

TD Power Systems Limited

(CIN -L31103KA1999PLC025071)

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

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January 27, 2022

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

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

Sirs,

Sub: Un-Audited Financial Results for the quarter and nine months ended December 31, 2021

The Board of Directors of the Company at their meeting held today, took on record the Un-audited Financial Results (“UFR”) for the quarter and nine months ended December 31, 2021. The Limited Review Report (“LRR”) thereon received from the Statutory Auditors of the Company was placed at the said Board Meeting. The UFR along with LRR are being uploaded on your website along with this letter.

The Standalone Financial Results are available on the Company's website www.tdps.co.in. The key information on the standalone financial results are as under:

(Rs. in Lakhs)

Particulars	Quarter ended		Nine Months ended	Previous Year ended
	31.12.2021	31.12.2020	31.12.2021	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net Sales / Income from Operations	18,771.11	12,322.32	50,443.04	49,941.43
Profit Before Tax	2,026.73	789.81	4,455.43	2,351.59
Profit After Tax	1,471.88	624.64	3,257.72	1,747.75
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	1,449.16	658.85	3,138.01	1,793.85

Please take the same on record.

Thanking you,
Yours faithfully,
For TD Power Systems Limited


N. Srivatsa
Company Secretary
Encl.: A/a



LIMITED REVIEW REPORT

To

The Board of Directors
TD Power Systems Ltd.

1. We have reviewed the accompanying statement of Unaudited Standalone financial results (“the Statement”) of M/s TD Power Systems Ltd. (“the Company”) for the quarter ended 31st December 2021 and year to date (nine months) results for the period 1st April 2021 to 31st December 2021 being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company’s Management and approved by the Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”) prescribed under Section 133 of Companies Act, 2013 (“the Act”) read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of Statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial statements are free of material misstatements. A review of interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the Branch auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matters

- (a) We draw attention to Note no.4 in the unaudited standalone financial results, which describes the basis on which the going concern assumption in the preparation of financial statements of two subsidiaries and the evaluation of the carrying value of investment in one subsidiary and that no further provision for impairment in the carrying value of the investment in that subsidiary is considered necessary by the management.
- (b) We draw attention to Note no.5 in the unaudited standalone financial results, which describes the impact of COVID-19 pandemic, carried out by the management of the company on the company's business operations, financial position, carrying value of various assets and the uncertainties associated with such evaluation in the present circumstances and that the impact may be different from that assessed as the date of approval of these financial statements.

Our conclusion is not modified in respect of the above two matters.

6. Other Matters

We did not review the financial results of the foreign branch at Japan considered in the preparation of the statement, which constitute total revenue of Rs. 84.31 Lakhs and Rs. 1,119.26 lakhs and net profit/(loss) after tax of Rs. (80.64) Lakhs and Rs. (66.46) lakhs and total comprehensive income/(loss) of Rs. (103.36) Lakhs and Rs. (92.37) lakhs for the quarter ended 31st December 2021 and for the nine months period from 1st April 2021 to 31st December 2021 respectively, which has been reviewed by the Branch auditor in that country whose review report has been furnished to us, and our opinion on the statement, to the extent they have been derived from such financial results is solely on the basis of such report of the other auditor.

Our review report is not modified in respect of the above matter.

Place : Bangalore
Date : 27th January 2022

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

Sriniv
as K P

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by Srinivas K.P.
Date: 2022.01.27
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K.P.SRINIVAS
Partner
M.No.208520

UDIN: 22208520AAAAAI6671

LIMITED REVIEW REPORT

To
The Board of Directors
TD Power Systems Ltd.

