



B. K. Ramadhyani & Co LLP

Chartered Accountants

REF.BKR:2017-18/027

Auditors' Certificate

We, B K Ramadhyani & Co LLP., Statutory auditors of TD Power Systems Limited, Bangalore, have reviewed the unaudited annual accounts of its wholly owned subsidiary TD Power Systems Japan Limited for the period ended March 31, 2017.

The unaudited annual accounts for the year ended March 31, 2017 of the wholly owned subsidiary TD Power Systems Japan Limited have been originally prepared under the Japanese Generally Accepted Accounting Practices (Japanese GAAP) and have been translated into financial statements under Indian Generally Accepted Accounting Practices (Indian GAAP). The Management is responsible for the preparation of the said unaudited annual accounts both under the Japanese GAAP and its translation into Indian GAAP.

Our responsibility is to express an opinion on these unaudited annual accounts based on our audit.

In our opinion and to the best of our knowledge and according to the information and explanations given to us, the said unaudited annual accounts for the year ended March 31, 2017 reflect a true and fair view of the affairs of TD Power Systems Japan Limited.

This certificate has been issued specifically to enable the company TD Power Systems Limited to file the Annual Performance Report (APR) in respect of its wholly owned subsidiary TD Power Systems Japan Limited, in terms of the current FEMA ODI Regulations.

For B. K. Ramadhyani & Co LLP.,
Chartered Accountants
FRN No.002878S/S200021


R Satyanarayana Murthi
Partner
Membership No. 024248
Place: Bangalore
Date: June 5, 2017

RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleshwaram,
BANGALORE - 560 055.

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP Identification No. AAD-7041

4B, Chitrapur Bhavan, No.68, 8th Main, 15th Cross, Malleshwaram, Bangalore - 560 055
Phone: +91 80 2346 4700 Tele Fax: +91 80 2334 8964 Web: www.ramadhyani.com

TD POWER SYSTEMS JAPAN LIMITED
BALANCE SHEET AS AT MARCH 31, 2017


Particulars	Note No.	As at 31.03.2017 JPY	As at 31.03.2016 JPY
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	20,000,000	20,000,000
(b) Reserves and Surplus	2	43,466,983	42,831,242
		63,466,983	62,831,242
(2) Current Liabilities			
(a) Trade payables	3	520,000	601,200
(b) Other current liabilities	4	21,918,588	150,191,479
(c) Short term provisions	5	3,120,000	90,000
		25,558,588	150,882,679
TOTAL		89,025,571	213,713,921
II. ASSETS			
(1) Current Assets			
(a) Inventories	6	-	131,446,595
(b) Trade receivables	7	-	4,160,000
(c) Cash and Bank Balance	8	79,575,571	71,507,302
(d) Short term loans and advances	9	9,450,000	6,600,024
		89,025,571	213,713,921
TOTAL		89,025,571	213,713,921


Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of 1 - 16 the Balance Sheet

In Accordance with our Report attached

For and on behalf of Board of Directors

For B.K. RAMADHYANI & CO LLP.
Chartered Accountants
Firm Registration No. 0028785/S200021


Nikhil Kumar
Director


R SATYANARAYANA MURTHI
Partner - M.No. 02424

Place : Bangalore
Date : 18th May 2017

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.

N Srivatsa
Secretary 

TD POWER SYSTEMS JAPAN LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars		Note No.	Current Year JPY	Previous Year JPY
I.	Revenue from Operations	10	138,540,430	513,691,791
II	Other Income	11	20,105,779	186,930
III	Total revenue (I + II)		158,646,209	513,878,721
IV	Expenses			
	Purchases for Project Business	12	132,784,595	492,237,104
	Employee benefits expense	13	18,929,871	19,971,763
	Finance costs	14	-	949,872
	Other expenses	15	3,178,356	2,724,878
	Total Expenses		154,892,822	515,883,617
V	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		3,753,387	(2,004,896)
VI	Profit before tax		3,753,387	(2,004,896)
VII	Tax expense:			
	(1) Current tax		3,117,646	180,000
	(2) Deferred tax		-	-
VIII	Profit/(Loss) for the year (VI-VII)		635,741	(2,184,896)

Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of the 1 - 16 Statement of Profit & Loss

In Accordance with our Report attached

For and on behalf of Board of Directors

For B.K. RAMADHYANI & CO LLP.
Chartered Accountants
Firm Registration No. 0028785/S200021

Nikhil Kumar
Director

R SATYANARAYANA MURTHI
Partner - M.No. 024248

N Srivatsa
Secretary

Place : Bangalore
Date : 18th May 2017

BK RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleswaram
BANGALORE - 560 055

TD POWER SYSTEMS JAPAN LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Current Year - In JPY	Previous Year - In JPY
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	3,753,387	(2,004,896)
Adjustments for:		
Interest Income	(17,942)	(186,930)
Interest on borrowings	-	949,872
	(17,942)	762,942
Operating profit before Working Capital Changes	3,735,445	(1,241,954)
Adjustments for		
Stock	131,446,595	(131,446,595)
Trade Receivables	4,160,000	(2,060,000)
Other receivables	(2,849,976)	31,370,502
Trade Payables	(128,354,091)	(63,022,057)
	4,402,528	(165,158,150)
Cash generated from Operations	8,137,973	(166,400,104)
Direct Taxes Paid	87,646	5,027,200
Net Cash Flow from Operating Activities	8,050,327	(171,427,304)
B Cash flow from Investing Activities		
Interest Received	17,942	186,930
Net Cash used in investing activities	17,942	186,930
C Cash flow from financing activities		
Loan repaid / from Parent Company	-	(30,000,000)
Interest Paid	-	(949,872)
Net Cash flow from financing activities	-	(30,949,872)
Net increase/decrease in cash and cash equivalents	8,068,269	(202,190,246)
Cash and cash equivalents at the beginning	71,507,302	273,697,548
Cash and cash equivalents at close	79,575,571	71,507,302

NOTES : Cashflows are reported using the indirect method.

