial statement.		
(d) Trade receivable are non interest bearing and are generally on terms of 0 to 180 days. [Refer note 41C]		
(e) There are no trade receivables under dispute or which have significant increase in credit risk or credit impaired as per the information available with the Company except as disclosed above.		
<b>12 CASH AND CASH EQUIVALENTS</b>		
Balances with banks:		
In current accounts	601.83	1,368.51
In EEFC accounts	938.57	21.36
In Cash Credit Account (Refer Note No.20)	180.65	341.98
In deposit accounts with less than 3 months maturity	3,800.00	700.00
Cash on hand	3.66	7.57
<b>TOTAL</b>	<b>5,524.71</b>	<b>2,439.42</b>
<b>13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Balance in unclaimed dividend account	2.57	2.25
Balance with bank in respect of TDPS ESOP Trust	14.83	16.29
Bank deposits with less than 12 months maturity	9,218.12	7,645.00
Deposits (Under lien) with bank as Margin money towards bank guarantee	4,190.70	5,054.39
<b>TOTAL</b>	<b>13,426.22</b>	<b>12,717.93</b>
<b>14 OTHER FINANCIAL ASSETS (Unsecured, considered good)</b>		
Earnest money deposit	59.57	76.45
Security deposit for rented premises	21.08	20.13
Balance with Government authorities - GST Refund receivable	596.81	407.00

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Interest accrued on term deposits	430.95	353.69
Interest accrued on Non Convertible Debentures	49.84	94.43
Accrued Export incentive	185.59	130.50
Unbilled revenue	9.49	4.32
Mark to market gain on forward contracts (Refer Note No.41B)	114.23	-
Employee advance	57.19	38.09
<b>TOTAL</b>	<b>1,524.75</b>	<b>1,124.61</b>
<b>15 OTHER CURRENT ASSETS (Unsecured, considered good)</b>		
Advance paid to suppliers (other than capital advances)	2,230.14	2,987.81
Balance with Government authorities - Input Tax credit	185.98	636.31
Prepaid expenses	192.20	134.02
Expenditure tax - (Relating to foreign operations)	67.69	2.73
<b>TOTAL</b>	<b>2,676.0</b>	<b>3,760.87</b>
<b>16 EQUITY SHARE CAPITAL</b>		
<b>Authorized</b>		
<b>Equity shares of 2/- each</b>		
Number of equity shares	17,50,00,000	17,50,00,000
Amount of Equity Share Capital (in )	3,500.00	3,500.00
<b>Issued, subscribed and fully paid up</b>		
<b>Equity shares of 2/- each</b>		
Number of equity shares	15,61,70,101	15,60,42,635
Amount of Equity Share Capital (in )	3,123.40	3,120.85
<b>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</b>		
<b>Number of equity shares</b>		
Shares outstanding at the beginning of the year	15,60,42,635	15,55,17,490
Shares issued during the year	1,27,466	5,25,145
<b>Shares outstanding at the end of the year</b>	<b>15,61,70,101</b>	<b>15,60,42,635</b>
<b>Amount of equity share capital:</b>		
Share capital outstanding at the beginning of the year	3,120.85	3,110.35
Shares issued during the year	2.55	10.50
<b>Share capital outstanding at the end of the year</b>	<b>3,123.40</b>	<b>3,120.85</b>

**Other Information**

- I The Company has only one class of equity shares having par value of 10/- each (sub-divided into 2/- each). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting (Refer Note 53).
- II In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders
- III For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:
  - a. No shares allotted pursuant to a contract without consideration being received in cash.
  - b. No shares allotted as fully paid up by way of bonus shares
  - c. 23,04,174 equity shares were brought back by the Company during the financial year 2019-2020
- IV The particulars of employee stock option is given in note no.51. 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.



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

## VI Shares held by promoters &amp; promoter group - Refer Note 16(I) above

Current Year

Promoter Name	As at 31.03.2024		As at 31.03.2023		% Change during the year
	No of shares	%	No of shares	%	
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	2,39,58,225	15.34%	2,51,32,165	16.11%	-4.67%
Nikhil Kumar	1,91,93,320	12.29%	2,31,93,320	14.86%	-17.25%
Mohib N Khericha	-	0.00%	1,91,54,800	12.28%	-100.00%
Hitoshi Matsuo	1,00,40,486	6.43%	1,61,76,270	10.37%	-37.93%
<b>Promoter Group:</b>					
Aarya Sankaran Kumar	2,45,530	0.16%	2,45,530	0.16%	0.00%
Chartered Capital & Investment Ltd.	-	0.00%	56,71,260	3.63%	-100.00%
Lavanya Sankaran	-	0.00%	6,38,250	0.41%	-100.00%
Sagir Mohib Khericha	80,000	0.05%	80,000	0.05%	0.00%
Sofia Mohib Khericha	-	0.00%	10,00,000	0.64%	-100.00%
					<b>Previous Year</b>
Promoter Name	As at 31.03.2023		As at 31.03.2022		% Change during the year
	No of shares	%	No of shares	%	
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	2,51,32,165	16.11%	2,51,32,165	16.16%	0.00%
Nikhil Kumar	2,31,93,320	14.86%	2,31,93,320	14.91%	0.00%
Mohib N Khericha	1,91,54,800	12.28%	1,91,54,800	12.32%	0.00%
Hitoshi Matsuo	1,61,76,270	10.37%	1,61,76,270	10.40%	0.00%
<b>Promoter Group:</b>					
Aarya Sankaran Kumar	2,45,530	0.16%	2,45,530	0.16%	0.00%
Chartered Capital & Investment Ltd.	56,71,260	3.63%	56,71,260	3.65%	0.00%
Lavanya Sankaran	6,38,250	0.41%	6,38,250	0.41%	0.00%
Sagir Mohib Khericha	80,000	0.05%	-	0.00%	100.00%
Sofia Mohib Khericha	10,00,000	0.64%	10,00,000	0.64%	0.00%

## VII Particulars of equity share holders holding more than

5% of the total paid up equity share capital:

	As at 31.03.2024		As at 31.03.2023	
	%	No of shares	%	No of shares
a. Saphire Finman Services LLP (Saphire Finman Services Private Limited)	15.34%	2,39,58,225	16.11%	2,51,32,165
b. Nikhil Kumar	12.29%	1,91,93,320	14.86%	2,31,93,320
c. Mohib N Khericha	0.00%	-	12.28%	1,91,54,800
d. Hitoshi Matsuo	6.43%	1,00,40,486	10.37%	1,61,76,270
e. Nippon Life India Trustee Limited	7.22%	1,12,75,320	7.23%	1,12,75,320
f. Aditya Birla Sun Life Trustee Private Limited	5.34%	83,38,970	0.00%	-

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, 2024**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	As at 31.03.2024	As at 31.03.2023
<b>17 OTHER EQUITY</b>		
<b>Reserves &amp; Surplus</b>		
<b>17.1 Securities Premium</b>		
As at the beginning of the year	19,296.80	19,201.04
Add: Transfer from Share option outstanding account	22.20	95.76
<b>As at the end of the year - A</b>	<b>19,319.00</b>	<b>19,296.80</b>
<b>17.2 Capital Redemption Reserve</b>		
As at the beginning of the year	230.42	230.42
Add: Transfer from Securities Premium	-	-
<b>As at the end of the year - B</b>	<b>230.42</b>	<b>230.42</b>
<b>17.3 General Reserve</b>		
<b>As at the beginning of the year</b>	<b>2,939.63</b>	<b>2,939.63</b>
Add: Transfer from Share option outstanding account	15.43	-
<b>As at the end of the year - C</b>	<b>2,955.06</b>	<b>2,939.63</b>
<b>17.4 Retained earnings</b>		
<b>As at the beginning of the year</b>	<b>33,731.24</b>	<b>26,752.60</b>
Less: Dividend (0.50 per share (Previous year: 0.70 per share)) (Refer Note No.48(b))	(780.85)	(1,092.30)
Less: Interim Dividend - 0.50 per equity share of 2 each (Previous Year: 0.50) (Refer Note No.48(a))	(780.85)	(780.21)
Add: Profit for the year as per statement of profit and loss	12,417.8	8,845.83
Add/(less): Remeasurement of defined benefit plan for the year (net of tax)	(125.88)	4.33
Less: Balance carrying value of shares in respect of ESOP exercised during the period transferred to Retained Earnings	18.99	0.99
<b>As at the end of the year - D</b>	<b>44,480.47</b>	<b>33,731.24</b>
<b>17.5 Stock Options Outstanding Account</b>		
<b>As at the beginning of the year</b>	<b>(66.97)</b>	<b>(256.93)</b>
Add: Addition during the year	35.54	32.62
Less: Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	(25.33)	(126.82)
Less: Amount transferred to general reserve on cancellation of ESAR	(15.43)	-
Less: Amount transferred to securities premium on exercise of ESAR by the employees of the Company	(22.20)	(95.76)
<b>As at the end of the year - E</b>	<b>39.55</b>	<b>66.97</b>
<b>17.6 Shares Purchased by ESOP Trust</b>		
<b>As at the beginning of the year</b>	<b>(26.60)</b>	<b>(263.55)</b>
<b>Adjustment for:</b>		
Proceeds from ESOP exercised received	20.72	105.68
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	24.87	126.82
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	(18.99)	(0.99)
Dividend received during the year on the shares held by the ESOP Trust	-	5.44
<b>As at the end of the year - F</b>	<b>-</b>	<b>(26.60)</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Movement of deferred tax liability/(asset)	As at 31.03.2024	As at 31.03.2023
<b>Other Comprehensive Income</b>		
<b>17.7 Exchange difference on translation of foreign operations (Refer Note No.1.16)</b>		
As at the beginning of the year	29.94	38.30
Transferred from statement of profit and loss	(66.20)	(8.36)
<b>As at the end of the year - G</b>	<b>(36.26)</b>	<b>29.94</b>
<b>Total (A+B+C+D+E+F+G)</b>	<b>66,988.2</b>	<b>56,268.40</b>
<b>17.8</b> The Remeasurements gains in respect of employee benefits included under retained earnings are as under:		
<b>As at the beginning of the year</b>	<b>(73.23)</b>	<b>(77.56)</b>
Remeasurements gain/(loss) on defined benefit plans	(168.22)	5.78
Income tax effect on above	42.34	(1.45)
<b>Balance at the end of the year</b>	<b>(199.11)</b>	<b>(73.23)</b>
<b>Note:</b>		
<b>Nature and purpose of other reserves:</b>		
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) 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.		
d) 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.		
e) 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/ESARs exercised.		
f) Shares Purchased by ESOP Trust: The shares held by the ESOP Trust are treated as treasury shares and included under other equity.		
<b>18 PROVISIONS</b>		
Provision for employee benefits (Refer Note No. 44)	708.72	594.46
<b>TOTAL</b>	<b>708.72</b>	<b>594.46</b>
<b>19 DEFERRED TAX LIABILITY</b>		
<b>Deferred tax liability</b>		
On account of depreciation on Property, plant and equipment and Intangible assets	810.55	836.34
<b>Deferred tax asset</b>		
On account of timing differences in recognition of expenditure	774.37	526.47
<b>Net deferred tax liability/(asset)</b>	<b>36.18</b>	<b>309.87</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	As at 31.03.2024	As at 31.03.2023
<b>Movement of deferred tax liability/(asset)</b>		
	<b>Opening balance</b>	<b>Closing balance</b>
	<b>Recognition in statement of profit and loss</b>	
<b>As on 31<sup>st</sup> March 2024</b>		
<b>Deferred tax liability</b>		
On account of depreciation on property, plant and equipment and amortisation of intangible assets	836.34	810.55
<b>Deferred tax asset</b>		
On account of timing differences in recognition of expenditure	526.47	774.37
<b>Total deferred tax liability</b>	<b>309.87</b>	<b>36.18</b>
<b>As on 31<sup>st</sup> March 2023</b>		
<b>Deferred tax liability</b>		
On account of depreciation on property, plant and equipment and amortisation of intangible assets	886.12	836.34
<b>Deferred tax asset</b>		
On account of timing differences in recognition of expenditure	93.90	526.47
<b>Total deferred tax liability</b>	<b>792.22</b>	<b>309.87</b>
<b>20 BORROWINGS</b>		
<b>Secured loans</b>		
<b>Working Capital Borrowings</b>		
Loans repayable on demand		
- rupee loan from banks - Cash Credit		-
<b>(TOTAL)</b>		<b>-</b>

*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 & HDFC 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.

The loans are further collaterally secured as under: -

1. 1st Pari passu charge with Kotak Mahindra Bank & HDFC Bank by way of equitable mortgage of unit-1 of factory comprising of factory land and buildings situated at plot nos.27,28,29 & 30A area, 25304 sq. mts Phase-I KIADB Dabaspeta Industrial Area, Yedehalli Village, Bengaluru Rural District, Bengaluru.
2. 1st Pari passu charge with Kotak Mahindra Bank & HDFC Bank by way of equitable mortgage of unit-II of factory comprising of factory land and

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
buildings situated at Sy.No.59/2, area 4 acres 33 gunta (19526 Sq. mts including 7 gunta kharaba land) yedahalli village Dabaspeta, Bangalore.		
3. 1st Pari passu charge with Kotak Mahindra Bank & HDFC Bank by way of equitable mortgage of unit-II of factory comprises of factory land and buildings situated Sy.No. 55 (Part1), 56/1, 56/2, 57 & 58 Yedahalli Village, Dabaspeta Bangalore Rural District, Bangalore measuring 12.55 acres.		
4. 1st Pari passu hypothecation charge with Kotak Mahindra Bank & HDFC 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.		
Loan from HDFC Bank Limited is secured on all existing and future receivable/current assets of the Company excluding the current assets relating to orders from a particular customer.		
Interest at 9.25% p.a. (PY: 8.65% p.a.) is applicable on Rupee loans from Bank of Baroda which will be reviewed annually		
Interest at 10.15% p.a. (PY: 9.45% p.a.) is applicable on Rupee loans from Kotak Mahindra Bank Limited which will be reviewed annually		
Interest at 9.19% p.a. (PY: 3M MCLR +0.05%) is applicable on Rupee loans from HDFC Bank Limited which will be reviewed annually		
<b>21 LEASE LIABILITIES</b>		
Lease Liability	0.95	-
	<b>0.95</b>	<b>-</b>
<b>Classification of current and Non-Current:</b>		
Current Liability	0.06	-
Non-Current Liability	0.89	-
<b>22 TRADE PAYABLES</b>		
Total outstanding dues of micro enterprises and Small enterprises *	2,487.10	112.66
Total outstanding dues of creditors other than micro enterprises and Small enterprises **	11,389.08	12,339.58
	<b>13,876.18</b>	<b>12,452.24</b>
All trade payables are non interest bearing and payable or settled within normal operating cycle of the company		
<u>Additional Information:</u>		
* The details of amounts outstanding to micro, small and medium enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:		
1. Principal amount due and remaining unpaid	2,487.10	112.66
2. Interest due on (1) above and the unpaid interest	19.83	-
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		

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	7.73
4. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	0.01
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	19.83	0.01
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	242.41	222.58
<p>The amount due to micro, small and medium enterprises is based on the information received and available with the Company which increased pursuant to amendment to Sec.43B(h) of Income tax Act, 1961. There are no dues payable to micro, small and medium enterprises which are under dispute.</p>		
<b>Trade payables ageing schedule</b>		
<b>Outstanding dues to MSME</b>		
Less than 1 year	2,487.10	112.66
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	-	-
<b>Outstanding dues to Others</b>		
Less than 1 year	11,360.67	12,311.17
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	-	-
<b>Disputed outstanding dues to Others</b>		
Less than 1 year	-	-
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	28.41	28.41
	<b>13,876.18</b>	<b>12,452.24</b>
** The above balances includes dues to related parties (Refer Note 45)	20.00	30.77
<b>23 OTHER FINANCIAL LIABILITIES</b>		
Unclaimed dividends *	2.57	2.25
Outstanding liabilities in respect of accrued expenses	7,448.50	6,324.57
Earnest money deposit	2.15	2.15
Mark to market loss on forward contracts (Refer Note No.41B)	-	864.79
Employee benefits payable	677.16	352.26
Due to Director	4.17	4.56
<b>TOTAL</b>	<b>8,134.55</b>	<b>7,550.58</b>

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
<b>24 OTHER CURRENT LIABILITIES</b>		
Advance received from customers **	6,438.94	5,325.16
Duties and taxes payable	257.45	170.27
<b>TOTAL</b>	<b>6,696.39</b>	<b>5,495.43</b>
** The above balances includes advance received from related parties (Refer Note 45)	2,173.09	933.98
<b>25 PROVISIONS</b>		
Provision for warranties (Refer Note No 47)	467.89	401.13
Provisions for employee benefits (Refer Note No 44)	35.70	38.41
<b>TOTAL</b>	<b>503.59</b>	<b>439.54</b>
<b>26 CURRENT TAX LIABILITY</b>		
Provision for taxation (net of advance tax) *	1,157.91	766.36
<b>TOTAL</b>	<b>1,157.91</b>	<b>766.36</b>
* Represents provisions (net of tax paid) held for earlier years pending completion of assessments/ appellate proceedings.		
<b>27 REVENUE FROM OPERATIONS</b>		
<b>Sale of Goods</b>		
- AC generators	69,275.82	56,329.27
- AC generator spares/components	20,333.61	20,490.68
- Spares & after market business - Domestic	378.50	516.94
- Spares & after market business - Overseas Branch	3,524.04	2,833.71
<b>Total</b>	<b>93,511.97</b>	<b>80,170.60</b>
Sale of services	3,600.60	2,437.62
Sale of scrap	2,463.44	2,299.52
<b>Total</b>	<b>99,576.01</b>	<b>84,907.74</b>
Less: Sales to Japan branch	1,188.11	2,759.32
<b>Total</b>	<b>98,387.90</b>	<b>82,148.42</b>
<b>Disaggregation of revenue information</b>		
At Point in time (product/service)	95,975.41	82,470.12
Overtime	3,600.60	2,437.62
<b>28 OTHER INCOME</b>		
Interest income on bank deposits	1,014.15	694.82
Interest income on financial assets - non convertible debentures carried at amortised cost	130.53	175.30
Interest on the loan given to subsidiaries	49.37	47.65
Dividend from subsidiary	420.94	-
Profit on sale of Property, plant and equipments (Net)	0.23	6.41
Foreign exchange fluctuation/MTM gain (Net of loss)	704.59	1,251.44
Income from Renting of equipments	13.60	3.25
Miscellaneous income	16.70	21.35
<b>Total</b>	<b>2,350.11</b>	<b>2,200.22</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
<b>29 CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS &amp; COMPONENTS</b>		
Stock at the beginning of the year	9,245.86	8,625.67
Add: Purchases	70,097.09	55,523.53
Less: Stock at the end of the year	12,803.93	9,245.86
<b>Total</b>	<b>66,539.02</b>	<b>54,903.34</b>
<b>Consumption of major raw materials consists of:</b>		
Copper (wires, strips, rods, sheet etc.)	13,993.18	9,822.53
Steel/ Laminations	11,794.81	11,924.21
Shaft Forgings	4,286.97	3,699.33
Stores & Spares	730.27	200.95
Others	35,733.79	29,256.32
<b>Total</b>	<b>66,539.02</b>	<b>54,903.34</b>
<b>30 PURCHASES FOR SPARES &amp; AFTER MARKET BUSINESS, NET OF CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Inventory at the beginning of the year	1,478.69	288.19
Add: Purchases for Projects Business	560.8	753.28
Less: Inventory at the end of the year	127.90	1,478.69
<b>Total</b>	<b>1,911.67</b>	<b>(437.22)</b>
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>Inventory at the end of the year</b>		
Work in progress - A C Generators	10,708.8	8,062.23
<b>Total</b>	<b>10,708.8</b>	<b>8,062.23</b>
<b>Less: Inventory at the beginning of the year</b>		
Work in progress - A C Generators	8,062.23	10,230.06
	8,062.23	10,230.06
<b>Net (Increase) / Decrease</b>	<b>(2,646.66)</b>	<b>2,167.83</b>
<b>32 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages (Refer Note No.58)	6,822.86	5,825.68
Contribution to provident and other funds	763.40	605.85
Remuneration to whole time directors including contribution to provident and other Funds (Refer Note No.45)	313.76	309.00
Directors sitting fees	35.10	30.80
Share based remuneration to employees (Refer Note No.51)	35.54	32.62
Staff welfare expenses	1,639.28	1,278.67
<b>Total</b>	<b>9,609.94</b>	<b>8,082.62</b>
<b>33 FINANCE COST</b>		
Interest	30.96	64.80
Foreign exchange difference recorded as an adjustment to borrowing cost	-	41.57
<b>Total</b>	<b>30.96</b>	<b>106.37</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
<b>34 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on property, plant and equipment	1,738.69	1,727.91
Amortization of intangible assets	292.76	236.55
<b>Total</b>	<b>2,031.45</b>	<b>1,964.46</b>
<b>35 OTHER EXPENSES</b>		
Power and fuel	1,054.48	848.69
Rent (Refer Note No.46)	33.73	33.91
Repairs and maintenance		
- Buildings	93.48	127.59
- Machinery	688.03	473.75
- Others	47.64	46.97
Insurance	118.76	110.90
Manufacturing expenses	382.75	268.97
Rates and taxes	68.62	115.22
Payment to the auditors (excluding GST):		
- auditor fees (including audit of consolidated financial statements)	15.75	13.00
- for Limited review of quarterly financial results including consolidated financial results	10.05	8.25
- for other services - Certification fees	2.08	2.45
Legal and professional charges	615.58	443.46
Royalty	170.89	6.23
Travelling and conveyance	1,381.87	1,153.22
Bank charges (net of reimbursement received from subsidiary 5.57 Lakhs (PY: 10.07 Lakhs)	333.74	319.67
Software expenses	307.19	291.70
Corporate Social Responsibility (Refer Note No. 50)	144.13	81.34
Vehicle maintenance	88.32	46.81
Postage, telegrams and telephones	55.68	44.21
Printing and stationary	46.89	39.56
Carriage, freight and Selling expenses	881.23	1,015.06
Donations	13.33	6.10
Advertisement	49.21	62.68
Subscription to technical associations, journals and magazines	11.90	9.14
<b>Total</b>	<b>6,615.33</b>	<b>5,568.88</b>
<b>36 EXCEPTIONAL ITEMS:</b>		
Profit on Sale of land (Refer Note No.57)	-	71.63
Provision for diminution in the value of investment (Refer Note No.52)	5.67	(122.44)
<b>Total</b>	<b>5.6</b>	<b>(50.81)</b>
<b>37 CONTINGENT LIABILITIES AND COMMITMENTS</b> (to the extent not provided for)		
<b>Contingent Liabilities</b>		
Performance Guarantees	10,034.93	11,280.74
Performance Guarantees given to customers on behalf of subsidiary companies	1,408.93	1,374.36
Advance Guarantees given to customers on behalf of subsidiary companies	-	175.17
Indirect Tax demand disputed by the company	6.89	6.89
Income Tax demand disputed by the company *	2,011.64	1,986.03
Other sums for which the Company is contingently liable	7.72	5.02