1. We have reviewed the accompanying Statement of Unaudited consolidated Financial Results (“the Statement”) of TD Power Systems Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred as a “the Group”), for the quarter ended 31st December, 2021 and year to date (nine months) results for the period 1st April 2021 to 31st December, 2021 being submitted by the Parent pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”) prescribed under Section 133 of Companies Act, 2013 (“the Act”) read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of Statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review of interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities as mentioned below:

Name of the Entity	Relationship
D F Power Systems Private Limited, India	Wholly owned subsidiary
TD Power Systems USA Inc, United States of America	Wholly owned subsidiary
TD Power Systems Japan Limited, Japan	Wholly owned subsidiary
TD Power Systems Europe GMBH, Germany	Wholly owned subsidiary
TD Power Systems Jenerator Sanayi Anonim Sirketi, Turkey	Wholly owned subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors firm of Chartered Accountants referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

We draw attention to Note no.5 in the consolidated financial results, which describes the evaluation of the impact of COVID-19 carried out by the management on the group's business operations, financial position, carrying value of various assets and the uncertainties associated with such an evaluation in the present circumstances and that the impact may be different from that assessed as at the date of approval of these financial statements.

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

7. Other Matters

Attention is invited to the following:

- i. We did not review the financial results of one Indian subsidiary included in the consolidated unaudited financial results, whose interim financial results/ information reflect total revenue of Rs. 0.06 Lakhs and Rs. 15.53 Lakhs and total net profit/(loss) after tax of Rs. 557.72 Lakhs and Rs. 764.65 Lakhs and total comprehensive income/(loss) of Rs 557.72 Lakhs and Rs. 764.65 Lakhs for the quarter ended 31st December 2021 and for the nine months period from 1st April 2021 to 31st December 2021 respectively, as considered in the unaudited consolidated Financial Results. These interim financial results have been reviewed by the auditor of that company whose review report has been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
- ii. We did not review the financial results of four foreign subsidiaries included in the consolidated unaudited financial results, whose interim financial results/ information reflect total revenue of Rs. 2,664.56 Lakhs and Rs. 13,923.74 Lakhs and total net profit/(loss) after tax of Rs. (20.86) Lakhs and Rs. 472.85 Lakhs and total comprehensive income/(loss) of Rs. (590.32) Lakhs and Rs. (223.18) Lakhs for the quarter ended 31st December 2021 and for the nine months period from 1st April 2021 to 31st December 2021 respectively, as considered in the unaudited consolidated Financial Results. We are informed that audit is not mandatory in the respective Country and hence these financial

results have been reviewed by an independent firm of Chartered Accountants in India, whose review report has been furnished to us by the Management and conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of these foreign subsidiaries, is based solely on the reports of the Independent firm of Chartered Accountants and the procedures performed by us as stated in paragraph 3 above.

For VARMA & VARMA
Chartered Accountants
FRN 004532S

Sriniv
as K P

Digitally signed
by Srinivas K.P.
Date: 2022.01.27
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K.P.SRINIVAS
Partner

M.No.208520

UDIN: 22208520AAAAAJ7435

Place : Bengaluru

Date : 27th January 2022

TD POWER SYSTEMS LIMITED

REGISTERED OFFICE & PLANT: # 27,28 & 29 KIADB INDUSTRIAL AREA, DABASPET, NELAMANGALA TALUK, BANGALORE 562 111

CIN: L31103KA1999PLC025071, E mail Id: tdps@tdps.co.in, Website: www.tdps.co.in, Tel. No.: + 91 80 22995700, Fax: + 91 80 7734439

STATEMENT OF STANDALONE/CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2021

(₹ in Lakhs)

