

# ***TD Power Systems Japan KK***

*Annual Report - 2014*

## Corporate Information

### Registered office

Tohwa Building, 1F, 3-3-3,  
Kitashinagawa  
Shingawa-ku  
Tokyo –140-0001, Japan

### Board of Directors

Nikhil Kumar

Hitoshi Matsuo

Mohib N. Khericha

Nandita Lakshmanan

**Auditor's Certificate**

We B K Ramadhyani & Co., statutory auditors of TD Power Systems Limited, Bangalore, have audited the un-audited annual accounts of its wholly owned subsidiary TD Power Systems Japan Limited for the period ended March 31, 2014.

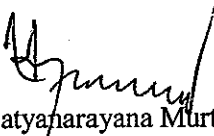
The un-audited annual accounts for the year ended March 31, 2014 of the wholly owned subsidiary TD Power Systems Japan Limited have been originally prepared under the Japanese Generally Accepted Accounting Practices (Japanese GAAP) and have been translated into financial statements under Indian Generally Accepted Accounting Practices (Indian GAAP). 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 2014 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.,  
Chartered Accountants  
FRN No.002878S

  
R Satyanarayana Murthi  
Partner  
Membership No. 024248  
Place: Bangalore  
Date: June 27, 2014

**B.K. RAMADHYANI & COMPANY**  
CHARTERED ACCOUNTANTS  
# 4-B, Chitrapura Bhavan,  
No. 68, 8th Main, 15th Cross,  
Malleswaram, Bangalore-560 055.

**TD POWER SYSTEMS JAPAN LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2014**

Particulars	Note No.	As at 31.03.2014 JPY	As at 31.03.2013 JPY
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	<u>2</u>	20,000,000	-
(b) Reserves and Surplus	<u>3</u>	18,702,572	(736,289)
		38,702,572	(736,289)
<b>(2) Current Liabilities</b>			
(a) Short term borrowings	<u>4</u>	54,000,000	-
(b) Trade payables	<u>5</u>	23,026,181	-
(c) Other current liabilities	<u>6</u>	105,227,734	736,289
(b) Short term provisions	<u>7</u>	19,122,600	-
		201,376,515	736,289
<b>TOTAL</b>		<b>240,079,087</b>	<b>-</b>

**II. ASSETS**

<b>(1) Current Assets</b>			
(a) Current Investments			
(a) Inventories			
(a) Trade receivables	<u>8</u>	63,850,467	-
(b) Cash and Bank Balance	<u>9</u>	39,971,647	-
(c) Short term loans and advances	<u>10</u>	136,256,973	-
<b>TOTAL</b>		<b>240,079,087</b>	<b>-</b>

Summary of Accounting Policies and other  
 explanatory information


1

In Accordance with our Report attached

For and on behalf of Board of Directors

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

  
 Hitoshi Matsuo  
 Managing Director

  
 R SATYANARAYANA MURTHI  
 Partner - M.No. 024248

**B.K. RAMADHYANI & COMPANY**  
 CHARTERED ACCOUNTANTS  
 # 4-B, Chitrapura Bhavan,  
 No. 68, 8th Main, 15th Cross.

Nikhil Kumar  
 Director



Place : Bangalore Malleswaram, Bangalore-560 053  
 Date : 21~~st~~ May 2014

**TD POWER SYSTEMS JAPAN LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Note No.	Current Year JPY	Previous Year JPY
I. Revenue from Operations	<u>11</u>	264,706,407	-
II Other Income	<u>12</u>	2,076,817	-
<b>III Total revenue (I + II)</b>		<b><u>266,783,224</u></b>	<b>-</b>
IV Expenses			
Purchases for Project Business	<u>13</u>	178,239,496	-
Employee benefits expense	<u>14</u>	30,468,470	-
Other expenses	<u>15</u>	19,512,458	730,489
<b>Total Expenses</b>		<b><u>228,220,424</u></b>	<b><u>730,489</u></b>
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		38,562,800	(730,489)
VI Profit before tax		38,562,800	(730,489)
VII Tax expense:			
(1) Current tax		19,123,939	5,800
<b>VI Profit/(Loss) for the period</b>		<b><u>19,438,861</u></b>	<b><u>(736,289)</u></b>

Summary of Accounting Policies and other explanatory information

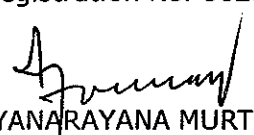
1

In Accordance with our Report attached

For and on behalf of Board of Directors

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

  
Hitoshi Matsuo  
Managing Director

  
R SATYANARAYANA MURTHI  
Partner - M.No. 024248

Nikhil Kumar  
Director

**B.K. RAMADHYANI & COMPANY**  
CHARTERED ACCOUNTANTS  
# 4-B, Chitrapura Bhavan,  
No. 68, 8th Main, 15th Cross.



Place : Bangalore Malleswaram, Bangalore-560 001  
Date : 21<sup>st</sup> May 2014

**TD POWER SYSTEMS JAPAN LIMITED**

**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE PERIOD ENDED MARCH 31, 2014**

**1 Significant Accounting Policies.**

**1.1 Basis of preparation of financial statements:**

The financial statements of the Company have been originally prepared under historical cost convention following the accrual system of accounting 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 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.

**1.2 Depreciation:**

Depreciation is charged on straight line method as stipulated under section 205 (2) (b) of the Companies Act, 1956, at the rates specified in schedule XIV, prorata from the quarter of addition / deletion.

**1.3 Revenue Recognition:**

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

**1.4 Taxes on Income:**

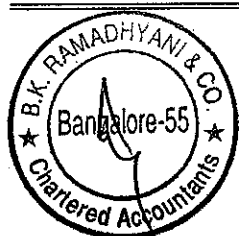
Provision for tax is made in terms taxation laws prevailing in Japan. Provision for current income tax if arises is made at the applicable current tax rates in that country based on assessable income.