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the above is considered necessary.

\* During May 2021, the company has received demand from Income tax department of ₹ 1,942.67 lakhs for AY 2017-18 with respect to Transfer Pricing and other disallowance u/s 143(3) r.w.s 144C (3) read with section 144B of the Income-tax Act. The Transfer Pricing Officer (TPO) has passed an order with demand considering transfer pricing adjustment on the overall turnover of the Company instead of restricting to transactions with Associate Enterprises. The Sales to Associate Enterprises for the said year is ₹ 1,964.90 lakhs as compared to the Sales of the entire Company of ₹ 36,944.03 lakhs. Disputing the said order, the Company filed an objection before the Dispute Resolution panel of the Income Tax Department at Bengaluru on May 26 2021. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated June 30 2021.

The Company has received assessment order u/s 143(3) r.w.s 260 read with section 144B of the Income Tax Act based on directions of Dispute Resolution panel. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated March 21, 2022.

**Commitments**

**Amounts in Indian Rupees in Lakhs, except as otherwise stated**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,653.73	1,997.45
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**38 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	(168.22)	5.78
Income tax on Defined benefit plans	42.34	(1.45)

**Items that will be reclassified to profit or loss:**

Exchange difference on translation of foreign operations	(88.47)	(11.17)
Income tax on exchange difference on translation of foreign operations	22.27	2.81

**(192.08) (4.03)**

**39 EARNINGS PER SHARE - BASIC**

Profit for the year after tax expense	12,417.8	8,845.83
Weighted average number of equity shares outstanding during the year (Refer Note 16(I))	15,61,34,520	15,53,10,730
Earnings per share (in ₹)	7.95	5.70
Face Value of Equity share (in ) (Refer Note No.53)	2.00	2.00

**EARNINGS PER SHARE - DILUTED**

Profit for the year after tax expense	12,417.82	8,845.83
Weighted average number of equity shares outstanding during the year (Refer Note 16(I))	15,61,95,580	15,56,10,710
Earnings per share (in )	7.95	5.68
Face Value of Equity share (in ) (Refer Note No.53)	2.00	2.00

**40 (a) The reconciliation between Income tax and amounts computed by applying the statutory income tax rate:**

**Amounts in Indian Rupees in Lakhs, except as otherwise stated**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Total profit/(loss) before tax (A)	16,651.97	11,941.55
Income tax rate (B)	25.17%	25.17%
<b>Tax expense - (C) = (A) X (B)</b>	<b>4,190.97</b>	<b>3,005.45</b>
Add - tax effect of the amounts as under:		
a) Expenses - not deductible for tax purpose	45.00	22.39
b) Income exempt from income tax	(105.94)	-
c) Tax paid outside India	63.24	-
d) Other adjustments (net)	40.89	67.88
<b>Total (D)</b>	<b>43.19</b>	<b>90.27</b>
<b>Tax expense (E) = (C) + (D)</b>	<b>4,234.15</b>	<b>3,095.72</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

**(b) The movement in deferred tax liabilities (net)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>Deferred tax liabilities at the beginning of the year</b>	<b>309.87</b>	<b>792.22</b>
- Change in difference between book value and WDV of property, plant and equipment and other intangible assets	(25.42)	(49.83)
- Change in Provision for employee benefits disallowed	(89.98)	31.91
- Change in expenses allowable on payment	(158.29)	(464.43)
<b>Deferred tax liabilities at the end of the year</b>	<b>36.18</b>	<b>309.87</b>
<b>Deferred tax expenses in the statement of profit and loss</b>	<b>(273.70)</b>	<b>(482.35)</b>

**(c) Income tax expense in the other comprehensive Income consist of the following:**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Tax on Re-measurement (loss)/gain on defined benefit obligation	42.34	(1.45)
Income tax on exchange difference on translation of foreign operations	22.27	2.81

**(d) Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

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

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Long term capital loss on sale of land	92.13	100.89

**41 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:**

	Carrying Amount	
	As at 31.03.2024	As at 31.03.2023
<b>Financial Assets at cost less provision for loss:</b>		
Investments in equity instruments of:		
- Indian Subsidiary	600.00	600.00
<b>Financial Assets at cost:</b>		
- Foreign Subsidiaries	1,055.25	1,055.25
<b>Financial assets at fair value through Profit and Loss (FVTPL):</b>		
Investment in equity other than subsidiary - *	0.50	0.50
Mark to market gain on foreign exchange forward contracts (level 2) (Refer Note No.14)	114.23	-
<b>Financial Assets at amortised cost:</b>		
Cash and cash equivalents	5,524.7	2,439.42
Bank balances other than cash and cash equivalents	13,426.22	12,717.93

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Amounts in Indian Rupees in Lakhs, except as otherwise stated**

Trade receivables net of ECL	31,034.56	25,476.08
Loans to subsidiaries	352.33	776.25
Investment in Non Convertible Debentures - Fair Value 1,049.80 Lakhs (PY 2,089.08 Lakhs)	997.96	1,993.44
Other financial assets	1,646.69	1,251.88
<b>Financial liabilities at amortised cost:</b>		
Short term borrowings	-	-
Lease Liabilities	0.06	-
Trade payables	13,876.18	12,452.24
Other financial liabilities	8,134.55	6,685.79
<b>Financial liabilities at fair value through Profit and Loss (FVTPL):</b>		
Mark to market loss on foreign exchange forward contracts (level 2) (Refer Note No.23)	-	864.79
* In view of the fact this investment amount is not significant and the cost is considered to be at fair value (level 3)		

**C. Financial Risk Management**

**Objectives and Policies**

The company's Financial Risk Management is an integral part of business strategies. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. In addition, Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's principal financial liabilities comprise short term borrowings, trade and other payables. The main purpose of these financial liabilities is to support entity's operations. The entity's principal financial assets include cash and cash equivalents, investment in Non-convertible Debentures and trade and other receivables that derive directly from its operations.

All activities for risk management purposes are carried out by experienced teams that have the appropriate skills, experience and supervision. It is the entity's policy that no activities in derivatives will be undertaken except foreign exchange forward contract. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

**Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The customer credit risk is managed as per Company's established policy, procedure and controls relating to customer credit risk management. It requires different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In order to contain the business risk, the creditworthiness of the customer is through scrutiny of its financials, status of financial closure of the project, to the extent available in public domain and if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of nature of business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The Company's maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables.

Particulars	As at 31.03.2024	As at 31.03.2023
Total Receivable	31,034.56	25,476.08
Receivable individually in excess of 10% of the receivable	18,668.26	16,914.15
Percentage of the above receivables to the total receivables of the Company	60.15%	66.39%

Receivables in excess of 10% of individual business receivables represents receivables from four customers/group as at 31st March 2024 and four customers/group as on 31st March 2023.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	As at 31.03.2024	As at 31.03.2023
Customer A	25.83%	21.26%
Customer B	11.77%	16.10%
Customer C	11.66%	17.71%
Customer D	10.89%	11.33%

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 (including co-operative bank) as at 31st March 2024 is ₹ 18,950.93 Lakhs (PY: ₹ 15,157.35 Lakhs). Out of these balances held with banks as deposits was ₹ 17,309.82 lakhs (PY: ₹ 13,399.39 lakhs). The details of bank deposits are below:

Particulars	As at 31.03.2024	As at 31.03.2023
Bank A	16,219.12	12,735.00
Bank B (Co-operative Bank)	500.00	500.00
Bank C	389.70	164.39
Bank D	201.00	-

**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.

Particulars	As at 31.03.2024	As at 31.03.2023
Total Receivable	31,670.83	26,112.35
Provision for credit loss	636.27	636.27
Percentage	2.01%	2.44%

Reconciliation of loss allowance provision	As at 31.03.2024	As at 31.03.2023
Balance at the beginning of the year	636.27	633.83
Provision for credit loss allowance made during the year	-	2.44
Balance at the end of the year	636.27	636.27

**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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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 20,049.90 lakhs at the end of the year (PY - 17,150.79 lakhs). In addition the net trade receivables 31,034.56 lakhs (PY 25,476.08 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:

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	As at 31.03.2024	As at 31.03.2023
Trade Payables	13,876.18	12,452.24
Other Payables:		
Employee dues	677.16	352.26
Mark to market loss on forward contracts	-	864.79
Other dues	7,457.39	6,333.53
<b>Total</b>	<b>22,010.73</b>	<b>20,002.82</b>

**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 31.03.2024 in respect of Euro is 60,00,000 is (PY: Euro 2,20,00,000)
- b) The total foreign currency exposures as at the end of the year is as under:

**In Foreign Currency**

Particulars	As on 31.03.2024			
	USD	Euro	JPY	Others
Assets/ Receivables	14.99	75.62	0.30	1.32
Liabilities (including advances)	38.26	11.52	393.71	0.38

**Rupee Equivalent**

Particulars	As on 31.03.2024			
	USD	Euro	JPY	Others
Assets/ Receivables	1,243.03	6,760.49	0.16	136.02
Liabilities (including advances)	3,139.89	1,031.90	218.43	34.77

**In Foreign Currency**

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



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Rupee Equivalent

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

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 2024 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 on 31 <sup>st</sup> March 2024		As on 31 <sup>st</sup> March 2023	
	Strengthening	Weakening	Strengthening	Weakening
<b>5% Movement in:</b>				
USD	94.84	(94.84)	(63.01)	63.01
EURO	(286.43)	286.43	(367.40)	367.40
JPY	10.92	(10.92)	3.07	(3.07)
Others	(6.80)	6.80	(0.71)	0.71

\* Since there are no assets in terms of JPY as on 31.3.2023, the impact considered as 'zero'

ii) **Interest Rate Risk**

The Company's investments are primarily in Fixed rate interest bearing deposits and non-convertible debentures. Also the borrowings bear fixed rate of interest which are reviewed periodically by the banks. Hence, the Company is not significantly exposed to interest rate risks.

**D Capital Management**

While managing capital, the Company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefit for other stakeholders.

The Board of Directors monitor the earnings before interest, depreciation and tax (EBITDA), which the Company defines as result from operating activities before considering finance cost, depreciation & amortisation, exceptional items and tax expenses. The Board of Directors also monitors the level of dividends to equity shareholders.

The Company's EBITDA is 16.63% for the year ended 31st March 2024 in comparison to 14.44% for the year ended 31st March 2023.

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.

- 42 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 37.
- b. The company does not have any long term contracts including derivative 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

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024  
SEGMENT REPORTING (CONTD.)**

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.

**43 SEGMENT REPORTING**

The company's operation comprises of Manufacturing business including spares & after market business (erstwhile project business). Primary segment reporting comprises of manufacturing business. 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. Sales to and purchases from Japan branch 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**

Sl. No.	Particulars	Current Year		
		Primary Segment (Amount in Lakhs)		Total
		Manufacturing	Common	
1	<b>Segment Revenues</b>			
	External Revenues	99,576.01	-	99,576.01
	Sales to Japan branch	(1,188.11)	-	(1,188.11)
	<b>Total Revenues</b>	<b>98,387.90</b>	<b>-</b>	<b>98,387.90</b>
2	<b>Segment Results</b>			
	Profit Before Taxation, Interest and Depreciation	16,766.68	(408.08)	16,358.60
	Less: Finance cost	30.96	-	30.96
	Less: Depreciation and Amortization	2,028.53	2.92	2,031.45
	<b>Total</b>	<b>14,707.19</b>	<b>(411.00)</b>	<b>14,296.19</b>
3	Unallocable & Other Income			2,355.78
	Less: Tax			4,234.15
	<b>Profit after tax</b>			<b>12,417.82</b>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Sl. No.	Particulars	Previous Year		
		Primary Segment (Amount in Lakhs)		Total
		Manufacturing	Common	
1	<b>Segment Revenues</b>			
	External Revenues	84,907.74	-	84,907.74
	Sales to Japan branch	(2,759.32)	-	(2,759.32)
	<b>Total Revenues</b>	<b>82,148.42</b>	<b>-</b>	<b>82,148.42</b>
2	<b>Segment Results</b>			
	Profit Before Taxation, Interest and Depreciation	12,304.38	(563.85)	11,740.53
	Less: Finance cost	106.37	-	106.37
	Less: Depreciation and Amortizations	1,961.54	2.92	1,964.46
	<b>Total</b>	<b>10,236.47</b>	<b>(566.77)</b>	<b>9,669.70</b>
3	Unallocable & Other Income			2,271.85
	Less: Tax			3,095.72
	<b>Profit after tax</b>			<b>8,845.83</b>
4	Segment Assets - Current Year	80,100.73	21,125.38	1,01,226.11
	Segment Assets - Previous Year	69,531.97	17,465.76	86,997.73
5	Segment Liabilities - Current Year	31,078.29	36.18	31,114.47
	Segment Liabilities - Previous Year	27,298.61	309.87	27,608.48
6	Capital Expenditure (Gross Block)	4,416.16	-	4,416.16
	Disposal (Gross Block)	(124.84)	-	(124.84)
	<b>Capital Expenditure (Net of disposal) - Current Year</b>	<b>4,291.32</b>	<b>-</b>	<b>4,291.32</b>
	Capital Expenditure (Gross Block)	2,100.77	-	2,100.77
	Disposal (Gross Block)	(573.04)	-	(573.04)
	<b>Capital Expenditure (Net of disposal) - Previous Year</b>	<b>1,527.73</b>	<b>-</b>	<b>1,527.73</b>

(ii) Geographical Segment

Particulars	Segment revenue by geographical Market	
	Year ended 31.03.2024	Year ended 31.03.2023
Sales from India		
Domestic Sales (including Deemed Export)	68,334.26	43,399.87
Export Sales	27,717.71	38,674.16
Sales from Overseas Branch	3,524.04	2,833.71
Less: Sales to Japan Branch	(1,188.11)	(2,759.32)
<b>Total</b>	<b>98,387.90</b>	<b>82,148.42</b>

**Carrying amounts of Non current assets:**

Particulars	Carrying amounts of segment assets		Additions to property, plant and equipment and intangible assets (Net of deletion)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Located in India	18,202.10	15,790.77	4,291.32	1,527.73
Located outside India	1.56	2.08	-	-
<b>Total</b>	<b>18,203.66</b>	<b>15,792.85</b>	<b>4,291.32</b>	<b>1,527.73</b>

**(iii) Information about Major customers**

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

Particulars	As at 31.03.2024	As at 31.03.2023
Customer A	20.18%	14.77%
Customer B	14.12%	13.77%
Customer C	13.78%	19.35%
Customer D	-	12.78%

**44 Disclosure as per Ind AS 19 on 'Employee benefits**

**A Gratuity - Funded**

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of 20 Lakhs. The gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The liability has been assessed using projected unit credit actuarial method. The company made annual contributions to the Employee's Group Gratuity scheme of the Life Insurance Corporation of India.

**I. Movement in net defined benefit asset on Gratuity plan**

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
Opening balance ((Liability)/Asset)	1,413.54	1,313.04	1,751.48	1,605.93	337.94	292.89
<b>Included in profit or loss:</b>						
Current service cost	111.24	103.18	-	-	(111.24)	(103.18)
Interest Income on planned asset	-	-	130.73	115.10	130.73	115.10
Interest cost	99.35	90.14	-	-	(99.35)	(90.14)
Total amount recognised in profit or loss	210.59	193.32	130.73	115.10	(79.86)	(78.21)
<b>Included in OCI:</b>						
Actuarial loss (gain)	168.22	(5.78)	-	-	(168.22)	5.78
Total amount recognised in other comprehensive income	168.22	(5.78)	-	-	(168.22)	5.78
Contributions paid by the employer	-	-	195.71	117.50	195.71	117.50
Benefits paid	67.33	87.05	67.33	87.05	-	-
<b>Closing balance ((Liability)/Asset)</b>	<b>1,725.01</b>	<b>1,413.54</b>	<b>2,010.59</b>	<b>1,751.48</b>	<b>285.57</b>	<b>337.95</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Amount recognised in profit or loss as disclosed above does includes gratuity paid to FTE & contract workers during the year.