Sl. No.	Particulars	Consolidated						Standalone					
		Quarter ended			Nine months ended		Year ended	Quarter ended			Nine months ended		Year ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
	Revenue												
I	Revenue from Operations	17,980.71	22,732.76	16,853.71	57,025.85	42,523.83	59,358.43	18,771.11	19,048.40	12,322.32	50,443.04	32,904.73	49,941.43
II	Other Income	325.31	274.03	241.40	828.41	664.58	932.25	400.34	229.71	112.47	846.17	782.38	1,268.50
III	Total Revenue (I+II)	18,306.02	23,006.79	17,095.11	57,854.26	43,188.41	60,290.68	19,171.45	19,278.11	12,434.79	51,289.21	33,687.11	51,209.93
	IV Expenses												
	Cost of materials consumed	13,139.35	14,725.54	11,417.96	38,504.10	30,760.91	42,581.32	13,637.41	13,959.23	8,551.24	36,143.23	24,135.82	35,077.29
	Purchases of stock in trade	(0.16)	726.49	(100.07)	764.76	185.99	1,002.01	(0.16)	726.49	(100.07)	764.76	185.99	778.32
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(576.23)	1,506.51	(290.90)	1,644.36	(2,476.04)	(3,994.17)	(152.61)	(484.21)	(459.47)	(878.16)	(1,823.58)	(1,428.04)
	Employee benefits expense	2,136.64	1,946.04	1,943.97	6,054.06	5,682.62	7,940.28	1,983.81	1,764.95	1,775.20	5,570.02	5,177.39	7,308.72
	Finance Costs	24.03	2.17	166.74	134.95	482.26	446.54	24.03	2.17	166.74	134.95	482.26	445.85
	Depreciation and amortisation expense	561.89	556.38	538.07	1,653.46	1,604.13	2,149.76	540.16	535.00	524.10	1,594.42	1,565.00	2,096.83
	Other expenses	1,100.54	1,419.54	1,473.19	3,931.83	3,684.51	5,234.12	1,112.08	1,265.24	1,187.24	3,504.56	2,934.69	4,579.37
	Total expenses (IV)	16,386.06	20,882.67	15,148.96	52,687.52	39,924.38	55,359.86	17,144.72	17,768.87	11,644.98	46,833.78	32,657.57	48,858.34
V	Profit/(loss) before exceptional items and tax (III-IV)	1,919.96	2,124.12	1,946.15	5,166.74	3,264.03	4,930.82	2,026.73	1,509.24	789.81	4,455.43	1,029.54	2,351.59
VI	Exceptional items (Refer Note No.4(a))	560.28	-	581.47	757.72	581.47	717.51	-	-	-	-	-	-
VII	Profit / (Loss) before tax (V-VI)	2,480.24	2,124.12	2,527.62	5,924.46	3,845.50	5,648.33	2,026.73	1,509.24	789.81	4,455.43	1,029.54	2,351.59
VIII	Tax Expenses												
	(a) Current Tax	463.07	381.88	462.52	1,186.20	1,008.78	1,150.51	491.60	261.55	202.00	1,058.15	433.12	626.46
	(b) Deferred Tax	63.25	136.26	(36.83)	139.56	(146.30)	(22.62)	63.25	136.26	(36.83)	139.56	(146.30)	(22.62)
IX	Profit/(Loss) for period (VII - VIII)	1,953.92	1,605.98	2,101.93	4,598.70	2,983.02	4,520.44	1,471.88	1,111.43	624.64	3,257.72	742.72	1,747.75
X	Other Comprehensive Income												
	Items that will not be reclassified to profit or loss												
	(i) Remeasurement of defined benefit plans	-	(125.35)	-	(125.35)	43.21	136.13	-	(125.35)	-	(125.35)	43.21	136.13
	(ii) Tax on defined benefit plans	-	31.55	-	31.55	(10.88)	(34.26)	-	31.55	-	31.55	(10.88)	(34.26)
	Items that will be reclassified to profit or loss												
	(i) Exchange difference on translation of foreign operations (Refer Note No.7)	(592.18)	(58.64)	(28.55)	(721.94)	(65.09)	(255.78)	(22.72)	(4.12)	34.21	(25.91)	37.43	(55.77)
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit/(loss) and Other Comprehensive Income for the period)	1,361.74	1,453.54	2,073.38	3,782.96	2,950.26	4,366.53	1,449.16	1,013.51	658.85	3,138.01	812.48	1,793.85
	Details of equity share capital:												
XII	Paid-up equity share capital (Face value of ₹.10/- per share)	3,110.35	3,105.97	3,093.34	3,110.35	3,093.34	3,093.34	3,110.35	3,105.97	3,093.34	3,110.35	3,093.34	3,093.34
XIII	Reserves (excluding Revaluation reserve)	-	-	-	-	-	43,974.30	-	-	-	-	-	44,349.29
XIV	Earnings per equity share												
	Basic (in ₹)	6.33	5.23	6.89	14.96	9.79	14.83	4.77	3.62	2.05	10.60	2.44	5.73
	Diluted (in ₹)	6.28	5.18	6.79	14.82	9.64	14.61	4.74	3.58	2.02	10.50	2.40	5.65