**TD POWER SYSTEMS JAPAN LIMITED**  
**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**2 SHARE CAPITAL**

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number	JPY	Number	JPY
<b>Authorized:</b>				
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>
<b>Issued, subscribed and fully paid up:</b>	<b>Number</b>	<b>JPY</b>	<b>Number</b>	<b>JPY</b>
Equity shares of JPY 10,000 each				
At the beginning of the period / year		-		-
Issued during the period / year	2,000	<u>20,000,000</u>		-
At the close of the period / year	2,000	<u>20,000,000</u>	-	-
<b>Total</b>		<b>20,000,000</b>		<b>-</b>

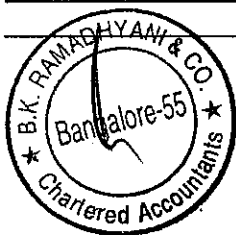


**TD POWER SYSTEMS JAPAN LIMITED**

**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**3 RESERVES AND SURPLUS:**

Particulars	As at 31.03.2014 JPY	As at 31.03.2013 JPY
<b>Foreign Currency Translation Reserves</b>		
As at the beginning of the period / year	-	
Add:		
During the period	-	
As at the end of the period / year	-	-
<b>Surplus i.e. balance in Statement of Profit &amp; Loss</b>		
As at the beginning of the period / year	(736,289)	
Add:		
Transferred from Statement of Profit and Loss	19,438,861	(736,289)
As at the end of the period / year	18,702,572	(736,289)
<b>Total</b>	<b>18,702,572</b>	<b>(736,289)</b>

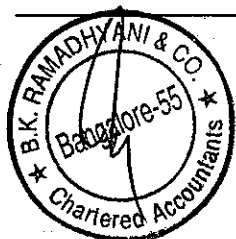




**TD POWER SYSTEMS JAPAN LIMITED**  
**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

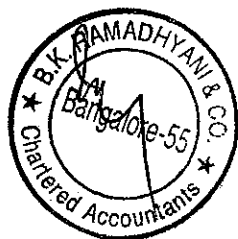
**4 SHORT TERM BORROWINGS**

Particulars	As at 31.03.2014 JPY	As at 31.03.2013 JPY
<b>1) Secured Loans:</b>		
a) Term Loans		
- from Banks	54,000,000	-
	<b>54,000,000</b>	-



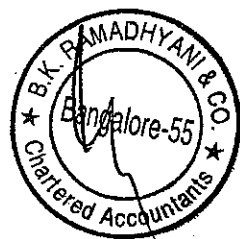
**TD POWER SYSTEMS JAPAN LIMITED**  
**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

Particulars	As at 31.03.2014 JPY	As at 31.03.2013 JPY
<b>5 TRADE PAYABLES</b>		
a) Others	23,026,181	-
	<u>23,026,181</u>	<u>-</u>
<b>6 OTHER CURRENT LIABILITIES:</b>		
a) Outstanding Liabilities	3,601,286	-
b) Trade advance received from customers	101,626,448	-
c) Payable from Holding co	-	736,289
	<u>105,227,734</u>	<u>736,289</u>
<b>7 SHORT TERM PROVISIONS:</b>		
a) Provision for taxation	19,122,600	-
	<u>19,122,600</u>	<u>-</u>



**TD POWER SYSTEMS JAPAN LIMITED**  
**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

Particulars	As at 31.03.2014 JPY	As at 31.03.2013 JPY
<b>8 TRADE RECEIVABLES:</b>		
a) Trade receivables exceeding six months	63,850,467	
b) others	63,850,467	
<b>9 CASH AND BANK BALANCES:</b>		
a) Balances with banks	39,971,647	-
	<b>39,971,647</b>	-
<b>10 SHORT TERM LOANS AND ADVANCES:</b>		
a) Prepaid Expenses	39,945	
b) Trade Advance	133,804,163	
c) Others	2,412,865	
	<b>136,256,973</b>	-



**TD POWER SYSTEMS JAPAN LIMITED**  
**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

Particulars	Current Year JPY	Previous Year JPY
<b>11 REVENUE FROM OPERATIONS:</b>		
a) Sale of Goods - Power Business Overseas Branch	264,706,407	-
	<u>264,706,407</u>	-
<b>12 OTHER INCOME:</b>		
a) Other non operating income (net of expenses directly attributable to such income)	2,076,817	-
	<u>2,076,817</u>	-
<b>13 PURCHASE FOR PROJECTS BUSINESS</b>		
a) Purchases for Projects Business	178,239,496	-
<b>14 EMPLOYEE BENEFIT EXPENSES:</b>		
a) Salaries and wages	19,539,285	-
b) Remuneration to whole time directors including contributions	9,600,000	-
c) Staff welfare expenses	1,329,185	-
	<u>30,468,470</u>	-
<b>15 OTHER EXPENSES:</b>		
a) Rent	1,579,861	-
b) Repairs and maintenance - Others	1,182,461	-
c) Rates and taxes	192,420	147,000
d) Payment to the auditors - as auditor	97,276	-
e) Selling expenses	-	62,680
f) Legal and professional charges	-	482,049
g) Travelling and Conveyance	7,792,292	26,320
h) Bank Charges	5,778,451	8,500
i) Postage, Telegrams and Telephones	586,405	3,940
j) Printing & Stationary	2,115,914	-
k) Subscription to Technical Associations, Journals & Magazines	101,094	-
l) Miscellaneous Expenses	86,284	-
	<u>19,512,458</u>	<u>730,489</u>