### II. Details of Plan assets

	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Government of India securities (central and state)	-	-
Schemes of insurance - conventional products	100.00%	100.00%
Others	-	-
	<b>100.00%</b>	<b>100.00%</b>

### III. Actuarial Assumptions

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

	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Financial assumptions</b>		
Discount rate	7.00%	7.20%
Salary escalation rate	7.00%	7.00%
<b>Demographic assumption</b>		
Retirement age	58 Years	58 Years
Mortality table	Indian Assured Lives Mortality (2012-14) 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:

	Year ended 31 <sup>st</sup> March 2024		Year ended 31 <sup>st</sup> March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(174.49)	205.60	(140.59)	165.29
Salary escalation rate (1% Movement)	193.94	172.00	151.72	(134.59)
Withdrawal rate (1% Movement)	0.96	(1.37)	3.01	(3.48)

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)	
	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
For the year ending:		
Less than 1 year	75.73	70.39
Between 1-2 years	79.32	87.53
Between 2-3 years	69.99	76.59
Between 3-4 years	160.87	71.89
Between 4-5 years	105.75	184.05
Between 5-10 years	529.22	621.05

### 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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**B Defined contribution plan - Not-funded:**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

The Company has recognised the following in amounts in the statement of profit & loss during the year

	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Contribution to Provident Fund	385.93	363.95
Contribution to Employee State Insurance	33.24	35.29

**B Long term Leave Liability - Non-funded**

The company provides for earned leave benefit to the employees which accrue at 15 days (maximum) for the year. The earned leave is encashable while in service and upto a maximum of 105 days on retirement. The leave liability has been treated as other long term benefits and has been assessed using projected unit credit actuarial method.

**I. Movement in net defined benefit (asset)/liability**

	Defined benefit obligation	
	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Opening balance	632.87	585.42
<b>Included in profit or loss:</b>		
Current service cost	171.42	132.25
Interest cost	40.87	37.01
Actuarial loss (gain)	29.86	6.39
<b>Total amount recognised in profit or loss</b>	<b>242.13</b>	<b>175.65</b>
Benefits paid	130.58	128.20
<b>Closing balance</b>	<b>744.42</b>	<b>632.87</b>

**II. Actuarial Assumptions**

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

	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Financial assumptions:</b>		
Discount rate	7.00%	7.20%
Salary escalation rate	7.00%	7.00%
<b>Demographic assumptions:</b>		
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	
Withdrawal rate % (All ages)	3.00%	3.00%
Retirement age	58 years	58 years

**45 RELATED PARTY DISCLOSURE**

Related Party	Relationship
1. D F Power Systems Private Limited 2. TD Power Systems USA Inc 3. TD Power Systems Japan Limited (upto 26th June 2023) 4. TD Power Systems Europe GMBH 5. TD Power Systems Jenerator Sanayi Anonim Sirketi	Subsidiary Company
6. Ravindu Motors Private Limited (upto 17th April 2023) 7. Trident Automobiles (Bangalore) Private Limited	Companies in which key management personnel/close member of key management personnel is interested

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

8. Nikhil Kumar, Managing Director 9. Mohib N Khericha, Chairman & Non-Executive Director 10. K G Prabhakar, Director (upto 27th September 2022) 11. S. Prabhmani, Non-Executive Director (wef 27th September 2022) 12. Prathibha Sastry, Independent Director 13. Nithin Bagamane, Independent Director (upto 31st March 2024) 14. Ravi K Mantha, Independent Director (upto 31st March 2024) 15. Srivatsa, Company Secretary (upto 17th February 2023) 16. Bharat Rajwani, Company Secretary (wef 18th February 2023) 17. M N Varalakshmi, CFO	Key management personnel
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**DETAILS OF TRANSACTIONS**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Sl. No.	Nature of transactions	Key management personnel	
		Year ended 31.03.2024	Year ended 31.03.2023
1.	<u>Directors Remuneration:</u>		
	Nikhil Kumar:		
	Short-term employee benefits including commission of 202.14 lakhs (PY: 197.38 Lakhs)	301.80	297.04
	Other long term employee benefit	11.96	11.96
	Dividend	191.93	278.32
	Amount Outstanding at the year end *	4.17	4.56
2.	<u>Remuneration to Key Managerial Personnel:</u>		
	N Srivatsa, upto 17th February 2023		
	Short-term employee benefits	-	63.78
	Other long term employee benefit	-	3.06
	Employees Share Option Cost (Refer Note 51)	-	3.32
	Dividend	-	3.26
	Bharat Rajwani, wef 18th February 2023		
	Short-term employee benefits	20.73	2.02
	Other long term employee benefit	1.32	0.60
	Dividend	-	-
	Amount Outstanding at the year end	1.40	1.63
	M N Varalakshmi		
	Short-term employee benefits	63.81	49.08
	Other long term employee benefit	3.90	3.00
	Employees Share Option Cost (Refer Note 51)	-	1.90
	Dividend	3.37	4.04
	Amount Outstanding at the year end	2.83	0.10
3.	<u>Directors Sitting fees - (Short Term employee benefits)</u>		
	Mohib N Khericha	8.00	6.10
	K G Prabhakar	-	3.00
	Nithin Bagamane	8.00	7.40
	Prathibha Sastry	7.70	6.80
	Ravi K Mantha	6.10	5.50
	S. Prabhmani	5.30	2.00

As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Company as a whole, the amount pertaining to the KMP and relatives of KMP is not ascertainable and, therefore, not included above

\* The amounts accrued & due are reported



**DETAILS OF TRANSACTIONS - CONTD.**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

SL. NO.	Nature of transactions	Subsidiary Company		Companies in which key management personnel/close member of key management personnel is interested	
		Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
4	<u>D F Power Systems Private Limited</u> Reimbursement of expenses	0.21	0.20	-	-
5	<u>TD Power Systems USA Inc</u> Sale of Generators and Spares to subsidiary including supervision charges	3,196.36	4,027.54	-	-
	Inter-Corporate Loan repaid by subsidiary during the year	343.28	237.79	-	-
	Interest on Inter-Corporate Loan charged	49.37	40.48	-	-
	Reimbursement of Bank Guarantee charges	-	0.08	-	-
	Amount receivable by Holding Company	214.77	578.58	-	-
	Trade Advance received by Holding Company	1,572.04	213.71	-	-
	Inter-Corporate Loan balance as at the end of year	352.33	776.25	-	-
	Bank Guarantee as at the end of year	-	32.76	-	-
	Maximum amount of loan outstanding during the year	776.25	942.00	-	-
6	<u>TD Power Systems Europe GMBH</u> Sale of Generators and Spares to subsidiary including services	10,515.70	6,983.16	-	-
	Purchase from subsidiary	364.83	355.01	-	-
	Reimbursement of Bank Guarantee charges	1.29	4.30	-	-
	Amount payable by Holding company	20.00	21.05	-	-
	Amount receivable by Holding Company	3,040.65	3,181.99	-	-
	Trade Advance received by Holding Company	601.05	720.27	-	-
	Bank Guarantee outstanding as at the end of year	1,336.14	1,390.34	-	-
7	<u>TD Power Systems Jenerator Sanayi Anonim Sirketi</u> Sale of Spares to subsidiary	182.58	297.63	-	-
	Purchase from subsidiary	61.86	9.66	-	-
	Amount receivable by Holding Company	125.04	750.68	-	-
	Amount payable by Holding company	-	9.72	-	-
	Dividend from subsidiary	420.94	-	-	-
	Inter-Corporate Loan repaid by subsidiary during the year	-	82.27	-	-
	Interest on Inter-Corporate Loan charged	-	7.17	-	-
	Reimbursement of Bank Guarantee charges	4.28	5.69	-	-
	Bank Guarantee outstanding as at the end of year	945.29	1,004.83	-	-
	Maximum amount of loan outstanding during the year	-	75.36	-	-
8	<u>TD Power Systems Japan Limited (Refer Note No.52)</u> Investment amount written off	116.77	-	-	-
	Amount of investment realised on closure subsidiary	5.67	-	-	-
	Provision for diminution in the value of investment	-	122.44	-	-
9	<u>Ravindu Motors Pvt Ltd</u> Servicing of Vehicles	-	-	0.45	2.40
10	<u>Trident Automobiles (Bangalore) Private Limited</u> Servicing of Vehicles	-	-	1.15	0.52

**46 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 33.73 lakhs (Previous year 33.91 lakhs).

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	As at 31.03.2024	As at 31.03.2023
Balance outstanding at the beginning of the year	401.13	346.47
Provision for the year	66.76	54.66
Balance outstanding at the end of the year	467.89	401.13

### 48(a) Interim Dividend

On 8th November 2023, (PY: 8th February 2023) the Board of Directors of the Company has considered and declared an interim dividend of 0.50 (PY: 0.50) per equity share of the Company.

### (b) Final Dividend

On 23<sup>rd</sup> May 2024, (PY: 9th May 2023) the Board of Directors of the Company have proposed a dividend of 0.60 (PY: 0.50) (sub-divided into 2/- each) per share in respect of the year ended 31st March 2024 subject to approval of shareholders at the Annual General Meeting.

### 49 Research & Development

Following expenses have been incurred by the company towards Research & Development activities

Nature of expenditure	2023-2024	2022-2023
1 Capital Expenditure	-	-
2 Revenue Expenditure (excluding depreciation)		
- Employee benefit expenses	541.85	504.46
- Other expenses	34.99	82.90

### 50 Corporate Social Responsibility

Sl. No.	Particulars	As at 31.03.2024	As at 31.03.2023
i)	Amount required to be spent by the company	144.99	64.48
ii)	Unspent amount of CSR of previous year brought forward	-	16.00
iii)	Amount of expenditure incurred (including set off of earlier years excess spent)	144.99	81.34
iv)	Shortfall at the end of the year	-	-
v)	Total of previous years shortfall	-	-
vi)	Reason for shortfall	Not Applicable	Not Applicable
vii)	Nature of CSR activities	Educational Empowerment & School Infrastructure development. Health care & Sports Training	
viii)	Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	
ix)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Not Applicable	

### 51 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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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	ESAR - Reissued No. of Options	ESOP No. of Options	ESAR No. of Options
Market Price (₹)	254.70	134.45	134.45
Expected Life (in Years)	3 - 5	3 - 5	3 - 5
Volatility (%)	49.91 - 51.22	38.84 - 40	38.84 - 40
Risk free Rate (%)	6.99 - 7.03	5.93 - 6.26	5.93 - 6.26
Exercise Price (₹)	127.35	67.25	67.25
Dividend Yield (%)	0.39	1.49	1.49
Weighted Average Fair Value of the Vest (₹)	159.3	78.92	78.92

During the year ended 31st March 2024 (PY: 31st March 2023), 1,27,466 (PY: 1,05,029) Equity Shares of face value of ₹ 2 each (previously ₹ 10 each) were issued & allotted to the TDPSL Employee Welfare Trust (Trust) in respect of the exercise of 1,37,518 (PY: 93,403) ESARs by grantees. Consequently, the paid up capital of the Company as at March 31, 2024 stands at ₹ 3,123.40 Lakhs (PY: ₹ 3,120.85 Lakhs) comprising 15,61,70,101 (PY: 15,60,42,635) Equity Shares of ₹ 2/-each. As per the TDPSL Equity Based Compensation Plan 2019, the said shares were transferred by the Trust to the ESAR Grantees in settlement of the ESAR'S Exercised.

During the period ended 31st March 2024 (PY: 31st March 2023), NIL (PY: 1,87,961 ) ESOPs of face value of 2 each (previously ₹ 10 each) were vested and 30,813 (PY: 1,57,148) options were exercised at an exercise price of ₹ 67.25 against which 30,813 (PY: 1,57,148) Equity shares of the Company were transferred to the ESOP grantees by TDPSL Employee Welfare Trust. ₹ 20.72 lakhs (PY: 105.68 lakhs) was received from the ESOP grantees upon the Exercise of ESOPs.

**The details of ESOP/ESAR as at 31st March 2024 is as under**

Particulars	As at 31.03.2024		AS at 31.03.2023	
	ESOP	ESAR	ESOP	ESAR
Outstanding at the beginning of the year	30,813	33,075	1,87,962	1,59,268
Vested & exercised during the year	30,813	27,504	1,57,149	1,19,600
Vested & lapsed during the year	-	-	-	6,593
ESAR's cancelled, reissued	-	19,782	-	-
Balance at the end of the year - Not vested	-	19,782	-	-
Balance at the end of the year - Vested & Not Exercised	-	5,572	30,813	33,075

- 52 (a) The net worth of the Indian Company continues to be positive owing to substantial reduction of accumulated losses. The improvement in market condition which was expected post pandemic has been sluggish without a clear picture about the direction in which market likely to head. However the Company continues to evaluate opportunities from time to time with required support from the parent Company. Based on an assessment of risk of claims & counter claims which the Company will have against Creditors for supply of project related equipment, as well as project cancellation, appropriate write backs have been accounted in respect of these creditors in financial year 2022-2023 amounting to ₹ 62.78 lakhs ((2021-2022: ₹ 757.72 lakhs) and earlier year, resulting in the Company's Net worth turning positive. Accordingly, the financial statements of the Indian subsidiary continue to be prepared on a going concern basis which is considered appropriate by the management of that Company.
- (b) The overseas subsidiary in USA has accumulated losses exceeding its share capital and has eroded its networth as at the end of the reporting period. The subsidiary has shown significant improvement in revenue and profits over the last 2 years. Though, the accumulated losses exceed its share capital as at the end of the reporting period, the improved operating performance is enabling the reduction of the accumulated losses and the subsidiary is heading towards a positive net worth . Though the subsidiary's liabilities exceed its total assets by ₹ 401.62 lakhs (As at 31st March 2023: ₹ 537.36 lakhs), a substantial portion of the liabilities is loan from the Holding company against which repayments to the tune of ₹ 343.28 lakhs (PY: ₹ 237.79 lakhs) have been made which reflects improvement of its cash flows. Thus, the subsidiary is able to sustain its operating requirements as well as partially repay the holding company loans. The Holding company is however renewing the loans on timely basis reflecting its resolve to support the subsidiary and grow the market. Further, the holding company is authorised by its Board to infuse further funds as and when required. Considering the above factors, the management is of the opinion that the going concern assumption in preparation of the financial statements of subsidiary is appropriate. Hence, considering the

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

future prospects of the said subsidiary no provision for impairment in the carrying value of the investment in this subsidiary is considered necessary by the management of the company in the standalone financial statements.

(c) The required procedure for voluntary liquidation having been complied with the applicable law/regulation in Japan, TD Power System Japan Ltd, a wholly owned subsidiary of the Company, has been voluntarily liquidated and ceased to be in existence with effect from June 26, 2023 in terms of the closed registration certificate from the Tokyo Legal Affairs Bureau. JPY 9.93 lakhs (equivalent to ₹ 5.67 lakhs) being the value residual assets has been remitted to the Company towards repayment of Share Capital (held as Investment in the Company). Since the Company had made provision for diminution in the value of investment during the financial year ended March 31, 2023, this repayment is reported under "Exceptional Items" in the financial statements and the remaining investment value of ₹ 116.77 lakh has been written off during the year.

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

#### 54 Additional disclosures:

- The Company does not have transactions or balances with struck off companies.
  - The Company does not have any charges/satisfaction which is yet to be registered with ROC beyond the statutory period.
  - The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
  - The Company is not declared as a willful defaulter by any bank or financial institution or other lender or Government or Government authorities. Accordingly, no disclosures are made in this regard.
  - The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
  - Based on the assessment of financial ratios, aging and expected dates of realisation of financial assets and payment of financial liabilities, and other information accompanying the financial statements, the management is of the opinion that no material uncertainty exists as on the date of the balance sheet that the Company is capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.
- 55 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 excluding conversion & carrying cost of inventory and Japan branch related assets. Below is the details of the same.

Qtr	Nature of current asset	As per Bank submission	As per books of accounts*	Difference	Reasons
Q1	Inventory	20,865.17	22,371.24	(1,506.07)	Due to conversion & carrying cost of inventory.
	Trade receivables	27,483.19	27,200.99	282.20	Due to Japan branch related trade receivables adjustment as per sanctioned terms.
Q2	Inventory	22,642.76	24,248.50	(1,605.74)	Due to conversion & carrying cost of inventory.
	Trade receivables	27,214.08	28,122.64	(908.56)	Due to Japan branch related trade receivables adjustment as per sanctioned terms.
Q3	Inventory	22,627.05	23,827.32	(1,200.27)	Due to conversion & carrying cost of inventory.
	Trade receivables	25,303.12	25,900.94	(597.82)	Due to Japan branch related trade receivables adjustment as per sanctioned terms.
Q4	Inventory	21,952.44	23,772.56	(1,820.12)	Due to conversion & carrying cost of inventory.
	Trade receivables	30,063.78	31,034.56	(970.78)	Due to Japan branch related trade receivables adjustment as per sanctioned terms.

\* Amount reported above relating to Q1, Q2 and Q3 and based on unaudited books of accounts.

56 Ratios:

Sl No	Ratios	Numerator	Denominator	March 31, 2024			March 31, 2023			Reason for Variance	
				Numerator	Denominator	Value	Numerator	Denominator	Value		
									% Variance		
1	Current Ratio	Current Assets	Current Liabilities	77,958.81	30,368.68	2.57	64,643.95	26,704.15	2.42	6.04%	
2	Debt-equity Ratio	Total Debt (Refer Note c)	Shareholder's Equity	Not Applicable. As closing balance of borrowing is NIL, this ratio is reported as not applicable.							
3	Debt service coverage ratio	Earnings available for debt service - (Refer Note d)	Debt Service - (Refer Note e)	14,480.23	11.13	1,301.01	10,916.66	64.80	168.47	672.26%	Due to lower utilisation working capital loan & higher revenue/profitability during the current year
4	Return on equity ratio	Profit After Tax	Average Shareholder's Equity	12,417.82	64,750.45	0.19	8,845.83	55,827.49	0.16	21.04%	Due to higher revenue/profitability during the current year
5	Inventory turnover ratio	Revenue from Operations	Average Inventory	98,387.90	21,448.80	4.59	82,148.42	19,138.99	4.29	6.87%	Due to higher revenue during the current year
6	Trade receivables turnover ratio	Revenue from Operations	Average Trade Receivable	98,387.90	28,255.32	3.48	82,148.42	24,992.09	3.29	5.94%	Due to higher revenue during the current year
7	Trade payables turnover ratio	Purchases	Average Trade Payables	70,657.97	13,164.21	5.37	56,276.81	13,565.25	4.15	29.38%	Due to higher revenue during the current year
8	Net capital turnover ratio	Revenue from Operations	Working Capital	98,387.90	47,590.13	2.07	82,148.42	37,939.80	2.17	-4.52%	Due to higher revenue during the current year
9	Net profit ratio	Profit After Tax	Revenue from Operations	12,417.82	98,387.90	0.13	8,845.83	82,148.42	0.11	17.21%	Due to higher revenue during the current year
10	Return on capital employed	Refer - (Note-a)	Refer - (Note-b)	14,480.23	70,147.82	0.21	10,916.66	59,699.12	0.18	12.89%	Due to higher revenue/profitability during the current year
11	Return on investment (Refer Note f)	Interest Income	Investment	130.53	997.96	0.13	175.30	1,993.44	0.09	48.74%	

**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) & 28

**57 Exceptional Item**

During the previous year ended 31st March 2023, the Company sold unutilised land measuring 4 acre and 31 Guntas situated at Pemmanahalli village, Sompura Hobli, Nelamangala Taluk, Bangalore Rural District ₹ 429.75 lakhs. The net profit of ₹ 71.63 lakhs arising from the sale of said land after considering the carrying cost of land of ₹ 323.62 lakhs and the estimated cost of development of ₹ 34.50 lakhs, has been included under exceptional item. The formalities relating to execution and registration of the sale deed was completed during financial year 2022-2023.

**58** The Company has implemented voluntary retirement scheme (VRS) namely TD Power Systems Ltd Employees Voluntary Retirement Scheme 2023-24 for providing financial support and was open for permanent workmen with minimum 10 years of service & 40 years of age. 8 permanent workmen opted for this scheme and the financial implication of ₹ 321.82 lakhs has been accounted in the financial year 2023-24.

**59** Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**60 Prior period comparatives**

The previous year's figures have been regrouped where necessary to confirm with current year's classification. The impact of such regrouping is not material to the standalone financial statements.