TD POWER SYSTEMS LIMITED

REGISTERED OFFICE & PLANT: # 27,28 & 29 KIADB INDUSTRIAL AREA, DABASPET, NELAMANGALA TALUK, BANGALORE 562 111

CIN: L31103KA1999PLC025071, E mail Id: tdps@tdps.co.in, Website: www.tdps.co.in, Tel. No.: + 91 80 22995700, Fax: + 91 80 7734439

STATEMENT OF STANDALONE/CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2021

UNAUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ in Lakhs)

Particulars	Consolidated						Standalone					
	Quarter ended			Nine months ended		Year ended	Quarter ended			Nine months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)
₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
1 Segment Revenue (net sale/income from each segment should be disclosed)												
(a) Manufacturing	21,303.05	23,704.31	19,435.95	63,097.99	48,931.58	69,209.21	18,654.85	18,139.94	12,316.25	49,268.14	32,421.13	48,538.69
(b) Project Business including WOS	184.56	999.73	512.50	1,334.61	994.71	2,262.61	184.56	999.73	512.50	1,334.61	994.71	2,027.14
(c) Engineering, procurement and construction (EPC)	-	-	-	-	-	-	-	-	-	-	-	-
Total segment revenue	21,487.61	24,704.04	19,948.45	64,432.60	49,926.29	71,471.82	18,839.41	19,139.67	12,828.75	50,602.75	33,415.84	50,565.83
Less: Inter Segment Revenue	68.30	91.27	506.43	159.71	511.11	624.40	68.30	91.27	506.43	159.71	511.11	624.40
Less: Inter Company	3,438.60	1,880.01	2,588.31	7,247.04	6,891.35	11,488.99	-	-	-	-	-	-
Revenue from operations	17,980.71	22,732.76	16,853.71	57,025.85	42,523.83	59,358.43	18,771.11	19,048.40	12,322.32	50,443.04	32,904.73	49,941.43
2 Segment Results: (Profit)(+)/ Loss (-) before tax and interest from each segment)												
(a) Manufacturing	2,603.14	1,994.70	1,492.40	6,169.91	3,112.57	4,919.23	2,603.14	1,994.70	1,492.40	6,169.91	3,112.57	4,919.23
(a1) Less : Inter Segment/Company	80.23	(641.22)	(1,081.47)	(770.99)	(2,175.25)	(2,528.79)	-	-	-	-	-	-
(b) Project Business including WOS	(29.33)	33.99	(43.56)	(37.21)	(110.34)	41.11	(27.08)	35.63	(41.04)	(29.64)	(101.96)	39.89
(c) Engineering, procurement and construction (EPC)	(2.62)	(3.32)	(4.18)	(8.60)	(11.24)	(15.30)	-	-	-	-	-	-
Less: Depreciation	561.89	556.38	538.07	1,653.46	1,604.13	2,149.76	540.16	535.00	524.10	1,594.42	1,565.00	2,096.83
	1,929.07	2,110.21	1,988.06	5,241.63	3,562.11	5,324.07	2,035.90	1,495.33	927.26	4,545.85	1,445.61	2,862.29
Less: (i) Finance cost	24.03	2.17	166.74	134.95	482.26	446.54	24.03	2.17	166.74	134.95	482.26	445.85
(ii) Other unallocable expenditure net off unallocable income (including exceptional item)	(575.20)	(16.08)	(706.30)	(817.78)	(765.65)	(770.80)	(14.86)	(16.08)	(29.29)	(44.53)	(66.19)	64.85
Profit before Tax	2,480.24	2,124.12	2,527.62	5,924.46	3,845.50	5,648.33	2,026.73	1,509.24	789.81	4,455.43	1,029.54	2,351.59
3 Capital Employed = Segment Assets - Segment liabilities												
Segment Asset												
(a) Manufacturing	70,894.53	64,528.04	61,973.75	70,894.53	61,973.75	60,311.25	66,220.12	59,091.88	56,539.01	66,220.12	56,539.01	54,816.99
(b) Project Business including WOS	2,514.06	2,657.94	4,590.93	2,514.06	4,590.93	3,719.90	2,492.68	2,633.75	4,321.75	2,492.68	4,321.75	3,689.47
(c) Engineering, procurement and construction (EPC)	109.83	110.29	121.15	109.83	121.15	115.29	-	-	-	-	-	-
(d) Un-allocable Segment	17,224.10	17,820.51	12,762.25	17,224.10	12,762.25	14,341.34	20,274.96	20,869.44	15,810.20	20,274.96	15,810.20	17,389.01
	90,742.52	85,116.78	79,448.08	90,742.52	79,448.08	78,487.78	88,987.76	82,595.07	76,670.96	88,987.76	76,670.96	75,895.47
Segment Liabilities												
(a) Manufacturing	31,092.70	27,226.48	23,399.00	31,092.70	23,399.00	22,574.34	29,658.11	25,672.09	21,019.32	29,658.11	21,019.32	20,430.61
(b) Project Business including WOS	1,877.70	1,887.82	3,103.98	1,877.70	3,103.98	2,204.04	1,869.14	1,879.64	2,849.31	1,869.14	2,849.31	2,195.42
(c) Engineering, procurement and construction (EPC)	17.44	578.22	928.92	17.44	928.92	791.14	-	-	-	-	-	-
(d) Un-allocable Segment	7,432.01	6,427.51	6,440.44	7,432.01	6,440.44	5,850.62	7,407.80	6,403.97	6,416.70	7,407.80	6,416.70	5,826.81
	40,419.85	36,120.03	33,872.34	40,419.85	33,872.34	31,420.14	38,935.05	33,955.70	30,285.33	38,935.05	30,285.33	28,452.84