In Accordance with our Report attached

For and on behalf of Board of Directors

For B.K. RAMADHYANI & CO LLP.
Chartered Accountants
Firm Registration No. 002878S/S200021

Nikhil Kumar
Director



R SATYANARAYANA MURTHI
Partner - M.No. 024248

N Srivatsa
Secretary



Place : Bangalore
Date : 18th May 2017

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bitaven,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.

TD POWER SYSTEMS JAPAN LIMITED
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

1 SHARE CAPITAL

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	JPY	Number	JPY
Authorized:				
Equity shares of JPY 10,000 each	8,000	<u>80,000,000</u>	8,000	<u>80,000,000</u>
		<u>80,000,000</u>		<u>80,000,000</u>
Issued, subscribed and fully paid up:				
<i>Equity shares of JPY 10,000 each</i>	<i>Number</i>	<i>JPY</i>	<i>Number</i>	<i>JPY</i>
At the beginning of the period / year	2,000	20,000,000	2,060	20,000,000
Issued during the period / year	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the period / year		<u>20,000,000</u>		<u>20,000,000</u>
Total		20,000,000		20,000,000



TD POWER SYSTEMS JAPAN LIMITED
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Note No.	Particulars	As at	As at
		31.03.2017 JPY	31.03.2016 JPY
2	RESERVES AND SURPLUS:		
	Surplus i.e. balance in Statement of Profit & Loss		
	As at the beginning of the year	42,831,242	45,016,138
	Add:		
	Transferred from Statement of Profit and Loss	635,741	(2,184,896)
	As at the end of the year	<u>43,466,983</u>	<u>42,831,242</u>
	Total	43,466,983	42,831,242
3	TRADE PAYABLES		
	Trade Payables	520,000	601,200
		<u>520,000</u>	<u>601,200</u>
4	OTHER CURRENT LIABILITIES:		
	Outstanding Liabilities	3,542,648	3,976,812
	Trade advance received from customers	18,375,940	146,214,667
		<u>21,918,588</u>	<u>150,191,479</u>
5	SHORT TERM PROVISIONS:		
	Provision for taxation	3,120,000	90,000
		<u>3,120,000</u>	<u>90,000</u>
6	INVENTORIES:		
	Stock in trade	-	131,446,595
		-	<u>131,446,595</u>
7	TRADE RECEIVABLES:		
	Trade receivables exceeding six months	-	-
	others	-	4,160,000
		-	<u>4,160,000</u>
	Less: Allowance for bad and doubtful debts	-	-
		-	<u>4,160,000</u>
8	CASH AND BANK BALANCES:		
	<i>Cash and cash equivalents:</i>		
	Balances with banks	79,575,571	71,507,302
		<u>79,575,571</u>	<u>71,507,302</u>
9	SHORT TERM LOANS AND ADVANCES:		
	Others	9,450,000	6,600,024
		<u>9,450,000</u>	<u>6,600,024</u>
	Less: Provision for doubtful advances	-	-
		<u>9,450,000</u>	<u>6,600,024</u>



TD POWER SYSTEMS JAPAN LIMITED
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Note No.	Particulars	Current Year	Previous Year
		JPY	JPY
10	REVENUE FROM OPERATIONS:		
	Sale of Goods		
	- Power Business Overseas	138,540,430	513,691,791
		138,540,430	513,691,791
11	OTHER INCOME:		
	Interest income on Bank Deposits	17,942	186,930
	Other non operating income (net of expenses directly attributable to such income)	20,087,837	-
		20,105,779	186,930
12	PURCHASE FOR PROJECTS BUSINESS		
	Purchases for Projects Business	132,784,595	492,237,104
		132,784,595	492,237,104
13	EMPLOYEE BENEFIT EXPENSES:		
	Salaries and wages	17,145,877	18,136,812
	Staff welfare expenses	1,783,994	1,834,951
		18,929,871	19,971,763
14	FINANCE COSTS:		
	Other borrowing costs	-	949,872
		-	949,872
15	OTHER EXPENSES:		
	Rates and taxes	600	23,323
	Legal and professional charges	2,583,917	15,000
	Travelling and Conveyance	365,333	185,692
	Bank Charges	213,506	1,477,466
	Foreign Exchange Fluctuation	-	1,012,897
	Magazines & Subscription	15,000	-
	Miscellaneous Expenses	-	10,500
		3,178,356	2,724,878



TD POWER SYSTEMS JAPAN LIMITED

16 Significant Accounting Policies.

16.1 Basis of preparation of financial statements:

The financial statements of the Company have been prepared under historical cost convention following the accrual system of accounting under the Japan Generally Accepted Accounting Practices (Japan GAAP) and have been translated into financial statements under Indian Generally Accepted Accounting Principles (Indian GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period.

16.2 Depreciation:

Depreciation on tangible assets 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 actual useful life of the asset, whichever is lower. Property, plant and equipments costing below Rs. 5,000/- are depreciated fully. Depreciation is charged for complete quarter on addition / deletion.

16.3 Revenue Recognition:

Sale of goods is recognized on shipment to customers, and exclusive of excise duty and sales tax.

16.4 Taxes on Income:

Provision for tax is made in terms of taxation laws prevailing in Japan. Provision for current tax if arises is made at the applicable current tax rates in that country based on assessable Income.