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

As per our report of even date attached

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

**Mohib N. Khericha**  
Chairman  
DIN: 00010365  
Place: Ahmedabad

**Nikhil Kumar**  
Managing Director  
DIN:00062243  
Place: Frankfurt

**Abraham Baby Cherian**  
Partner  
Membership No.218851

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

Place:Bangalore  
Date: 23<sup>rd</sup> May 2024

Date: 23<sup>rd</sup> May 2024

# CONSOLIDATED FINANCIAL STATEMENTS



## INDEPENDENT AUDITORS' REPORT

To  
THE MEMBERS OF  
**TD POWER SYSTEMS LIMITED**

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

#### Opinion

We have audited the accompanying Consolidated Financial Statements of TD Power Systems Limited ( hereinafter referred as “the Holding Company” or “the 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, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity, and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including Material 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, 2024, of its consolidated profit, Consolidated total comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to Note 54(a) and 54(b) in the consolidated financial statements, which describes the basis on which the going concern assumption in the preparation of financial statements of two subsidiaries is considered appropriate. The Independent auditors of the subsidiary mentioned in note no. 54(a) in the consolidated financial statements, has expressed material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern, however according to the information and explanations given to us by the Management and based on audit procedures performed by us, the financial information of the subsidiaries mentioned above are not material to the group.

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

#### Key Audit Matters

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

#### Revenue Recognition for contracts with customers:

**Reasons why the matter was determined to be a key audit matter:** The Group generates a significant portion of the business by manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications. The Group recognizes revenue in accordance with IND AS 115 Revenue from contracts with customers, generally when or as the entity satisfies a performance obligation by transferring a promised goods or services to a customer; i. e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account the creditworthiness of the customer's. (Refer to note 1.6 and 27 to the Consolidated financial statements). These assessments include, in particular, the scope of deliveries and services required to fulfil contractually defined obligations.

#### Auditor's response

As part of our audit, in view of the significance of the matter, the following key audit procedures were performed by us:

- Assessed the compliance of the Group's revenue recognition accounting policies with applicable accounting standards.

## INDEPENDENT AUDITORS' REPORT ON (CONTD.)

- we obtained an understanding of the Group's internally established methods, processes and control mechanisms from order to delivery. We have also assessed the design and operating effectiveness of the internal controls by obtaining an understanding of such business transactions, and testing controls over these processes.
- As part of our substantive audit procedures, we evaluated the management's assumptions based on a risk-based selection of a sample of contracts. We have carried out verification of documents relating to these sales that include the documents for final testing, dispatch of goods or acknowledgement of acceptance of the goods. We performed cut-off procedures to ensure that all year-end sales are in line with the revenue recognition policy of the Group. The performance of obligations is considered to be complete, generally when the testing of goods is completed/customer has accepted the goods.

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

The Holding Company's management and Board of Directors are 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 when it becomes available 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 other information identified above, based on the work we have performed, If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated

financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with relevant rules issued thereafter. The respective management and 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 each Company and for preventing and detecting frauds and other irregularities; the 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 respective Board of Directors of the companies included in the group are 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

## INDEPENDENT AUDITORS' REPORT ON (CONTD.)

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:

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and

events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of Holding Company. 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

- We did not audit the financial statements of Japan Branch included in the standalone financial statements of the Holding Company whose financial statements reflect total assets of INR Rs. 2,605.04 Lakhs as at March 31, 2024, total revenues of INR 3,527.64 lakhs and net cash out flows amounting INR (763.44) 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

**INDEPENDENT AUDITORS' REPORT ON (CONTD.)**

to the amounts and disclosures included in respect of the Branch, is based solely on the report of such Branch Auditors.

- ii. We did not audit the financial statements of one Indian Subsidiary, whose financial statements reflect total assets of INR 838.09 lakhs as at March 31, 2024, total revenue of INR 6.26 Lakhs and net (loss) after tax of INR (5.59) Lakhs and net cash outflows of INR (100.35) Lakhs for the year ended March 31, 2024 as considered in the consolidated financial statements. These financial statements have been audited by the auditor of that company whose audit report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection 3 of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.
- iii. We did not audit the special purpose financial statements of four foreign subsidiaries, whose financial statements reflect total assets of INR 9,457.71 lakhs as at March 31, 2024, total revenue of INR 16,081.52 Lakhs, net loss after tax of INR (30.38) Lakhs and net cash inflow of INR 500.14 Lakhs for the year ended March 31, 2024 considered in the consolidated financial statements. The special purpose financial statements of these four foreign subsidiaries prepared for the purpose of consolidation have been audited/reviewed by an independent firm of Chartered Accountants in India whose audit report/review report has been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection 3 of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of that independent firm of Chartered Accountants in India, out of which in respect of one subsidiary the review report is upto 26th June 2023.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

- 1. With respect to the matters specified in paragraphs 3(xxii) 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 Holding Company and CARO report issued by the auditor of the subsidiary company incorporated in India, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in CARO reports except for:

<b>Name of the subsidiary</b>	<b>Corporate Identification Number (CIN)</b>	<b>Paragraph of the CARO report</b>
D F Power Systems Private Limited	U51505KA2007P-Tc041717	Paragraph number 19 with reference to reporting under clause xix of paragraph 3 of CARO 2020.

- 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 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 except for the matters stated in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account/ statements maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, as amended from time to times.
  - e. On the basis of the written representations received from the directors of the holding company as on 31st March, 2024 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



## INDEPENDENT AUDITORS' REPORT ON (CONTD.)

incorporated in India are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' which is based on the auditors' reports of the Company and its subsidiary company incorporated in India.
- 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 46(a) of consolidated financial statements;
  - ii. the group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note No. 46(b) of the consolidated financial statements;
  - iii. there has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year. Based on the auditors' reports of its subsidiary company incorporated in India, 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. 46(c) of consolidated financial statements;
  - iv.a) The respective Management of the Holding 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.46(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 Holding company and its subsidiary 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. 46(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(a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.

**INDEPENDENT AUDITORS' REPORT ON (CONTD.)**

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

(c) As stated in Note 49(b) to the consolidated financial statements, the Board of Directors of the Holding company have proposed final dividend for the financial year 2023-24 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, to the extent it applies to proposed dividend.

As stated in the auditors' report by the other auditor on the financials statements of the subsidiary company incorporated in India, no dividends were proposed, declared or paid by the said subsidiary during the year;

vi. (A). Based on our examination and audit procedures carried by us which included test checks, except for the instances mentioned below, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

a) The feature of recording audit trail (edit log) facility was not available for the accounting software used for maintaining payroll records.

b) The feature of recording audit trail (edit log) facility was enabled at the application layer of the accounting software for maintaining the general ledger with effect from April 4, 2023, onwards.

c) In the case of vendor master, customer master, bank master, and general ledger creation, the feature of audit trail was not enabled during the year.

Further, for the periods where the audit trail (edit log) facility was enabled for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

(B). Auditors' Report issued by the other auditor on the financials statements of the subsidiary company incorporated in India has reported as follows "Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of accounts which doesn't have a feature of recording audit trail (edit log) facility during the year.

However, considering the size of the Company this may not have a material impact on the operations of the Company."

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. 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, as per the verification of the records of the Holding Company, 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. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed any other details under Section 197(16) of the Act which are required to be commented upon by us.

Based on the report of the statutory auditors of subsidiary company incorporated in India, the said subsidiary has not paid any remuneration to its directors during the year.

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

**ABRAHAM BABY CHERIAN**

Place : Bangalore  
Date: 23<sup>rd</sup> May 2024

Partner  
M. No. 218851  
ICAI UDIN : 24218851BKAOJY1591

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TD POWER SYSTEMS LIMITED

#### 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 with reference to consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the TD Power Systems Limited ("Holding Company") of and for the year ended March 31, 2024. We have audited the internal financial controls with reference to consolidated financial statements the Holding company and its 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 financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and audit evidence obtained by the auditor of the subsidiary company incorporated in India in terms of their report referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India.

#### Meaning of Internal Financial Controls with reference to consolidated financial statements.

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and



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

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

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

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

**Opinion**

In our opinion and based on the report of the auditors of its subsidiary company incorporated in India, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to

consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria established for internal control with reference to consolidated financial statements by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, except for the matters stated in paragraph 2(h)(vi)(B) under "Report on Other Legal and Regulatory Requirements" in our auditors report with respect to subsidiary company incorporated in India in so far it is derived from the auditors' report of the said subsidiary.

**Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to the subsidiary company incorporated in India is based solely on the corresponding report of the auditor of the said subsidiary incorporated in India.

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

**ABRAHAM BABY CHERIAN**

Place : Bangalore  
Date: 23<sup>rd</sup> May 2024

Partner  
M. No. 218851  
ICAI UDIN : 24218851BKAOJY1591

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## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Note No.	As at 31.03.2024		As at 31.03.2023	
<b>I. ASSETS</b>					
<b>Non - current assets</b>					
Property, Plant and Equipment	2	15,922.56		15,510.47	
Capital work in progress	3	55.90		23.50	
Right-of-use assets	4	1,720.07	-		
Other intangible assets	5	930.62		819.54	
Financial assets					
Investments	6	998.46		1,993.94	
Other financial assets	7	236.17		127.27	
Other non-current assets	8	1,821.43	21,685.21	2,008.22	20,482.94
<b>Current assets</b>					
Inventories	9	24,976.51		19,855.67	
Financial assets					
Trade receivables	10	30,747.94		26,907.53	
Cash and cash equivalents	11	7,615.63		4,208.65	
Bank balances other than Cash and Cash equivalents	12	13,520.65		12,717.93	
Other financial assets	13	2,274.85		1,879.89	
Current tax asset - Net	14	12.38		0.40	
Other current assets	15	2,947.92	82,095.88	4,268.23	69,838.30
<b>TOTAL ASSETS</b>			<b>1,03,781.09</b>		<b>90,321.24</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>Equity:</b>					
Equity Share Capital	16	3,123.40		3,120.85	
Other Equity	17	67,389.95	70,513.35	57,331.12	60,451.97
<b>Non - current liabilities</b>					
Financial Liabilities - Lease Liabilities	21	0.89		-	
Provisions	18	708.72		594.46	
Deferred tax liabilities (net)	19	36.18	745.79	309.87	904.33
<b>Current Liabilities</b>					
Financial Liabilities:					
Borrowings	20	-		-	
Lease Liabilities	21	0.06		-	
Trade payables	22				
- total outstanding dues of micro enterprises and Small enterprises		2,487.10		112.66	
- total outstanding dues of creditors other than micro enterprises and Small enterprises		11,510.88		13,014.88	
Other financial liabilities	23	8,932.23		8,514.22	
Other current liabilities	24	7,693.96		5,888.74	
Provisions	25	511.75		453.48	
Current tax liabilities-Net	26	1,385.97	32,521.9	980.96	28,964.94
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>1,03,781.09</b>		<b>90,321.24</b>

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

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore

Date: 23<sup>rd</sup> May 2024

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

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

**Abraham Baby Cherian**  
Partner  
Membership No.218851

Place:Bangalore  
Date: 23<sup>rd</sup> May 2024

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

Amounts in Indian Rupees in Lakhs, except as otherwise stated				
	Note No.	Year ended 31.03.2024	Year ended 31.03.2023	
<b>I</b>	Revenue from Operations	27	1,00,051.99	87,229.70
<b>II</b>	Other Income	8	1,620.61	1,975.47
<b>III</b>	<b>TOTAL INCOME (I + II)</b>		<b>1,01,672.60</b>	<b>89,205.17</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	29	66,727.01	56,275.02
	Purchases for Project Business	30	1,911.67	(437.22)
	Changes in inventories of finished goods, work in progress and stock in trade	31	(3,119.98)	3,198.93
	Employee benefits expense	32	10,778.14	9,089.29
	Finance costs	33	30.96	106.37
	Depreciation and amortization expense	34	2,108.87	2,070.48
	Other expenses	35	7,015.73	6,082.07
	<b>TOTAL EXPENSES</b>		<b>85,452.40</b>	<b>76,384.94</b>
<b>V</b>	<b>Profit before exceptional items and tax (III-IV)</b>		<b>16,220.20</b>	<b>12,820.23</b>
<b>VI</b>	Exceptional items	36	-	134.41
<b>VII</b>	<b>Profit before tax (V+VI)</b>		<b>16,220.20</b>	<b>12,954.64</b>
<b>VIII</b>	<b>Tax expense (Refer Note No. 37(a) &amp; (b))</b>			
	Current tax		4,658.98	3,755.76
	Deferred tax (credit)		(273.70)	(482.35)
			4,385.28	3,273.41
<b>IX</b>	<b>Profit for the year (VII-VIII)</b>		<b>11,834.92</b>	<b>9,681.23</b>
<b>X</b>	<b>Other comprehensive income</b>	34		
	<b>Items that will not be reclassified to profit or loss</b>			
	Remeasurement of Defined Benefit Plans		(168.22)	5.78
	Income tax on Defined Benefit Plans (Refer Note No. 37(a))		42.34	(1.45)
			(125.88)	4.33
	<b>Items that will be reclassified to profit or loss</b>			
	Exchange difference on translation of foreign operations		(166.57)	(234.56)
	Income tax on exchange difference on translation of foreign operations		22.27	(231.75)
	<b>Total</b>		<b>(270.18)</b>	<b>(227.42)</b>
<b>XI</b>	<b>Total comprehensive income (IX+X)</b>		<b>11,564.74</b>	<b>9,453.81</b>
<b>XII</b>	<b>Earnings per equity share of ₹ 2/- each (Refer Note No. 50):</b>			
	Basic (in ₹)		7.58	6.23
	Diluted (in ₹)	38	7.58	6.22

The accompanying notes form an integral part of the Consolidated Financial Statements

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

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

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

**Mohib N. Khericha**  
Chairman  
DIN: 00010365  
Place: Ahmedabad

**Nikhil Kumar**  
Managing Director  
DIN:00062243  
Place: Frankfurt

**Abraham Baby Cherian**  
Partner  
Membership No.218851

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore  
Date: 23<sup>rd</sup> May 2024

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

Place: Bangalore  
Date: 23<sup>rd</sup> May 2024

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	Equity Share Capital (Equity Shares of ₹ 2 each issued, subscribed and fully paidup)	Other Equity							Total other equity attributable to equity share holders of the company	
		Reserves and surplus				Capital Reserve	Stock option Outstanding Account	Shares Purchased by ESOP Trust		Exchange difference on translation of foreign operations
		Securities Premium	Retained earnings	General reserve	Capital Redemption Reserve					
<b>Balance as at 1st April 2023</b>	<b>3,120.85</b>	<b>17,728.55</b>	<b>36,566.34</b>	<b>3,369.92</b>	<b>230.42</b>	<b>718.29</b>	<b>66.97</b>	<b>(26.60)</b>	<b>(1,322.77)</b>	<b>57,331.12</b>
Shares issued during the year to ESOP trust	2.55	-	-	-	-	-	-	-	-	-
Profit for the year 1st April 2023 to 31st March 2024	-	-	11,834.92	-	-	-	-	-	-	11,834.92
Remeasurement of defined benefit plans for the year (net of tax)	-	-	(125.88)	-	-	-	-	-	-	(125.88)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(144.30)	(144.30)
Transfer from Share option outstanding to Securities premium on exercise of ESAR	-	22.20	-	-	-	-	(22.20)	-	-	-
Transfer from Share option outstanding to general reserve	-	-	-	15.43	-	-	(15.43)	-	-	-
Transfer to Stock Options Outstanding account for the year (Refer Note No.51)	-	-	-	-	-	-	35.54	-	-	35.54
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	-	(25.33)	24.87	-	(0.46)
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	-	20.72	-	20.72
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	18.99	-	-	-	-	(18.99)	-	-
Transfer to Retained Earnings	-	-	(1,181.60)	-	-	-	-	-	1,181.59	(0.01)
Interim Dividend (Refer Note No.49(a))	-	-	(780.85)	-	-	-	-	-	-	(780.85)
Dividend for the year (Refer Note No.49(b))	-	-	(780.85)	-	-	-	-	-	-	(780.85)
<b>Balance as at 31st March 2024</b>	<b>3,123.40</b>	<b>17,750.75</b>	<b>45,551.07</b>	<b>3,385.35</b>	<b>230.42</b>	<b>718.29</b>	<b>39.55</b>	<b>(0.00)</b>	<b>(285.48)</b>	<b>67,389.95</b>
<b>Balance as at 1st April 2022</b>	<b>3,110.3</b>	<b>17,632.79</b>	<b>28,752.30</b>	<b>3,369.92</b>	<b>230.42</b>	<b>718.29</b>	<b>256.93</b>	<b>(263.55)</b>	<b>(1,091.02)</b>	<b>49,606.08</b>
Shares issued during the year to ESOP trust	10.50	-	-	-	-	-	-	-	-	-
Profit for the year 1st April 2022 to 31st March 2023	-	-	9,681.23	-	-	-	-	-	-	9,681.23
Remeasurement of defined benefit plans for the year (net of tax)	-	-	4.33	-	-	-	-	-	-	4.33
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(231.75)	(231.75)
Transfer from Share option outstanding to Securities premium on exercise of ESAR	-	95.76	-	-	-	-	(95.76)	-	-	-
Transfer to Stock Options Outstanding account for the year (Refer Note No.51)	-	-	-	-	-	-	32.62	-	-	32.62
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	-	(126.82)	126.82	-	-
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	-	105.68	-	105.68
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	-	5.44	-	5.44
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	0.99	-	-	-	-	(0.99)	-	-
Dividend for the year (Refer Note No.49(b))	-	-	(780.21)	-	-	-	-	-	-	(780.21)
Dividend for the year (Refer Note No.49(b))	-	-	(1,092.30)	-	-	-	-	-	-	(1,092.30)
<b>Balance as at 31st March 2023</b>	<b>3,120.85</b>	<b>17,728.55</b>	<b>36,566.34</b>	<b>3,369.92</b>	<b>230.42</b>	<b>718.29</b>	<b>66.97</b>	<b>(26.60)</b>	<b>(1,322.77)</b>	<b>57,331.12</b>

Refer Note No.17 for nature and purpose of other reserves

The accompanying notes form an integral part of the Consolidated Financial Statements

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

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

**Mohib N. Khericha**  
Chairman  
DIN: 00010365  
Place: Ahmedabad

**Nikhil Kumar**  
Managing Director  
DIN:00062243  
Place: Frankfurt

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore  
Date: 23<sup>rd</sup> May 2024

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

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

**Abraham Baby Cherian**  
Partner  
Membership No.218851

Place:Bangalore  
Date: 23<sup>rd</sup> May 2024

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	16,220.20	12,954.64
<b>Adjustments for</b>		
Depreciation	1,816.11	1,833.93
Amortisation	292.76	236.55
(Profit) / Loss on disposal of Property, Plant and Equipments	3.28	(78.04)
Unbilled Revenue	(5.17)	(1.58)
Interest income on bank deposits	(1,020.41)	(698.86)
Interest income on financial assets (Non-convertible debentures carried at amortised cost)	(80.69)	(80.87)
Interest income accrued on financial assets (Non-convertible debentures carried at amortised cost)	(49.84)	(94.43)
Finance cost (including foreign exchange difference recorded as adjustment to borrowing cost)	30.96	106.37
Compensation expenses under Employee Stock Option/ Appreciation Rights Scheme	35.54	32.62
Unrealised foreign exchange loss/(gain) (net)	(174.51)	444.47
Creditors written back included in exceptional item (Refer Note No.50(a))	-	(62.78)
Profit on Sale of land included in exceptional item (Refer Note No.50(b))	-	(71.63)
Provision for Warranty Claims	60.89	37.75
Provision for Leave Encashment	242.57	176.04
	1,151.49	1,779.54
<b>Operating profit before Working Capital Changes</b>	<b>17,371.69</b>	<b>14,734.18</b>
<b>Adjustments for changes in working capital</b>		
Decrease/(Increase) in trade receivables	(3,790.98)	(2,614.35)
Decrease/(Increase) in Other Receivables	1,295.11	(214.32)
Decrease/(Increase) in inventories	(5,120.84)	1,058.99
(Decrease)/Increase in Trade Payables	880.00	(1,944.60)
(Decrease)/Increase in Other Payables & Provisions	1,616.16	1,407.62
	(5,120.55)	(2,306.66)
<b>Cash generated from operations</b>	<b>12,251.14</b>	<b>12,427.52</b>
Direct Taxes Paid including TDS receivable	(3,851.01)	(3,571.27)
<b>Net Cash from/(used in) Operating Activities</b>	<b>8,400.13</b>	<b>8,856.25</b>
<b>B Cash flow from investing activities</b>		
Payment for property, plant and equipments (net of transfer of CWIP to Property, plant and equipment)	(2,344.60)	(1,598.76)
Payment for intangible assets (including intangible assets under development)	(403.84)	(469.18)
Payment for leasehold land	(1,720.07)	-
Proceeds from disposal of freehold land	-	429.75
Proceeds from disposal of property, plant and equipments	80.71	25.45
Proceeds from closure of investment	1,000.00	-
Movement in deposits (net)	(990.00)	-
Interest received on bank deposits	1,118.27	572.55
<b>Net Cash from/(used in) investing activities</b>	<b>(3,259.53)</b>	<b>(1,040.19)</b>

## CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	Amount in ₹ Lakhs	
	Year ended 31.03.2024	Year ended 31.03.2023
<b>C. Cash flow from financing activities</b>		
Proceeds from/(Repayment of) working capital borrowings (net)	-	(7,096.51)
Proceeds from ESOP exercised received	20.72	105.68
Proceeds from issue of shares to ESOP Trust	2.55	10.50
Interest Paid	(30.96)	(64.80)
Dividend Received by ESOP Trust	-	5.44
Dividend Paid	(1,561.70)	(1,872.51)
<b>Net Cash from/(used in) financing activities</b>	<b>(1,569.39)</b>	<b>(8,912.20)</b>
Net Foreign exchange difference on translation of foreign operations	(166.57)	(234.56)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,404.64</b>	<b>(1,330.70)</b>
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	2.34	0.01
Cash and cash equivalents at the beginning of the year	4,208.65	5,539.34
<b>Cash and cash equivalents at the end of the year</b>	<b>7,615.63</b>	<b>4,208.65</b>
<b>Cash and cash equivalents at the end of the year- constitute</b>		
Balances with banks		
In current accounts	2,692.75	3,034.30
In EEFC Account	938.57	21.36
In Cash Credit Account	180.65	341.98
In deposit accounts with less than 3 months maturity	3,800.00	803.44
Cash on hand	3.66	7.57
<b>Total Cash &amp; Cash equivalents</b>	<b>7,615.63</b>	<b>4,208.65</b>

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

Expenditure towards CSR activities: 144.13 lakhs (PY: 81.34 lakh)

The accompanying notes form an integral part of the Consolidated Financial Statements

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

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

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

**Mohib N. Khericha**  
Chairman  
DIN: 00010365  
Place: Ahmedabad

**Nikhil Kumar**  
Managing Director  
DIN:00062243  
Place: Frankfurt

**Abraham Baby Cherian**  
Partner  
Membership No.218851

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

Place:Bangalore  
Date: 23<sup>rd</sup> May 2024

Date: 23<sup>rd</sup> May 2024

## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2024

### Corporate Information

The TD Power Systems Limited ('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, 2024 were approved by the Board of Directors and authorised for issue on May 23, 2024.

The company's subscription to the Share Capital of its Wholly Owned Subsidiaries are as follows: -

- The company subscribed to a Wholly Owned Subsidiary in United States of America under the name M/s TD Power Systems (USA) Inc. incorporated as Delaware Corporation on 20th February 2013 located at Ohio. The company subscribed to 80,100 shares of USD 10/- each
- The company incorporated a Wholly Owned Subsidiary in Japan under the name M/s TD Power Systems Japan Limited on 19th March 2013 in Tokyo. The company subscribed to 2,000 shares of JPY 10,000/- each and has been voluntarily liquidated and ceased to be in existence with effect from June 26, 2023 (Refer note 54(c)).
- The company acquired 100% shareholding of a company named Platin 1255 GmbH in Germany during January 2016 and subsequently changed its name to M/s TD Power Systems Europe GMBH during March 2016. The company subscribed to 5,50,000 shares of Euro 1 each
- The company acquired 100% shareholding of a company named TD Power Systems Jenerator Sanayi Anonim Sirketi in Turkey during June 2017. The company subscribed to 12,782 shares of Lira 100 each
- 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).

### MATERIAL ACCOUNTING POLICIES

#### 1.1 Statement of Compliance

##### a. Principles of Consolidation

###### Subsidiaries:

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company. (Refer Note 54(c))

The financial statements of the Company and its subsidiary companies have 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 financial statements and reported amounts of



## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

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.

The areas involving significant estimates and assumptions are as follows:

- (i) Measurement of useful lives of Property, Plant and Equipment and Intangible assets [Note 1.4(b), Note 2 & Note 5]
- (ii) Estimation of Employee benefits (Defined benefits) [Note 1.13(e), 1.13(c) & 43]
- (iii) Impairment of assets [Note 1.11 & Note 1.18(vii)]
- (iv) Estimation of taxes on income [Note 1.16 & Note 19]
- (v) Provisions and contingencies [Note 1.23, Note 39 and Note 47]

### 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.

**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)****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. A disclosure for contingent liabilities is made where there is a possible obligation that may probably not require an outflow of resources. When there is a possible obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made in the 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.

Revenue recognised by the Company where services are rendered to the customer and for which invoice has not been raised (which we refer as unbilled

## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

revenue) are classified as contract assets. Amount collected from the customer and services have not yet been rendered are classified as contract liabilities.

**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. Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

**1.7 Export Incentives**

Export incentives are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**1.8 Property, plant and equipment (PPE)****Initial Measurement**

Free hold land is carried at historical cost. All other items of Property, Plant and Equipment's are carried at cost of acquisition/construction net of recoverable taxes, less accumulated depreciation / amortization and impairment losses, if any. The cost includes directly attributable expenses relating to the acquisition and bringing the assets to the location and condition of use net of any sale proceeds and finance cost till assets are put to use, are capitalized. Stores, spares and parts which can be used only in connection with an item of plant or equipment and whose useful life is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

**1.9 Intangible Assets**

Intangible assets with finite lives that are acquired are carried at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets consist of technical knowhow / license fees / softwares which are amortized over a period of 5 years on a straight-line basis being the estimated useful life.

**1.10 Research & Development**

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

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

Capital Expenditure is categorized and disclosed separately as Research & Development Property Plant and Equipment and depreciation is charged as disclosed in Sl.No.1.8 above.

**1.11 Impairment of Assets**

**a. Financial assets (other than at fair value)**

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

**b. Non-Financial Assets**

**Property, plant and equipments and intangible assets**

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

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

**1.12 Inventories**

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

**1.13 Employee Benefits**

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

**a. Short-term employee benefits**

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

**b. Long-term employee benefits**

Long term employee benefits include compensated absences which are not expected to

## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

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 Trust) 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.



**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)**

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. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

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. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**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 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.

## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

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.



SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

**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.

## SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

**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. A disclosure for contingent liabilities is made where there is a possible obligation that may probably not require an outflow of resources. When there is a possible obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made 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.

**1.25 Earnings per share**

Basic earnings/ (loss) per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares after adjustments for treasury shares, outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other changes or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of shares which could have been issued on the conversion of all dilutive potential equity shares.

The number of equity shares is adjusted retrospectively for all periods presented for any share splits and bonus shares issued.

**1.26 Dividend Distribution**

Dividend paid (including income tax thereon) is recognized in the period in which the interim dividend is approved by the Board of Directors, or in the respect of the final dividend when approved by shareholders.

**1.27 Onerous contracts**

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

**1.28** Monetary foreign currency assets and liabilities outstanding at the end of the year are restated at the exchange rates prevailing on the reporting date. In terms of para 9 of the IND AS 29, the exchange gains/losses are charged to other expenses.

**1.27 The consolidation of financial statement (CFS) present the consolidated accounts of TD Power Systems Limited with its following subsidiaries**

Sl. No.	Name of Subsidiary	Country of Incorporation	Proportion of Ownership
1	DF Power Systems Limited	India	100%
2	TD Power Systems Japan Limited (Refer Note 54 (c))	Japan	100%
3	TD Power Systems USA Inc	United States of America	100%
4	TD Power Systems Europe GmbH	Germany	100%
5	TD Power Systems Generator Sanayi A.S	Turkey	100%

**2: PROPERTY, PLANT AND EQUIPMENTS**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2023	Additions	Disposal	As at 31.03.2024	As at 01.04.2023	For the year	Disposal	As at 31.03.2024	As at 31.03.2024
Free Hold Land	1,627.30	-	-	1,627.30	-	-	-	-	1,627.30
Buildings	11,322.14	30.59	-	11,352.73	4,014.56	325.05	-	4,339.61	7,013.12
Plant and machinery	24,715.74	1,664.42	112.31	26,267.85	18,885.37	1,220.04	37.98	20,067.43	6,200.42
Office Equipments	469.53	51.66	14.79	506.40	328.09	43.53	13.89	357.73	148.67
Furniture and Fixtures	419.37	13.03	-	432.40	358.70	21.64	-	380.34	52.06
Computers (including computer servers & networks)	946.30	266.01	82.10	1,130.21	750.04	135.86	78.10	807.80	322.41
Communication Equipments	22.30	-	-	22.30	21.50	0.03	-	21.53	0.77
Motor Vehicles	540.96	286.49	33.55	793.90	274.99	69.97	28.79	316.17	477.73
<b>TOTAL - A</b>	<b>40,063.64</b>	<b>2,312.20</b>	<b>242.75</b>	<b>42,133.09</b>	<b>24,633.25</b>	<b>1,816.12</b>	<b>158.76</b>	<b>26,290.61</b>	<b>15,842.48</b>

**PROPERTY, PLANT AND EQUIPMENTS - RESEARCH & DEVELOPMENT**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2023	Additions	Disposal	As at 31.03.2024	As at 01.04.2023	For the year	Disposal	As at 31.03.2024	As at 31.03.2024
Plant and Machinery	1,600.92	-	-	1,600.92	1,520.84	-	-	1,520.84	80.08
<b>TOTAL - B</b>	<b>1,600.92</b>	<b>-</b>	<b>-</b>	<b>1,600.92</b>	<b>1,520.84</b>	<b>-</b>	<b>-</b>	<b>1,520.84</b>	<b>80.08</b>
<b>TOTAL - C=A+B</b>	<b>41,664.56</b>	<b>2,312.20</b>	<b>242.75</b>	<b>43,734.01</b>	<b>26,154.09</b>	<b>1,816.12</b>	<b>158.76</b>	<b>27,811.45</b>	<b>15,922.56</b>

**PROPERTY, PLANT AND EQUIPMENT**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2022	Additions	Disposal	As at 31.03.2023	As at 01.04.2022	For the year	Disposal	As at 31.03.2023	As at 31.03.2023
Free Hold Land (Refer Note 50(b))	1,950.92	-	323.62	1,627.30	-	-	-	-	1,627.30
Buildings	11,178.98	143.16	-	11,322.14	3,691.91	322.65	-	4,014.56	7,307.58
Plant and machinery	23,604.23	1,313.40	201.89	24,715.74	17,820.66	1,249.95	185.24	18,885.37	5,830.37
Office Equipments	432.89	38.48	1.84	469.53	294.73	35.10	1.74	328.09	141.44
Furniture and Fixtures	388.27	31.10	-	419.37	324.39	34.31	-	358.70	60.67
Computers (including computer servers & networks)	862.33	87.66	3.69	946.30	641.26	112.28	3.50	750.04	196.26
Communication Equipments	22.16	0.14	-	22.30	21.49	0.01	-	21.50	0.80
Motor Vehicles	558.17	24.79	42.00	540.96	272.40	42.49	39.90	274.99	265.97
<b>TOTAL - A</b>	<b>38,997.95</b>	<b>1,638.73</b>	<b>573.04</b>	<b>40,063.64</b>	<b>23,066.84</b>	<b>1,796.79</b>	<b>230.38</b>	<b>24,633.25</b>	<b>15,430.39</b>



Amounts in Indian Rupees in Lakhs, except as otherwise stated

The following is the break-up of current and non-current lease liabilities as at		As at 31.03.2024	As at 31.03.2023
Current lease liabilities		0.06	-
Non-current lease liabilities		0.89	-
		<b>0.95</b>	<b>-</b>
The following is the movement in lease liabilities during the			
<b>Balance at the beginning of the year</b>		-	-
Add: Additions during the year		0.95	-
Less: Deletions during the year		-	-
Less: Payments during the year		-	-
<b>Balance at the end of the year</b>		<b>0.95</b>	<b>-</b>
The table below provides details regarding the contractual maturities of lease liabilities :			
Up to one year		0.06	-
From one to 5 years		0.31	-
More than 5 Years		0.58	-
Others			
Interest on lease liabilities *		-	-
Expenses relating to short-term leases		102.04	61.76
<b>Total cash outflows for leases</b>		<b>102.04</b>	<b>61.76</b>
<p>These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.</p> <p>The Karnataka Industrial Areas Development Board (KIADB) has on terms &amp; conditions stated in its letter dated November 27, 2023 allotted 15.00 acres of land at Japanese Industrial Township, Vasanthanarasapura 3rd Phase Industrial Area, Tumkur, Karnataka to the Company for setting up a facility to manufacture "Electrical Generators, Motors, their sub-assemblies and Parts". The Company has received possession certificate for the said land on 30th January 2024 and entered into "Lease cum Sale Agreement" on 11th March 2024 for a period of 10 years. The lease cum sale agreement has been since registered on 17th May 2024.</p>			
Note No	Particulars	As at 31.03.2024	As at 31.03.2023
5	<b>OTHER INTANGIBLE ASSETS</b>		
	<b>Softwares:</b>		
	Gross block (at deemed cost) as at the beginning of the year	253.32	105.10
	Additions during the year	48.00	148.22
	<b>Gross block at the end of the year</b>	<b>301.32</b>	<b>253.32</b>
	Accumulated amortisation at the beginning of the year	67.79	36.18
	Amortisation for the year	55.46	31.61
	<b>Accumulated amortisation at the end of the year</b>	<b>123.25</b>	<b>67.79</b>
	<b>NET CARRYING VALUE -A</b>	<b>178.07</b>	<b>185.53</b>
	<b>Other Intangible assets - Technical Knowhow</b>		
	Gross block (at deemed cost) as at the beginning of the year	1,878.62	1,557.66
	Additions during the year	355.84	320.96
	<b>Gross Block at the end of the year</b>	<b>2,234.46</b>	<b>1,878.62</b>
	Accumulated amortisation at the beginning of the year	1,244.61	1,039.67
	Amortisation for the year	237.30	204.94
	<b>Accumulated amortisation at the end of the year</b>	<b>1,481.91</b>	<b>1,244.61</b>
	<b>NET CARRYING VALUE - B</b>	<b>752.55</b>	<b>634.01</b>
	<b>NET CARRYING VALUE - A+B</b>	<b>930.62</b>	<b>819.54</b>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Note No	Particulars	Number of Securities		Amount in ₹ Lakhs	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
	<b>FINANCIAL ASSETS</b>	<b>Number of Securities</b>		<b>₹</b>	<b>₹</b>
<b>6</b>	<b>INVESTMENT</b>				
	<b>Non current investments</b>				
<b>A</b>	<b>Investments in Non-convertible Debentures carried at amortised cost - (quoted)</b>				
	Tata Capital Financial Services Limited @ 8.90% (Maturity on 27.09.2023)	-	1,00,000	-	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>B</b>	<b>Investment carried at fair value through Profit and Loss (FVTPL)</b>				
	<b>Investments in Equity Shares - (fully paid up) (unquoted)</b>				
	The Shamrao Vithal Co-operative Bank limited-A Scheduled Bank (Cost per share is 25)	2,000	2,000	0.50	0.50
	<b>Total (A+B)</b>			<b>998.46</b>	<b>1,993.94</b>
	<b>Additional Information</b>				
	Aggregate carrying value of quoted Non-convertible debentures			997.96	1,993.44
	Market value of quoted Non Convertible Debentures			1,049.80	2,089.08
	Aggregate carrying value of unquoted shares			0.50	0.50
<b>7</b>	<b>OTHER FINANCIAL ASSETS</b>				
	<b>(Unsecured, considered good)</b>				
	Security deposits - electricity deposit			133.09	125.19
	Bank deposits with more than 12 months maturity			101.00	-
	Security deposit for others			2.08	2.08
	<b>TOTAL</b>			<b>236.17</b>	<b>127.27</b>
<b>8</b>	<b>OTHER NON CURRENT ASSETS</b>				
	<b>(Unsecured, Considered good)</b>				
	Capital advances			759.25	943.27
	Advance tax (net of provision)			585.15	535.25
	Balance with government authorities - GST Refund receivable			183.04	183.04
	Others - VAT input credit refund receivable			-	6.01
	Prepaid Expenses			8.40	2.70
	Gratuity- Excess of fair value of plan assets over defined benefit obligation			285.59	337.95
				<b>1,821.43</b>	<b>2,008.22</b>

\* 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 ₹ 482.26 lakhs (PY ₹ 882.26 lakhs) represents ₹ 182.26 lakhs (PY ₹ 182.26 lakhs) towards approx. 6.75 acres (PY 6.75 acres) of land and ₹ 300 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.

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	As at 31.03.2024	As at 31.03.2023
<b>9 INVENTORIES</b>		
<b>(Valued at lower of cost or net realisable value)</b>		
Raw materials	12,885.52	9,246.48
Work in progress	9,341.68	7,676.05
Work in progress - Spares	1,367.21	809.63
Finished Goods with Subsidiary Companies	1,122.36	306.56
Stock in trade	127.90	1,478.69
Goods in transit:		
Raw materials	131.84	338.26
(Refer accounting policy No. 1.12 for valuation of inventories)	<b>24,976.51</b>	<b>19,855.67</b>
Note: There are no allowances towards slow and non-moving items during the year.		
<b>10 TRADE RECEIVABLES (Financial asset, carried at amortised cost)</b>		
Trade receivable, considered good and covered under letter of credit	1,604.06	2,070.38
Trade receivable, Unsecured and considered good	29,143.88	24,837.15
Trade receivable, Unsecured and credit impaired	636.27	636.27
Less: Expected credit loss allowance (Refer Note 41)	(636.27)	(636.27)
<b>Trade receivables considered good</b>	<b>30,747.94</b>	<b>26,907.53</b>
<b>Notes:</b>		
<b>(a) Trade Receivables ageing schedule:</b>		
Undisputed Trade receivables - considered good		
Not Due	20,859.95	18,675.27
Less than 6 months	8,712.78	7,470.49
6 months - 1 years	120.39	377.45
1 - 2 years	554.34	21.68
2 - 3 years	0.21	0.08
More than 3 years	348.90	212.32
Undisputed Trade Receivables - which have significant increase in credit risk		
More than 3 years	636.27	636.27
Less: Expected credit loss allowance (on receivables considered doubtful)	(636.27)	(636.27)
Disputed Trade receivables		
More than 3 years	151.37	150.24
	<b>30,747.94</b>	<b>26,907.53</b>
(b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Further, there are no trade or other receivables which are due from firms or private companies in which any director is a partner, a director or a member except as disclosed in note 44 to the financial statement.		
(c) Trade receivable are non interest bearing and are generally on terms of 0 to 180 days. [Refer note 41C]		
(d) There are no trade receivables under dispute or which have significant increase in credit risk or credit impaired as per the information available with the Company except as disclosed above.		
<b>11 CASH AND CASH EQUIVALENTS</b>		
Balances with banks:		
In current accounts	2,692.75	3,034.30
In EEFC Account	938.57	21.36
In deposit accounts with less than 3 months maturity	3,800.00	803.44
In Cash Credit Account (Refer Note No.20)	180.65	341.98
Cash on hand	3.66	7.57
	<b>7,615.63</b>	<b>4,208.65</b>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	As at 31.03.2024	As at 31.03.2023
<b>12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Balance in unclaimed dividend account	2.57	2.25
Balance with bank in respect of TDPS ESOP Trust	14.83	16.29
Bank deposits with less than 12 months maturity	9,312.55	7,645.00
Deposits (Under lien) with bank as Margin money towards bank guarantee	4,190.70	5,054.39
<b>Total</b>	<b>13,520.65</b>	<b>12,717.93</b>
<b>13 OTHER FINANCIAL ASSETS (Unsecured , Considered good)</b>		
Earnest money deposit	59.57	76.45
Balance with government authorities - GST Refund receivable *	1,335.88	1,145.50
Interest accrued on term deposits	430.95	353.69
Security deposit for rented premises	32.11	36.91
Interest accrued on Non Convertible Debentures	49.84	94.43
Accrued Export incentives	185.59	130.50
Unbilled Revenue	9.49	4.32
Mark to market gain on forward contracts (Refer Note No.41B)	114.23	-
Employee Advance	57.19	38.09
<b>Total</b>	<b>2,274.85</b>	<b>1,879.89</b>
<b>14 CURRENT TAX ASSET - NET</b>		
Advance tax net of provision	12.38	0.40
	<b>12.38</b>	<b>0.40</b>
<b>15 OTHER CURRENT ASSETS (Unsecured, considered good)</b>		
Advance paid to suppliers (other than capital advances)	2,350.93	3,068.17
Balance with Government authorities - Input Tax credit	322.39	1,040.27
Prepaid Expenses	196.06	140.55
Expenditure tax - (Relating to foreign operations)	67.69	2.73
Others	10.85	16.51
	<b>2,947.92</b>	<b>4,268.23</b>

\*The Indian Subsidiary has accumulated Service tax and GST credit of ₹ 739.07 lakhs (PY: ₹ 738.50 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.