Note:- In Accordance with IND AS 108 - "Operating Segments", the above segments reported are based on the review of the Chief Operating Decision Maker.

TD POWER SYSTEMS LIMITED
NOTES TO FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2021

Notes:

- 1 The Financial results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015. The above financial results have been recommended by the Audit committee and approved by the Board of Directors at their respective meetings held on 27th January 2022.
- 2 The consolidated financial results relate to TDPS Group. The Group consists of TD Power Systems Limited and its wholly owned Indian and Overseas subsidiaries as follows:
 - D F Power Systems Private Limited, India
 - TD Power Systems USA Inc, United States of America
 - TD Power Systems Japan Limited, Japan
 - TD Power Systems Europe GMBH, Germany
 - TD Power Systems Jenerator Sanayi Anonim Sirketi, Turkey

- 3 During the quarter ended 30th September 2019, the Company has implemented TDPSL Equity Based Compensation Plan 2019, ("Plan") through employee welfare trust after obtaining necessary approvals as per provision of the Companies Act, 2013. The employee cost on account of Employee Stock Options and Employee Stock Appreciation Rights granted as per the plan has been accounted for in the Statement of Profit & Loss and the cost of shares acquired for the purpose of the Plan has been included under Other Equity.

During the nine months period ended 31st December 2021, 1,70,084 Equity Shares of ₹.10/- each were issued & allotted to the TDPSL Employee Welfare Trust (Trust) in respect of the exercise of 2,26,760 ESARs by grantees. Consequently, the paid up capital of the Company as at December 31, 2021 stands at ₹.3,110.35 Lakhs comprising 3,11,03,498 Equity Shares of ₹.10/-each. As per the TDPSL Equity Based Compensation Plan 2019, the said shares were transferred by the Trust to the ESAR Grantees in settlement of the ESAR'S Exercised.

During the nine months period ended 31st December 2021, 1,87,961 ESOPs vested and were exercised at an exercise price of ₹.67.25 per option against which 1,87,961 Equity shares of the Company were transferred to the ESOP grantees by TDPSL Employee Welfare Trust. The exercise price received by the Trust in respect of the said ESOP's amounted to ₹.126.41 lakhs in terms of the TDPSL Equity Based Compensation Plan 2019.