**16 EQUITY SHARE CAPITAL**

	31.03.2024	31.03.2023
<b>Authorized Capital</b>		
<b>Equity shares of ₹ 2/- each</b>		
Number of Equity Shares	17,50,00,000	17,50,00,000
Amount of Equity Share Capital (in ₹)	3,500.00	3,500.00
<b>Issued, subscribed and fully paid up capital</b>		
<b>Equity shares of ₹ 2/- each</b>		
Number of Equity Shares	15,61,70,101	15,60,42,635
Amount of Equity Share Capital (in ₹)	3,123.40	3,120.85
<b>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</b>		

Amounts in Indian Rupees in Lakhs, except as otherwise stated

**Number of Equity Shares**

Shares outstanding at the beginning of the year	15,60,42,635	15,55,17,490
Shares issued during the year	1,27,466	5,25,145
<b>Shares outstanding at the end of the year</b>	<b>15,61,70,101</b>	<b>15,60,42,635</b>

**Amount of Equity Share Capital**

Share capital outstanding at the beginning of the year	3,120.85	3,110.35
Shares issued during the year	2.55	10.50
<b>Share capital outstanding at the end of the year</b>	<b>3,123.40</b>	<b>3,120.85</b>

**Other Information:**

**I** The Company has only one class of equity shares having par value of ₹ 10/- each (sub-divided into ₹ 2/- each). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting (Refer Note 53).

**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:

- No shares allotted pursuant to a contract without consideration being received in cash.
- No shares allotted as fully paid up by way of bonus shares
- 23,04,174 equity shares were brought back by the Company during the year 2019-2020

**IV** The particulars of employee stock option is given in note no.51. There were no other shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

**V** There were no calls unpaid or forfeited shares.

**VI Shares held by promoters & promoter group - Refer Note 16(1) above**

Promoter Name	As at 31.03.2024		As at 31.03.2023		% Change during the year
	No of shares	%	No of shares	%	
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	2,39,58,225	15.34%	2,51,32,165	16.11%	-4.67
Nikhil Kumar	1,91,93,320	12.29%	2,31,93,320	14.86%	-17.25%
Mohib N Khericha	-	0.00%	1,91,54,800	12.28%	-100.00%
Hitoshi Matsuo	1,00,40,486	6.43%	1,61,76,270	10.37%	-37.93%
<b>Promoter Group:</b>					
Aarya Sankaran Kumar	2,45,530	0.16%	2,45,530	0.16%	0.00%
Chartered Capital & Investment Ltd.	-	0.00%	56,71,260	3.63%	-100.00%
Lavanya Sankaran	-	0.00%	6,38,250	0.41%	-100.00%
Sagir Mohib Khericha	80,000	0.05%	80,000	0.05%	0.00%
Sofia Mohib Khericha	-	0.00%	10,00,000	0.64%	-100.00%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

VII Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars of equity share holders holding more than 5% of the total paid up equity share capital:	As at 31.03.2024		As at 31.03.2023	
	%	No of shares	%	No of shares
a. Sapphire Finman Services LLP (Sapphire Finman Services Private Limited)	15.34%	2,39,58,225	16.11%	2,51,32,165
b. Nikhil Kumar	12.29%	1,91,93,320	14.86%	2,31,93,320
c. Mohib N Khericha	0.00%	-	12.28%	1,91,54,800
d. Hitoshi Matsuo	6.43%	1,00,40,486	10.37%	1,61,76,270
e. Nippon Life India Trustee Limited	7.22%	1,12,75,320	7.23%	1,12,75,320
f. Aditya Birla Sun Life Trustee Private Limited	5.34%	83,38,970	-	-

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.

17 OTHER EQUITY

Reserves & Surplus

17.1 Capital Reserve

As at the beginning of the year (Refer Note No 1.1)

As at the end of the year - A

17.2 Securities Premium

As at the beginning of the year

Add: Transfer from Share option outstanding account

As at the end of the year - B

17.3 Capital Redemption Reserve

As at the beginning of the year

As at the end of the year - C

17.4 General Reserve

As at the beginning of the year

Add: Transfer from Share option outstanding account

As at the end of the year - D

17.5 Retained earnings

As at the beginning of the year

Less: Dividend (₹ 0.50 per share (Previous year: ₹ 0.70 per share)) (Refer Note No.49(b))

Less: Interim Dividend - ₹ 0.50 per equity share of ₹ 2 each (Previous Year: ₹ 0.50) (Refer Note 49(a))

Add: Profit for the year as per statement of profit and loss

Add/(less): Remeasurement of defined benefit plan for the year (net of tax)

Less: Transfer from other comprehensive Income

Less: Balance carrying value of shares in respect of ESOP exercised during the period transferred to Retained Earnings

As at the end of the year - E

17.6 Stock Options Outstanding Account

As at the beginning of the year

Add: Addition during the year

Less: Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year

Less: Amount transferred to general reserve on cancellation of ESAR

Less: Amount transferred to securities premium on exercise of ESAR by the employees of the Company

As at the end of the year - F

	As at 31.03.2024	As at 31.03.2023
	718.29	718.29
	<b>718.29</b>	<b>718.29</b>
	<b>17,728.55</b>	<b>17,632.79</b>
	22.20	95.76
	<b>17,750.7</b>	<b>17,728.55</b>
	230.42	230.42
	<b>230.42</b>	<b>230.42</b>
	3,369.92	3,369.92
	15.43	-
	<b>3,385.35</b>	<b>3,369.92</b>
	36,566.34	28,752.30
	(780.85)	(1,092.30)
	(780.85)	(780.21)
	11,834.92	9,681.23
	(125.88)	4.33
	(1,181.60)	-
	18.99	0.99
	<b>45,551.07</b>	<b>36,566.34</b>
	66.97	256.93
	35.54	32.62
	(25.33)	(126.82)
	(15.43)	-
	(22.20)	(95.76)
	<b>39.55</b>	<b>66.97</b>

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	As at 31.03.2024	As at 31.03.2023
<b>17.7 Shares Purchased by ESOP Trust</b>		
As at the beginning of the year	(26.60)	(263.55)
Adjustment for:		
Equity Shares of ₹ 10 each purchased during the year	-	105.68
Proceeds from ESOP exercised received	20.72	-
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	24.87	126.82
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	(18.99)	(0.99)
Dividend received during the year on the shares held by the ESOP Trust	-	5.44
<b>As at the end of the year - G</b>	<b>-</b>	<b>(26.60)</b>
<b>17.8 Other Comprehensive Income</b>		
<b>Exchange difference on translation of foreign operations</b>		
<b>As at the beginning of the year</b>	<b>(1,322.77)</b>	<b>(1,091.02)</b>
Add: Transferred from statement of profit and loss	(144.30)	(231.75)
Less: Transferred to Retined earnings	1,181.59	-
<b>As at the end of the year - H</b>	<b>(285.48)</b>	<b>(1,322.77)</b>
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>67,389.95</b>	<b>57,331.12</b>
<b>17.9 The Remeasurements gains in respect of employee benefits included under retained earnings are as under:</b>		
<b>As at the beginning of the year</b>	<b>(164.13)</b>	<b>(168.46)</b>
Remeasurements gain/(loss) on defined benefit plans	(168.22)	5.78
Income tax effect on above	42.34	(1.45)
<b>Balance at the end of the year</b>	<b>(290.01)</b>	<b>(164.13)</b>

**Note:**

**Nature and purpose of other 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) Capital Redemption Reserve: The capital redemption reserve represents the face value (Rs.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.
- d) 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.
- e) 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/ESARs exercised.
- f) Shares Purchased by ESOP Trust: The shares held by the ESOP Trust are treated as treasury shares and included under other equity.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	As at 31.03.2024	As at 31.03.2023
<b>18 PROVISIONS</b>		
Provision for employee benefits (Refer Note No. 43)	708.72	594.46
<b>TOTAL</b>	<b>708.72</b>	<b>594.46</b>
<b>19 DEFERRED TAX LIABILITY</b>		
On account of depreciation on Property, plant and equipment and Intangible assets	810.55	836.34
<b>Deferred tax asset:</b>		
On account of timing differences in recognition of expenditure	774.37	526.47
<b>Net Deferred tax liability/(asset)</b>	<b>36.18</b>	<b>309.87</b>
<b>Movement of Deferred tax liability/(asset)</b>		

Particulars	Opening Balance	Recognition in statement of profit and loss	Closing Balance
<b>As on 31st March 2024:</b>			
<b>Deferred tax liability:</b>			
On account of depreciation on property, plant and equipment and amortisation of intangible assets	836.34	(25.79)	810.55
<b>Deferred tax asset:</b>			
On account of timing differences in recognition of expenditure	526.47	247.90	774.37
<b>Total Deferred tax liability</b>	<b>309.87</b>	<b>(273.69)</b>	<b>36.18</b>
<b>As on 31st March 2023:</b>			
<b>Deferred tax liability:</b>			
On account of depreciation on property, plant and equipment and amortisation of intangible assets	886.12	(49.78)	836.34
<b>Deferred tax asset:</b>			
On account of timing differences in recognition of expenditure	93.90	432.57	526.47
<b>Total Deferred tax liability</b>	<b>792.22</b>	<b>(482.35)</b>	<b>309.87</b>
<b>20 BORROWINGS</b>			
<b>Secured loans from bank:</b>			
<b>Working Capital Borrowings</b>			
Loans repayable on demand			
- rupee loan from banks - Cash Credit	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Additional Information:</i>			
Details of security for secured loans:			
Loans from Bank of Baroda is secured by first pari-passu charge along with Kotak Mahindra Bank & HDFC 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.	-	-	-
The loans are further collaterally secured as under: -			

**Amounts in Indian Rupees in Lakhs, except as otherwise stated**

	As at 31.03.2024	As at 31.03.2023
1. 1st Pari passu charge with Kotak Mahindra Bank & HDFC Bank by way of equitable mortgage of unit-I of factory comprising of factory land and buildings situated at plot nos.27,28,29 & 30A area, 25304 sq. mts Phase-I KIADB Dabaspeta Industrial Area, Yedehalli Village, Bengaluru Rural District, Bengaluru.		
2. 1st Pari passu charge with Kotak Mahindra Bank & HDFC Bank by way of equitable mortgage of unit-II of factory comprising of factory land and buildings situated at Sy.No.59/2, area 4 acres 33 gunta (19526 Sq. mts including 7 gunta kharaba land) yedahalli village Dabaspeta, Bangalore.		
3. 1st Pari passu charge with Kotak Mahindra Bank & HDFC Bank by way of equitable mortgage of unit-II of factory comprises of factory land and buildings situated Sy.No. 55 (Part1), 56/1, 56/2, 57 & 58 Yedehalli Village, Dabaspeta Bangalore Rural District, Bangalore measuring 12.55 acres.		
4. 1st Pari passu hypothecation charge with Kotak Mahindra Bank & HDFC 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.		
Loan from HDFC Bank Limited is secured on all existing and future receivable/current assets of the Company excluding the current assets relating to orders from a particular customer.	-	-
Interest at 9.25% p.a.(PY: 8.65% p.a.) is applicable on Rupee loans from Bank of Baroda which will be reviewed annually		
Interest at 10.15% p.a.(PY: 9.45% p.a.) is applicable on Rupee loans from Kotak Mahindra Bank Limited which will be reviewed annually		
Interest at 9.19% p.a. (PY: 3M MCLR +0.05%) is applicable on Rupee loans from HDFC Bank Limited which will be reviewed annually		
<b>21 LEASE LIABILITIES</b>		
Lease Liability	0.95	-
	<b>0.95</b>	<b>-</b>
<b>Classification of current and Non-Current:</b>		
Current Liability	0.06	-
Non-Current Liability	0.89	-
<b>22 TRADE PAYABLES</b>		
Total outstanding dues of micro enterprises and Small enterprises *	2,487.10	112.66
Total outstanding dues of creditors other than micro enterprises and Small enterprises	11,510.88	13,014.88
<b>TOTAL</b>	<b>13,997.98</b>	<b>13,127.54</b>
All trade payables are non interest bearing and payable or settled within normal operating cycle of the company		
<u>Additional Information:</u>		
* The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Group are as under:		
1. Principal amount due and remaining unpaid	2,487.10	112.66
2. Interest due on (1) above and the unpaid interest	19.83	-
3. The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	7.73

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	As at 31.03.2024	As at 31.03.2023
4. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	0.01
5. The amount of interest accrued and remaining unpaid at the end of each accounting year.	19.83	0.01
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.	242.41	222.58
The amount due to micro, small and medium enterprises is based on the information received and available with the Company which increased pursuant to amendment to Sec.43B(h) of Income tax Act, 1961. There are no dues payable to micro, small and medium enterprises which are under dispute.		
<b>Trade payables ageing schedule:</b>		
<b>Outstanding dues to MSME</b>		
Less than 1 year	2,487.10	112.66
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	-	-
<b>Outstanding dues to Others</b>		
Less than 1 year	11,482.47	12,986.47
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	-	-
<b>Disputed outstanding dues to Others</b>		
Less than 1 year	-	-
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	28.41	28.41
<b>TOTAL</b>	<b>13,997.98</b>	<b>13,127.54</b>
<b>23 OTHER FINANCIAL LIABILITIES</b>		
Unclaimed Dividends *	2.57	2.25
Outstanding Liabilities in respect of accrued expenses	8,246.18	7,288.21
Earnest Money Deposit	2.15	2.15
Mark to market loss on forward contracts (Refer Note No.41B)	-	864.79
Employee benefits payable	677.16	352.26
Due to Director	4.17	4.56
<b>TOTAL</b>	<b>8,932.23</b>	<b>8,514.22</b>
* Does not include any amount which are required to be credited to investor education and protection fund as at the year end.		
<b>24 OTHER CURRENT LIABILITIES</b>		
Advance received from customers	7,370.88	5,696.96
Duties and taxes payable	323.08	191.78
<b>TOTAL</b>	<b>7,693.96</b>	<b>5,888.74</b>



Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
<b>25 PROVISIONS</b>		
Provision for warranties (Refer Note No 47)	474.95	414.06
Provision for employee benefits (Refer Note No. 43)	36.80	39.42
<b>TOTAL</b>	<b>511.75</b>	<b>453.48</b>
<b>26 CURRENT TAX LIABILITIES (NET)</b>		
Provision for taxation (net of advance tax) *	1,385.97	980.96
<b>TOTAL</b>	<b>1,385.97</b>	<b>980.96</b>
* Represents provisions (net of tax paid) held for earlier years pending completion of assessments/ appellate proceedings.		
<b>27 REVENUE FROM OPERATIONS</b>		
<b>Sale of Goods</b>		
- AC generators	69,275.82	56,329.27
- AC generator spares/components	20,333.61	20,490.68
- Spares & after market business - Domestic	378.50	516.94
- Spares & after market business - Overseas Branch	3,524.04	2,833.71
- From Subsidiary offices	15,985.42	16,754.28
<b>Total</b>	<b>1,09,497.39</b>	<b>96,924.88</b>
Sale of services	3,600.60	2,437.62
Sale of scrap	2,463.44	2,299.52
<b>Total</b>	<b>1,15,561.43</b>	<b>1,01,662.02</b>
<b>Less:</b>		
Sales to Japan Branch	1,188.1	2,759.32
Sales to Subsidiaries	14,321.33	11,673.00
<b>Total</b>	<b>1,00,051.99</b>	<b>87,229.70</b>
<b>Disaggregation of revenue information</b>		
At Point in time (product/service)	1,11,960.83	99,224.40
Overtime	3,600.60	2,437.62
<b>28 OTHER INCOME</b>		
Interest income on Bank Deposits	1,020.41	698.86
Interest income on financial assets - non convertible debentures carried at amortised cost	130.53	175.30
Profit on sale of Property, plant and equipments (Net)	-	6.41
Foreign exchange fluctuation/MTM gain (Net of loss)	343.27	977.71
Income from Renting of equipments	13.60	3.25
Miscellaneous income	112.80	113.94
<b>Total</b>	<b>1,620.61</b>	<b>1,975.47</b>
<b>29 CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS &amp; COMPONENTS</b>		
Stock at the beginning of the year	9,245.86	8,625.67
Add: Purchases	70,285.08	56,895.21
Less: Stock at the end of the year	12,803.93	9,245.86
<b>Total</b>	<b>66,727.01</b>	<b>56,275.02</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
<b>Consumption of major raw materials consists of:</b>		
Copper (wires, strips, rods, sheet etc.)	13,993.18	9,822.53
Steel/ Laminations	11,794.81	11,924.21
Shaft Forgings	4,286.97	3,699.33
Stores & spare parts	730.27	200.95
Others	35,733.79	29,256.32
<b>Total</b>	<b>66,539.02</b>	<b>54,903.34</b>
<b>30 PURCHASES FOR SPARES &amp; AFTER MARKET BUSINESS (NET OF CHANGES IN INVENTORIES OF STOCK IN TRADE)</b>		
Inventory at the beginning of the year	1,478.69	288.19
Add: Purchases for Projects Business	560.88	753.28
Less: Inventory at the end of the year	127.90	1,478.69
<b>Total</b>	<b>1,911.67</b>	<b>(437.22)</b>
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS:</b>		
<b>Inventory at the end of the year</b>		
Work in progress - A C Generators	11,433.07	8,702.12
Finished goods -A C Generators at Subsidiary	479.77	90.74
<b>TOTAL</b>	<b>11,912.84</b>	<b>8,792.86</b>
<b>Less: Inventory at the beginning of the year</b>		
Work in progress - A C Generators	8,702.12	11,219.70
Finished goods -A C Generators at Subsidiary	90.74	772.09
	<b>8,792.86</b>	<b>11,991.79</b>
<b>Net (Increase) / Decrease</b>	<b>(3,119.98)</b>	<b>3,198.93</b>
<b>32 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages (Refer Note No.55)	7,435.51	6,401.88
Contribution to provident and other funds	764.27	606.33
Remuneration to whole time directors including contribution to provident and other Funds (Refer Note No.44)	773.83	668.63
Director Sitting fees	37.50	33.00
Share based remuneration to employees (Refer Note No.51)	35.54	32.62
Staff welfare expenses	1,731.49	1,346.83
<b>Total</b>	<b>10,778.14</b>	<b>9,089.29</b>
<b>33 FINANCE COST</b>		
Interest	30.96	64.80
Foreign exchange difference recorded as an adjustment to borrowing cost	-	41.57
<b>Total</b>	<b>30.96</b>	<b>106.37</b>

Amounts in Indian Rupees in Lakhs, except as otherwise stated

	Year ended 31.03.2024	Year ended 31.03.2023
<b>34 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on property, plant and equipments	1,816.11	1,833.93
Amortization of intangible assets	292.76	236.55
<b>Total</b>	<b>2,108.87</b>	<b>2,070.48</b>
<b>35 OTHER EXPENSES</b>		
Power and fuel	1,054.48	848.69
Rent (Refer Note No.45)	102.04	61.76
Repairs and maintenance		
- Buildings	93.48	127.59
- Machinery	688.03	473.86
- Others	49.89	51.62
Insurance	147.10	136.11
Manufacturing expenses	382.75	268.97
Rates and taxes	85.03	121.90
Payment to the auditors (excluding GST):		
- auditor fees (including audit of consolidated financial statements)	16.45	13.70
- for Limited review of quarterly financial results including consolidated financial results	10.05	8.25
- for other services - Certification fees	2.08	2.45
Legal and professional charges	760.04	632.19
Royalty	170.89	6.23
Travelling Expenses	1,410.79	1,189.38
Bank charges	361.64	342.99
Software Expenses on ERP	307.19	291.70
Corporate Social Responsibility (Refer Note No. 48)	144.13	81.34
Vehicle maintenance	102.14	63.05
Postage, Telegrams and Telephones	67.65	57.18
Printing & Stationery	49.41	46.39
Provision for doubtful debts	-	-
Carriage, freight and Selling expenses	881.23	1,015.06
Donations	13.33	6.10
Loss on sale of fixed asset	3.28	-
Advertisement	85.73	152.36
Subscription to Technical Associations, Journals and Magazines	13.71	9.60
Miscellaneous Expenses	13.19	73.60
<b>Total</b>	<b>7,015.73</b>	<b>6,082.07</b>
<b>36 EXCEPTIONAL ITEMS</b>		
Profit on Sale of land (Refer Note No.50(b))	-	71.63
Creditors written back (Refer Note No.50(a))	-	62.78
<b>Total</b>	<b>-</b>	<b>134.41</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

**37 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	(168.22)	5.78
Income tax on Defined benefit plans	42.34	(1.45)

**Items that will be reclassified to profit or loss:**

Exchange difference on translation of foreign operations	(166.57)	(234.56)
Income tax on exchange difference on translation of foreign operations	22.27	2.81

**TOTAL****(270.18) (227.42)****38 EARNINGS PER SHARE: - BASIC**

Profit for the year after tax expense	11,834.92	9,681.23
Weighted average number of equity shares (net of treasury shares) outstanding during the year - Refer Note 16(I)	15,61,34,520	15,53,10,730
Earnings per share (in )	7.58	6.23
Face Value of Equity share (in ) (Refer Note No.53)	2.00	2.00

**EARNINGS PER SHARE: - DILUTED**

Profit for the year after tax expense	11,834.92	9,681.23
Weighted average number of equity shares (net of treasury shares) outstanding during the year - Refer Note 16(I)	15,61,95,580	15,56,10,710
Earnings per share (in )	7.58	6.22
Face Value of Equity share (in ) (Refer Note No.53)	2.00	2.00

**39 CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

**Contingent Liabilities:**

Performance Guarantees	10,034.93	11,280.74
Performance Guarantees given to customers on behalf of subsidiary companies	1,408.93	1,374.36
Advance Guarantees given to customers on behalf of subsidiary companies	-	175.17
Indirect Tax demand disputed by the company	6.89	6.89
Income Tax demand disputed by the company *	2,011.64	1,986.03
Other sums for which the Company is contingently liable	7.72	5.02

The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.

\* During May 2021, the company has received demand from Income tax department of ₹ 1,942.67 lakhs for AY 2017-18 with respect to Transfer Pricing and other disallowance u/s 143(3) r.w.s 144C (3) read with section 144B of the Income-tax Act. The Transfer Pricing Officer (TPO) has passed an order with demand considering transfer pricing adjustment on the overall turnover of the Company instead of restricting to transactions with Associate Enterprises. The Sales to Associate Enterprises for the said year is ₹ 1,964.90 lakhs as compared to the Sales of the entire Company of ₹ 36,944.03 lakhs. Disputing the said order, the Company filed an objection before the Dispute Resolution panel of the Income Tax Department at Bengaluru on May 26 2021. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated June 30 2021.

The Company has received assessment order u/s 143(3) r.w.s 260 read with section 144B of the Income Tax Act based on directions of Dispute Resolution panel. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated March 21, 2022.

**Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,653.73	1,997.45
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40 (a) **The reconciliation between current tax and amounts computed by applying the income tax rate**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Total Profit/(Loss) before tax (A)	16,651.97	11,941.55
Income Tax Rate (B)	25.17%	25.17%
<b>Tax Expense - (C) = (A) X (B)</b>	<b>4,190.97</b>	<b>3,005.45</b>
Add - tax effect of the amounts as under:		
a) Expenses - not deductible for tax purpose	45.00	22.39
b) Income exempt from income tax	(105.94)	-
c) Tax paid outside India	63.24	-
d) Tax expenses in subsidiary companies	151.13	177.69
d) Other adjustments (net)	40.89	67.88
<b>Total (D)</b>	<b>194.32</b>	<b>267.96</b>
<b>Net current tax expense (E) = (C)+(D)</b>	<b>4,385.28</b>	<b>3,273.41</b>

(b) **The movement in deferred tax liabilities (net)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>Deferred tax liabilities at the beginning of the year</b>	<b>309.87</b>	<b>792.22</b>
- Change in difference between book value and WDV of property, plant and equipment and other intangible assets	(25.42)	(49.83)
- Change in Provision for employee benefits disallowed	(89.98)	31.91
- Change in expenses allowable on payment	(158.29)	(464.43)
<b>Deferred tax liabilities at the end of the year</b>	<b>36.18</b>	<b>309.87</b>
<b>Deferred tax expenses in the statement of profit and loss</b>	<b>(273.70)</b>	<b>(482.35)</b>
(c) Income tax expense in the other comprehensive Income consist of the following:		
Tax on Re-measurement (loss)/gain on defined benefit obligation	42.34	(1.45)
Income tax on exchange difference on translation of foreign operations	22.27	2.81

(d) **Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

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

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Long term capital loss on sale of land	92.13	100.89

41 **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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

**B. Financial Assets / Liabilities Classification**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Particulars	Carrying Amount	
	As at 31.03.2024	As at 31.03.2023
<b>Financial assets at fair value through Profit and Loss (FVTPL):</b>		
Investment in equity other than subsidiary - *	0.50	0.50
Mark to market gain on foreign exchange forward contracts (level 2) (Refer Note No.12)	114.23	-
<b>Financial Assets at amortised cost:</b>		
Cash and cash equivalents	7,615.63	4,208.65
Bank balances other than cash and cash equivalents	13,520.65	12,717.93
Trade receivables	30,747.94	26,907.53
Other financial assets	2,396.79	2,007.16
Investment in Non Convertible Debentures	997.96	1,993.44
<b>Financial liabilities at amortised cost:</b>		
Lease Liabilities	0.06	-
Trade payables	13,997.98	13,127.54
Other financial liabilities	8,932.23	7,649.43
<b>Financial liabilities at at fair value through Profit and Loss (FVTPL):</b>		
Mark to market loss on foreign exchange forward contracts (level 2) (Refer Note No.23)	-	864.79

\* In view of the fact this investment amount is not significant and the cost is considered to be at fair value (level 3)

**C. Financial Risk Management****Objectives and Policies**

The company's Financial Risk Management is an integral part of business strategies. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. In addition, Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's principal financial liabilities comprise short term borrowings, trade and other payables. The main purpose of these financial liabilities is to support entity's operations. The entity's principal financial assets include cash and cash equivalents, investment in Non-convertible Debentures and trade and other receivables that derive directly from its operations.

All activities for risk management purposes are carried out by experienced teams that have the appropriate skills, experience and supervision. It is the entity's policy that no activities in derivatives will be undertaken except foreign exchange forward contract. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

**Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The customer credit risk is managed as per Company's established policy, procedure and controls relating to customer credit risk management. It require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

**Amounts in Indian Rupees in Lakhs, except as otherwise stated**

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.

**Amounts in Indian Rupees in Lakhs, except as otherwise stated**

	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
Total Receivable	30,747.94	26,907.53
Receivable individually in excess of 10% of the receivable	15,287.79	12,401.67
Percentage of the above receivables to the total receivables of the Company	49.72%	46.09%

Receivables in excess of 10% of individual business receivables represents receivables from three customers/group as at 31st March 2024 and three customers/group as on 31st March 2023.

	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
Customer A	26.07%	20.13%
Customer B	11.88%	10.72%
Customer C	11.77%	15.24%

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 (including co-operative bank) as at 31st March 2024 is ₹ 21,136.28 Lakhs (PY: ₹ 16,926.58 Lakhs). Out of these balances held with banks as deposits was ₹ 17,309.82 lakhs (PY: ₹ 13,399.39 lakhs). The details of bank deposits are below:

	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
Bank A	16,219.12	12,735.00
Bank B (Co-operative Bank)	500.00	500.00
Bank C	389.70	164.39
Bank D	201.00	

**Provision for expected credit losses**

The life time expected credit loss ("ECL") is estimated on trade receivables, other amounts due from entities where there is no track record of short receipts. Delays in receiving payments from the customers pursuant to sale of goods or under contracts are not considered if such delays are commonly prevalent in the industry. Other short receipts other than arising from claims are duly considered in determining ECL.

Considering the above as well as business model of the Company, engineered-to-order products and the profile of trade receivables, the determination of a provision based only on age analysis may not be a realistic considering the economic and industry circumstances. Hence, the provision for expected credit loss is determined by the management for the specific trade receivables after considering the above facts and circumstances, particularly in view of the fact that there has no bad debts in the recent past.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Provision matrix (% , amounts) of ECL for trade receivables and the reconciliation of the movement in the provision is given below.

	As at 31.03.2024	As at 31.03.2023
Total Receivable	31,384.21	27,543.80
Provision for credit loss	636.27	636.27
Percentage	2.03%	2.31%

**Reconciliation of loss allowance provision**

	As at 31.03.2024	As at 31.03.2023
Balance at the beginning of the year	636.27	633.83
Provision for credit loss allowance made during the year	-	2.44
Balance at the end of the year	636.27	636.27

**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 ₹ 22,235.24 lakhs at 31st March 2024 (PY - ₹ 18,920.02 lakhs). In addition the net trade receivables as at the year end was ₹ 30,736.55 lakhs (PY: ₹ 26,907.53 lakhs). 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 31.03.2024	As at 31.03.2023
Trade Payables	13,997.98	13,127.54
Other Payables:		
Employee dues	677.16	352.26
Mark to market loss on forward contracts	-	864.79
Other dues	8,255.07	7,297.17
<b>Total</b>	<b>22,930.21</b>	<b>21,641.76</b>

**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**

- The foreign exchange forward contracts outstanding as on 31.03.2024 in respect of Euro is 60,00,000 is (PY: Euro 2,20,00,000)

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

**In Foreign Currency**

Particulars	As at 31.03.2024			
	USD	Euro	JPY	Others
Assets/ Receivables	14.99	75.62	0.30	1.32
Liabilities (including advances)	38.26	11.52	393.71	0.38

**Rupee Equivalent**

Particulars	As at 31.03.2024			
	USD	Euro	JPY	Others
Assets/ Receivables	1,243.03	6,760.49	0.16	136.02
Liabilities (including advances)	3,139.89	1,031.90	218.43	34.77

**In Foreign Currency**

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

**Rupee Equivalent**

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

**c) Sensitivity analysis**
**Amount in ₹ Lakhs**

A strengthening or weakening of the Indian Rupee, as indicated below, against the USD, Euro, JPY and others as at 31st March 2024 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 31.03.2024		As at 31.03.2023	
	Strengthening	Weakening	Strengthening	Weakening
<b>5% Movement in:</b>				
USD	94.84	(94.84)	(63.01)	63.01
EURO	(286.43)	286.43	(367.40)	367.40
JPY	10.92	(10.92)	3.07	(3.07)
Others	(6.80)	6.80	(0.71)	0.71

**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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts in Indian Rupees in Lakhs, except as otherwise stated

## iii) Commodity price risk exposure:

The Company is not exposed to significant volume of commodity price risk as the Company hedges major raw materials based on dips.

## 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 16.73% for the year ended 31st March 2024 in comparison to 14.93% for the year ended 31st March 2023.

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.

## 42 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 Turkey. Revenues in the secondary segment are based on the sales made by the branch office or subsidiaries. Sales to and purchases from Japan branch 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

Current Year

	Particulars	Primary Segment (Amount in Lakhs)			
		Manufacturing	EPC	Common	TOTAL
<b>1</b>	<b>Segment Revenues</b>				
	External Revenues	1,15,561.43	-	-	1,15,561.43
	Sales to Japan branch	(1,188.11)	-	-	(1,188.11)
	Sales to Subsidiaries	(14,321.33)	-	-	(14,321.33)
	<b>Total Revenues</b>	<b>1,00,051.99</b>	<b>-</b>	<b>-</b>	<b>1,00,051.99</b>
<b>2</b>	<b>Segment Results</b>				
	Profit Before Taxation, Interest & Depreciation	17,159.35	(11.85)	(408.08)	16,739.42
	Less: Finance cost	30.96	-	-	30.96
	Less: Depreciation & Amortizations	2,105.95	-	2.92	2,108.87
	<b>TOTAL</b>	<b>15,022.44</b>	<b>(11.85)</b>	<b>(411.00)</b>	<b>14,599.59</b>
<b>3</b>	Unallocable & Other Income				1,620.61
	Less: Tax				4,385.28
	<b>Profit after tax</b>				<b>11,834.92</b>

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Previous Year

	Particulars	Primary Segment (Amount in Lakhs)			
		Manufacturing	EPC	Common	TOTAL
<b>1</b>	<b>Segment Revenues</b>				
	External Revenues	1,01,662.02	-	-	1,01,662.02
	Sales to Japan branch	(2,759.32)	-	-	(2,759.32)
	Sales to Subsidiaries	(11,673.00)	-	-	(11,673.00)
	<b>Total Revenues</b>	<b>87,229.70</b>	<b>-</b>	<b>-</b>	<b>87,229.70</b>
<b>2</b>	<b>Segment Results</b>				
	Profit Before Taxation, Interest & Depreciation	13,474.22	(11.20)	(441.41)	13,021.61
	Less: Finance cost	106.37	-	-	106.37
	Less: Depreciation & Amortizations	2,067.56	-	2.92	2,070.48
	<b>TOTAL</b>	<b>11,300.29</b>	<b>(11.20)</b>	<b>(444.33)</b>	<b>10,844.76</b>
<b>3</b>	Unallocable & Other Income including exceptional item	-	-	-	2,109.88
	Less: Tax	-	-	-	3,273.41
		-	-	-	<b>9,681.23</b>

<b>4</b>	Segment Assets - Current Year	84,471.33	0.31	19,309.45	1,03,781.09
	Segment Assets - Previous Year	75,661.14	0.40	14,659.70	90,321.24
<b>5</b>	Segment Liabilities - Current Year	33,230.06	0.40	37.28	3,267.74
	Segment Liabilities - Previous Year	29,558.05	0.34	310.88	29,869.27
<b>6</b>	Capital Expenditure (Gross Block)	4,436.11	-	-	4,436.11
	Disposal (Gross Block)	(242.75)	-	-	(242.75)
	<b>Capital Expenditure (Net of disposal) - Current Year</b>	<b>4,193.36</b>	<b>-</b>	<b>-</b>	<b>4,193.36</b>
	Capital Expenditure (Gross Block)	1,959.69	-	-	1,959.69
	Disposal (Gross Block)	(573.04)	-	-	(573.04)
	<b>Capital Expenditure (Net of disposal) - Previous Year</b>	<b>1,386.65</b>	<b>-</b>	<b>-</b>	<b>1,386.65</b>

(ii) Geographical Segment

Particulars	Segment revenue by geographical Market	
	Year ended 31.03.2024	Year ended 31.03.2023
Sales from India		
Domestic Sales (including Deemed Export)	68,334.26	43,399.87
Export Sales	27,717.71	38,674.16
Sales of Overseas Branch and Subsidiary	19,509.46	19,587.99
Less: Sales to Japan branch	(1,188.11)	(2,759.32)
Less: Sales to subsidiaries	(14,321.33)	(11,673.00)
<b>Total</b>	<b>1,00,051.99</b>	<b>87,229.70</b>

Carrying amounts of Non current assets:

Particulars	Carrying amounts of segment assets		Additions to property, plant and equipment and intangible assets (Net of deletion)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Located in India	18,202.10	15,790.77	4,291.32	1,379.51
Located outside India	427.05	562.74	(97.96)	7.14
<b>Total</b>	<b>18,629.15</b>	<b>16,353.51</b>	<b>4,193.36</b>	<b>1,386.65</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

**(iii) Information about Major customers -**

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

Particulars	As at	As at
	31.03.2024	31.03.2023
Customer A	19.84%	13.91%
Customer B	13.55%	18.22%
Customer C	-	12.04%

**43 Disclosure as per Ind AS 19 on 'Employee benefits****A Gratuity - Funded**

The Parent Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 20 Lakhs. The gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The liability has been assessed using projected unit credit actuarial method. The Parent Company made annual contributions to the Employee's Group Gratuity scheme of the Life Insurance Corporation of India.

**i. Movement in net defined benefit asset on Gratuity plan**

Amount in ₹ Lakhs

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Opening balance ((Liability)/Asset)	1,413.54	1,313.04	1,751.48	1,605.93	337.94	292.89
<b>Included in profit or loss:</b>						
Current service cost	111.24	103.18	-	-	(111.24)	(103.18)
Interest Income on planned asset	-	-	130.73	115.10	130.73	115.10
Interest cost	99.35	90.14	-	-	(99.35)	(90.14)
Total amount recognised in profit or loss	210.59	193.32	130.73	115.10	(79.86)	(78.21)
Included in OCI:						
Actuarial loss (gain)	168.22	(5.78)	-	-	(168.22)	5.78
Total amount recognised in other comprehensive income	168.22	(5.78)	-	-	(168.22)	5.78
Contributions paid by the employer	-	-	195.71	117.50	195.71	117.50
Benefits paid	67.33	87.05	67.33	87.05	-	-
<b>Closing balance ((Liability)/Asset)</b>	<b>1,725.02</b>	<b>1,413.54</b>	<b>2,010.59</b>	<b>1,751.48</b>	<b>285.57</b>	<b>337.95</b>

Amount recognised in profit or loss as disclosed above does includes gratuity paid to FTE & contract workers during the year.