- 4(a) As at December 31, 2021, the Indian Subsidiary has written back creditors and provisions amounting to ₹. 757.72 lakhs (PY ₹ 717.51 lakhs). The Company continues to evaluate business proposals to render engineering services and is negotiating with certain trade creditors for final settlement on account of project cancellation and supply related issues. These steps are expected to help the company in reducing its current liabilities. Further, efforts are ongoing to recover receivables by which management is hopeful of significantly improving that Company's ability to settle its liabilities. Accordingly, the management of that Company is of the opinion that the going concern assumption in preparation of the financial statements of that Company is appropriate.

- (b) The overseas subsidiary in USA has accumulated losses exceeding its share capital and has eroded its networth as at the end of the reporting period. The Subsidiary's liabilities exceeds its total assets by ₹. 1,008.76 lakhs. A substantial portion of the liabilities is loan from the Parent company which is being renewed on timely basis reflecting the parent company's resolve to support and grow the market. Over the last 3-4 years this subsidiary has improved foothold in the American market and has delivered certain initial orders from very reputed customers. This will help in receiving improved orders in the forthcoming years enabling better operating performance. The subsidiary is managing its cash flow requirements. However, the parent company is authorised by its Board to infuse further funds as and when required. Based on this, the management of that company is of the opinion that the going concern assumption in preparation of the financial statements of that company is appropriate. Hence, considering the future prospects of the said subsidiary no provision for impairment in the carrying value of the investment in this subsidiary is considered necessary by the management of the company in the standalone financial results.

TD POWER SYSTEMS LIMITED
NOTES TO FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2021

- 5 During the nine months period, the Company's operations continued uninterrupted despite the lock down ordered by the Karnataka State Government. The supply of industrial oxygen & other materials was hampered due to the steps taken by the State Government to tide over the unprecedented requirements for medical oxygen & the disruption of operations of our suppliers during the lockdown. These disruptions, however, did not materially affect our operations.
The incremental costs incurred by the Company to adhere to the standard operating procedures notified by the Government / Authorities was not very significant.
The threat of the variants of Covid-19 has resulted in continuing uncertainty in business environment globally. The management has considered the possible effects that may result from the pandemic on the carrying value of various assets after taking into account various internal and external information up to the date of approval of these financial statements and have concluded that they are recoverable based on the expected future performance of the Group.
Considering the present liquidity position of the Group and its ability to raise funds if required, the management does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due
The impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature as well as it's duration and the management will continue to monitor any events/ changes to future economic conditions. Accordingly, the impact may be different from that estimated as at the date of approval of these financial results.
- 6 During May 2021, the company has received demand from Income tax department of ₹.1,942 lakhs for AY 2017-18 with respect to Transfer Pricing and other disallowance u/s 143(3) r.w.s 144C (3) read with section 144B of the Income-tax Act. The Transfer Pricing Officer (TPO) has passed an order with demand considering transfer pricing adjustment on the overall turnover of the Company instead of restricting to transactions with Associate Enterprises. The Sales to Associate Enterprises for the said year is ₹.1,964.90 lakhs as compared to the Sales of the entire Company of ₹.36,944.03 lakhs. Disputing the said order, the Company filed an objection before the Dispute Resolution panel of the Income Tax Department at Bengaluru on May 26 2021. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Honble High Court of Karnataka vide it's order dated June 30 2021.
- 7 Other comprehensive income includes foreign exchange translation Loss of ₹ 693 Lakhs which is notional in nature from our foreign Subsidiary--Turkey due to sharp depreciation of Turkish Lira to Indian Rupee from ₹ 8.84 (TL to INR) at the beginning of the year to ₹ 5.51 (TL to INR) at the end of reporting quarter, a drop of 38%.
- 8 Segment wise Revenue, Results, assets and liabilities are stated separately.

For TD Power Systems Limited

NIKHIL
Digitally signed
by NIKHIL
KUMAR
Date: 2022.01.27
14:00:17 +05'30

Nikhil Kumar
Managing Director

Place: Frankfurt

Date: 27th January 2022