**ii. Details of Plan assets**

Schemes of insurance - conventional products

	Year ended	Year ended
	31.03.2024	31.03.2023
	100.00%	100.00%
	<b>100.00%</b>	<b>100.00%</b>

**iii. Actuarial Assumptions**

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

**Financial assumptions:**

Discount rate

Salary escalation rate

**Demographic assumptions:**

Retirement age

Mortality table

Withdrawal rate % (All ages)

	31.03.2024	31.03.2023
	7.00%	7.20%
	7.00%	7.00%
	58 Years	58 Years
	Indian Assured Lives Mortality (2012-14) Ult.	
	3.00%	3.00%

Amounts in Indian Rupees in Lakhs, except as otherwise stated

**IV. Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

	31.03.2024		31.03.2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(174.49)	205.60	(140.59)	165.29
Salary escalation rate (1% Movement)	193.94	172.00	151.72	(134.59)
Withdrawal rate (1% Movement)	0.96	(1.37)	3.01	(3.48)

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)	
	31.03.2024	31.03.2023
<b>For the year ending:</b>		
Less than 1 year	75.73	70.39
Between 1-2 years	79.32	87.53
Between 2-3 years	69.99	76.59
Between 3-4 years	160.87	71.89
Between 4-5 years	105.75	184.05
Between 5-10 years	529.22	621.05

**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 Defined contribution plan - Not-funded:**

The Company has recognised the following in amounts in the statement of profit & loss during the year

	Year ended 31.03.2024	Year ended 31.03.2023
Contribution to Provident Fund	385.93	363.95
Contribution to Employee State Insurance	33.24	35.29

**C 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**

	Defined benefit obligation	
	31.03.2024	31.03.2023
Opening balance	632.87	585.42
<b>Included in profit or loss:</b>		
Current service cost	171.42	132.25
Interest cost	40.87	37.01
Actuarial loss (gain)	29.85	6.39
<b>Total amount recognised in profit or loss</b>	<b>242.14</b>	<b>175.65</b>
Benefits paid	130.58	128.20
<b>Closing balance</b>	<b>744.43</b>	<b>632.87</b>

Amounts in Indian Rupees in Lakhs, except as otherwise stated

**II. Actuarial Assumptions**

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

**Financial assumptions:**

Discount rate

Salary escalation rate

**Demographic assumptions:**

Mortality table

Withdrawal rate % (All ages)

Retirement age

	31.03.2024	31.03.2023
Discount rate	6.80%	6.80%
Salary escalation rate	7.00%	7.00%
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	
Withdrawal rate % (All ages)	3.00%	3.00%
Retirement age	58 Years	58 Years

**44 RELATED PARTY DISCLOSURE**

Sl. No.	Related Party	Relationship
1	Ravindu Motors Private Limited	Companies in which key management personnel/close member of key management
2	Trident Automobiles (Bangalore) Private Limited	
3	Nikhil Kumar, Managing Director	Key management personnel
4	Mohib N Khericha, Chairman & Non-Executive Director	
5	K G Prabhakar, Director (upto 27th September 2022)	
6	S. Prabhamani, Non-Executive Director (wef 27th September 2022)	
7	Prathibha Sastry, Independent Director	
8	Nithin Bagamane, Independent Director (upto 31st March 2024)	
9	Ravi K Mantha, Independent Director (upto 31st March 2024)	
10	N Srivatsa, Company Secretary (upto 17th February 2023)	
11	Bharat Rajwani, Company Secretary (wef 18th February 2023)	
12	M N Varalakshmi, CFO	

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**DETAILS OF TRANSACTIONS**

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Nature of transactions	Companies in which key management personnel/close member of key management personnel is interested		Key management personnel	
	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
<u>Directors Remuneration:</u>				
Nikhil Kumar, Managing Director				
<u>Short-term employee benefits</u>				
Short-term employee benefits including commission of 487.97 Lakhs (PY: 390.72 Lakhs)	-	-	761.87	656.67
Director Sittings fees			0.80	0.80
Other long term employee benefit	-	-	11.96	11.96
Dividend paid during the year	-	-	191.93	278.32
Amount Outstanding at the year end *	-	-	4.17	4.56
<u>Remuneration to Key Managerial Personnel:</u>				
<b>N Srivatsa, upto 17th February 2023</b>				
Short-term employee benefits	-	-	-	63.78
Other long term employee benefit	-	-	-	3.06
Employees Share Option Cost (Refer Note 48)	-	-	-	3.32
Dividend paid during the period	-	-	-	3.26
<b>Bharat Rajwani, wef 18th February 2023</b>				
Short-term employee benefits	-	-	20.73	2.02
Other long term employee benefit	-	-	1.32	0.60
Dividend paid during the year	-	-	-	-
Amount Outstanding at the year end	-	-	1.40	1.63
<b>M N Varalakshmi</b>				
Short-term employee benefits	-	-	63.81	49.08
Other long term employee benefit	-	-	3.90	3.00
Employees Share Option Cost (Refer Note No.48)	-	-	-	1.90
Dividend paid during the year	-	-	3.37	4.04
Amount Outstanding at the year end	-	-	2.83	0.10
<b>Directors Sitting fees</b>				
Mohib N Khericha	-	-	8.80	6.70
K G Prabhakar	-	-	-	3.40
Nithin Bagamane	-	-	8.00	7.40
Prathibha Sastry	-	-	7.70	6.80
Ravi K Mantha	-	-	6.10	5.50
S. Prabhamani	-	-	6.10	2.00
<u>Ravindu Motors Private Limited</u>				
Servicing of Vehicles	0.45	2.40	-	-
<u>Trident Automobiles (Bangalore) Private Limited</u>				
Servicing of Vehicles	1.15	0.52	-	-

As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Company as a whole, the amount pertaining to the KMP and relatives of KMP is not ascertainable and, therefore, not included above

\* The amounts accrued & due are reported

**45 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 cancellable at its option. Rental expenses recorded for short term leases for the year is ₹102.04 Lakhs (Previous year ₹61.76 Lakhs).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- 46 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 39
- b The Group does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- c No amounts required to be transferred to the Investor Education and Protection Fund by the Group as on the reporting date.
- d To the best of its knowledge and belief of the management, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- e To the best of our knowledge and belief, no funds have been received by the Company or such subsidiaries, from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- f The Company and its Indian subsidiary do not have any charges/satisfaction which is yet to be registered with ROC beyond the statutory period.
- g The group has not traded or invested in Crypto currency or Virtual Currency during the year.
- h The Company and its subsidiaries are not declared as a willful defaulter by any bank or financial institution or other lender or Government or Government authorities. Accordingly, no disclosures are made in this regard.
- I The Company and its Indian Subsidiary do not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- j The Company and its Indian Subsidiary do not have transactions or balances with struck off companies.
- k Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Amounts in Indian Rupees in Lakhs, except as otherwise stated

Name of the entities in consolidated financial statement	Net Assets i.e., total assets minus total liabilities		Share in profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (in Lakhs)	As % of Consolidated profit or loss	Amount (in Lakhs)	As % of Consolidated other comprehensive- income	Amount (in Lakhs)	As % of Consolidated total comprehensive- income	Amount (in Lakhs)
1	2	3	4	5	6	7	8	9
<b>Parent</b>								
TD Power Systems Limited	99.43%	70,111.64	104.93%	12,417.82	71.09%	(192.08)	105.72%	12,225.74
TD Power Systems Limited - Previous Year	98.24%	59,389.25	91.37%	8,845.83	1.77%	(4.03)	93.53%	8,841.80
<b>Subsidiaries</b>								
<b>Indian</b>								
DF Power Systems Private Limited	1.19%	836.59	-0.05%	(5.59)	0.00%	-	-0.05%	(5.59)
DF Power Systems Private Limited Previous Year	1.39%	842.18	0.57%	55.62	0.00%	-	0.59%	55.62
<b>Foreign</b>								
TD Power Systems USA Inc	-0.57%	(401.62)	1.42%	168.28	12.04%	(32.54)	1.17%	135.74
TD Power Systems USA Inc - Previous Year	-0.89%	(537.36)	4.01%	388.08	18.73	(42.60)	3.65%	345.48
TD Power Systems Japan Limited0.	00%	-	0.00%	(0.09)	-1.68%	4.55	0.04%	4.46
TD Power Systems Japan Limited - Previous Year	0.00%	1.21	-0.11%	(10.20)	-0.87%	1.97	-0.09%	(8.23)

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

TD Power Systems Europe GmbH	1.35%	952.63	1.57%	185.28	18.55%	(50.11)	1.17%	135.17
TD Power Systems Europe GmbH - Previous Year	1.35%	817.46	1.24%	120.40	1.03%	(2.34)	1.25%	118.06
TD Power Systems Jenerator Sanayi Anonim Sirketi	1.18%	828.84	-3.24%	(383.85)	0.00%	-	3.32%	(383.85)
TD Power Systems Jenerator Sanayi Anonim Sirketi - Previous Year	2.70%	1,633.64	1.36%	131.89	79.33%	(180.42)	-0.51%	(48.53)
Consolidation adjustments	-2.57%	(1,814.73)	-4.62%	(546.93)	0.00%	-	-4.73%	(546.93)
Consolidation adjustments - Previous Year	-2.80%	(1,694.41)	1.55%	149.61	0.00%	-	1.58%	149.61
<b>Total</b>	<b>100.00%</b>	<b>70,513.35</b>	<b>100.00%</b>	<b>11,834.92</b>	<b>100.00%</b>	<b>(270.18)</b>	<b>100.00%</b>	<b>11,564.74</b>
<b>Total - Previous Year</b>	<b>100.00%</b>	<b>60,451.97</b>	<b>100.00%</b>	<b>9,681.23</b>	<b>100.00%</b>	<b>(227.42)</b>	<b>100.00%</b>	<b>9,453.81</b>

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

**Warranty claims (Amount in ₹ Lakhs)**

	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
Balance outstanding at the beginning	414.06	376.31
Provision for the reporting period	66.76	54.66
Withdrawn and credited to Statement of Profit and Loss	5.87	16.91
Balance outstanding at the end of the reporting period	474.95	414.06

**48 Corporate Social Responsibility**

**(Amount in ₹ Lakhs)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
i)	Amount required to be spent by the company	144.99	64.48
ii)	Unspent amount of CSR of previous year brought forward	-	16.00
iii)	Amount of expenditure incurred (including set off of earlier years excess spent)	144.99	81.34
iv)	Shortfall at the end of the year	-	-
v)	Total of previous years shortfall	-	-
vi)	Reason for shortfall	Not Applicable	
vii)	Nature of CSR activities	Educational empowerment, School infrastructure development, Health care & Sports Training	
viii)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	
ix)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Not Applicable	

**49a) Interim Dividend**

On 8th November 2023, (PY: 8th February 2023) the Board of Directors of the Company has considered and declared an interim dividend of 0.50 (PY: 0.50) per equity share of the Company.

**b) Final Dividend**

On 23<sup>rd</sup> May 2024, (PY: 9th May 2023) the Board of Directors of the Company have proposed a dividend of ₹ 0.60 (PY: ₹ 0.50) (sub-divided into ₹ 2/- each) per share in respect of the year ended 31st March 2024 subject to approval of shareholders at the Annual General Meeting.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

**50 Exceptional Items****(a) Creditors Written Back**

During the previous year ended 31st March 2023, the Indian Subsidiary has written back creditors and payables amounting to ₹ 62.78 lakhs (PY: ₹ 757.72 lakhs) due to liquidated damages against project supplies, counter claims in respect of performance guarantees and amount unclaimed.

- (b) During the previous year ended 31st March 2023, the Parent Company sold unutilised land measuring 4 acre and 31 Guntas situated at Pemmanahalli village, Sompura Hobli, Nelamangala Taluk, Bangalore Rural District ₹ 429.75 Lakhs . The net profit of ₹ 71.63 lakhs arising from the sale of said land after considering the carrying cost of land of ₹ 323.62 lakhs and the estimated cost of development of ₹ 34.50 lakhs, has been included under exceptional item. The formalities relating to execution and registration of the sale deed was completed during financial year 2023-2024.

**51 Employee Stock Benefit Plans**

During August 2019, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 10,00,000 shares in aggregate, out of which not more than 5,65,000 shares to be acquired by the Trust through Secondary Acquisition and not more than 4,35,000 shares shall be issued by way of Primary / Fresh shares. The maximum number of options that may be granted to any employee in any year and in aggregate shall not exceed 2,00,000 options under the plan.

In accordance with the shareholders' approval in Annual General Meeting held on 12th August 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, has approved grant of 5,63,884 employee stock options ("ESOPs") and 3,99,216 employee stock appreciation rights ("ESARs") to the eligible employees of the Company and/or its Subsidiary Company(ies) under its TDPSL Equity Based Compensation Plan 2019 ("Plan"). These were outstanding at the year end.

Out of which 97,962 ESOPs and 56,160 ESOPs have been granted to Company Secretary and Chief Financial Officer of the company respectively.

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	ESAR - Reissued No. of Options	ESOP No. of Options	ESAR No. of Options
Market Price (₹)	254.7	134.45	134.45
Expected Life (in Years)	3 - 5	3 - 5	3 - 5
Volatility (%)	49.91 - 51.22	38.84 - 40	38.84 - 40
Risk free Rate (%)	6.99 - 7.03	5.93 - 6.26	5.93 - 6.26
Exercise Price (₹)	127.35	67.25	67.25
Dividend Yield (%)	0.39	1.49	1.49
Weighted Average Fair Value of the Vest (₹)	159.35	78.92	78.92

During the year ended 31st March 2024 (PY: 31st March 2023), 1,27,466 (PY: 1,05,029) Equity Shares of face value of ₹ 2 each (previously ₹ 10 each) were issued & allotted to the TDPSL Employee Welfare Trust (Trust) in respect of the exercise of 1,37,518 (PY: 93,403) ESARs by grantees. Consequently, the paid up capital of the Company as at March 31, 2024 stands at ₹ 3,123.40 Lakhs (PY: ₹ 3,120.85 Lakhs) comprising 15,61,70,101 (PY: 15,60,42,635) Equity Shares of ₹ 2/-each. As per the TDPSL Equity Based Compensation Plan 2019, the said shares were transferred by the Trust to the ESAR Grantees in settlement of the ESAR'S Exercised.

During the period ended 31st March 2024 (PY: 31st March 2023), NIL (PY: 1,87,961) ESOPs of face value of ₹ 2 each (previously ₹ 10 each) were vested and 30,813 (PY: 1,57,148) options were exercised at an exercise price of 67.25 against which 30,813 (PY: 1,57,148) Equity shares of the Company were transferred to the ESOP grantees by TDPSL Employee Welfare Trust. ₹ 20.72 lakhs (PY: ₹ 105.68 lakhs) was received from the ESOP grantees upon the Exercise of ESOPs.

The details of ESOP/ESAR as at 31st March 2024 is as under

	31.03.2024		31.03.2023	
	ESOP	ESAR	ESOP	ESAR
Outstanding at the beginning of the year	30,813	33,075	1,87,962	1,59,268
Vested & Exercised during the year	30,813	27,504	1,57,149	1,19,600
Vested & lapsed during the year	-	-	-	6,593
ESAR's cancelled, reissued	-	19,782	-	-
Balance at the end of the year - Not vested	-	19,782	-	-
Balance at the end of the year - Vested & Not Exercised	-	5,572	30,813	33,075

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 excluding conversion & carrying cost of inventory and Japan branch related assets. Below is the details of the same.

Qtr	Nature of current asset	As per Bank submission	As per books of accounts*	Difference	Reasons
		A	B	(A)-(B)	
Q1	Inventory	20,865.17	22,371.24	(1,506.07)	Due to conversion & carrying cost of inventory.
	Trade receivables	27,483.19	27,200.99	282.20	Due to Japan branch related trade receivables adjustment as per sanctioned terms.
Q2	Inventory	22,642.76	24,248.50	(1,605.74)	Due to conversion & carrying cost of inventory.
	Trade receivables	27,214.08	28,122.64	(908.56)	Due to Japan branch related trade receivables adjustment as per sanctioned terms.
Q3	Inventory	22,627.05	23,827.32	(1,200.27)	Due to conversion & carrying cost of inventory.
	Trade receivables	25,303.12	25,900.94	(597.82)	Due to Japan branch related trade receivables adjustment as per sanctioned terms.
Q4	Inventory	21,952.44	23,772.56	(1,820.12)	Due to conversion & carrying cost of inventory.
	Trade receivables	30,063.78	31,034.56	(970.78)	Due to Japan branch related trade receivables adjustment as per sanctioned terms.

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

54 (a). The net worth of the Indian Subsidiary Company continues to be positive owing to substantial reduction of accumulated losses. The improvement in market condition which was expected post pandemic has been sluggish without a clear picture about the direction in which market likely to head. However the Company continues to evaluate opportunities from time to time with required support from the parent Company. Based on an assessment of risk of claims & counter claims which the Company will

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

have against Creditors for supply of project related equipment, as well as project cancellation, appropriate write backs have been accounted in respect of these creditors in financial year 2022-2023 amounting to ₹ 62.78 lakhs ((2021-2022: ₹ 757.72 lakhs) and earlier year, resulting in the Company's Net worth turning positive. Accordingly, the financial statements of the Indian subsidiary continue to be prepared on a going concern basis which is considered appropriate by the management of that Company.

- (b) The overseas subsidiary in USA has accumulated losses exceeding its share capital and has eroded its networth as at the end of the reporting period. The subsidiary has shown significant improvement in revenue and profits over the last 2 years. Though, the accumulated losses exceed its share capital as at the end of the reporting period, the improved operating performance is enabling the reduction of the accumulated losses and the subsidiary is heading towards a positive net worth. Though the subsidiary's liabilities exceed its total assets by ₹ 401.62 lakhs (As at 31st March 2023: ₹ 537.36 lakhs), a substantial portion of the liabilities is loan from the Holding company against which repayments to the tune of ₹ 343.28 lakhs (PY: ₹ 237.79 lakhs) have been made which reflects improvement of its cash flows. Thus, the subsidiary is able to sustain its operating requirements as well as partially repay the holding company loans. The Holding company is however renewing the loans on timely basis reflecting its resolve to support the subsidiary and grow the market. Further, the holding company is authorised by its Board to infuse further funds as and when required. Considering the above factors, the management is of the opinion that the going concern assumption in preparation of the financial statements of subsidiary is appropriate.
- (c) The required procedure for voluntary liquidation having been complied with the applicable law/regulation in Japan, TD Power System Japan Ltd, a wholly owned subsidiary of the Company, has been voluntarily liquidated and ceased to be in existence with effect from June 26, 2023 in terms of the closed registration certificate from the Tokyo Legal Affairs Bureau. JPY 9.93 lakhs (equivalent to ₹ 5.67 lakhs) being the value residual assets has been remitted to the Holding Company towards repayment of Share Capital (held as Investment in that Company).
- (d) The operations of the Turkey subsidiary has resulted in total comprehensive loss of ₹ 383.84 Lakhs during the year ended 31st March 2024. This is on account of foreign exchange loss of ₹ 400.52 lakhs due to sharp depreciation of Turkish Lira (TL) vis a vis Indian Rupee (INR) from ₹ 4.30 as on 31st March 2023 to ₹ 2.58 as at 31st March 2024, i.e. a drop of 40%. This is reported as other expenses in statement of profit and loss as per para 9 of the IND AS 29 which states that the gain or loss on the net monetary position shall be included in profit or loss.
- 55 The Company has implemented voluntary retirement scheme (VRS) namely TD Power Systems Ltd Employees Voluntary Retirement Scheme 2023-24 for providing financial support and was open for permanent workmen with minimum 10 years of service & 40 years of age. 8 permanent workmen opted for this scheme and the financial implication of 321.82 lakhs has been accounted in the financial year 2023-24.

#### 56 Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

#### 57 Prior period comparatives

The previous year's figures have been regrouped where necessary to confirm with current year's classification. The impact of such regrouping is not material to 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

**Bharat Rajwani**  
Company Secretary  
Membership No. A50096  
Place: Bangalore

**M N Varalakshmi**  
Chief Financial Officer  
Place: Bangalore

Date: 23<sup>rd</sup> May 2024

As per our report of even date attached

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

**Abraham Baby Cherian**  
Partner  
Membership No.218851

Place:Bangalore  
Date: 23<sup>rd</sup> May 2024





The logo for TD Power Systems Limited, featuring the lowercase letters 'tdps' in a white, sans-serif font with a registered trademark symbol (®) to the upper right, all contained within a solid orange rectangular background.

tdps<sup>®</sup>

**TD Power Systems Limited**  
REGISTERED OFFICE & FACTORY:

27, 28 and 29, KIADB Industrial Area  
Dabaspeta, Nelamangala Taluk  
Bengaluru Rural District  
Bengaluru – 562 111, India

[www.tdps.co.in](http://www.tdps.co.in)