

TD POWER SYSTEMS PRIVATE LIMITED,
BANGALORE – 562 111.

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STAND ALONE

11th

ANNUAL REPORT

Balance Sheet and Profit and loss account for the year ended 31st March 2010

TD POWER SYSTEMS PRIVATE LIMITED
BANGALORE – 562 111

BOARD OF DIRECTORS : MESSERS
Mohib Khericha
Hitoshi Matsuo
Nikhil Kumar
Tadao Kuwashima

SECRETARY : K G Prabhakar

AUDITORS : M/s B.K. Ramadhyani & Co.
Malleswaram
Bangalore – 560 055

BANKERS : Bank of Baroda,
Corporate Financial Services Branch
Bank of Tokyo – Mitsubishi UFJ Ltd, Tokyo

REGISTERED OFFICE & WORKS : Plot No 27, 28 & 29,
KIADB Industrial Area,
Dobuspet, Nelamangala Taluk,
Bangalore – 562 111

T D POWER SYSTEMS PRIVATE LIMITED
REGISTERED OFFICE: #27,28 & 29 KIADB INDUSTRIAL AREA,
DOBUSPET, BANGALORE-562 111

NOTICE

For Members only

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Friday, June 25 2010 at 11.30 AM at the Registered Office of the Company at #27,28 & 29, KIADB Industrial Area, Dobuspet, Bangalore Rural, Bangalore -562 111, to transact the following business: -

1. To consider and adopt the Director's Report, the Audited Balance Sheet as at 31st March 2010, the Profit and Loss Account for the period ended 31st March 2010 and the Report of the Auditors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint M/s B.K. Ramadhyani & Co., Chartered Accountants, Bangalore as Auditors of the company and to authorize the Board of Directors to fix their remuneration.

BANGALORE
June 09, 2010

By Order of the Board
For TD POWER SYSTEMS PRIVATE LTD



NIKHIL KUMAR
JT. MANAGING DIRECTOR

Note:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy instead of himself and a proxy shall be a member.
2. Proxies in order to be effective must be deposited with the company not less than 48 hrs before the meeting.

TD POWER SYSTEMS PRIVATE LIMITED

DIRECTORS REPORT TO THE SHAREHOLDERS FOR THE PERIOD ENDED MARCH 31, 2010

Dear Members,

We present the Eleventh Annual Report of the Company together with the Audited Financial statements for the year ended 31st March 2010.

WORKING RESULTS

The company's working has resulted in:-

Particulars	For the Current Year ended March 31, 2010 (Rs. in lacs)	For the Previous Year ended March 31, 2009 (Rs. in lacs)
Gross Profit amounting to	5,778.96	5,834.94
Less:		
Depreciation	558.14	326.67
Loss on Sale of Asset	2.65	-
Provision for Taxation	1,600.94	1,641.27
Deferred Tax (Net)	314.94	173.68
Fringe Benefit Tax	-	34.00
Add : Provision no longer required	-	39.01
Net Profit for the Year	3,302.30	3,698.33
Add :		
Surplus brought forward from the Previous Year	7,860.26	4,915.66
Available for appropriation	11,162.56	8,613.99
Appropriations:		
Provision for Dividends and Tax thereon	371.08	371.08
Transfer to General Reserves	361.72	382.65
Surplus carried to Balance Sheet	10,429.76	7,860.26

OPERATIONS

Your company has achieved a total turnover of Rs 45,455.82 Lacs for the year ended March 31, 2010. During the year, 281 generators of various ranges from 1.0 MW to 40.0 MW of the value of Rs. 27,547.41Lacs were manufactured adding to the turnover of the company. The Gross Profit for the year under report is Rs. 5,778.96 Lacs as against Rs. 5,834.94 Lacs in the previous year and the net profit is Rs. 3,302.30 Lacs.

The turnover of the company was lower by 5.37% and the net profit for the year was lower 5.27%. This was due to the recessionary conditions witnessed by the Indian Economy and the resultant slow down in investments by the corporates. Lower realizations from contracts implemented, increase in cost of raw materials, stores and spare parts, power & fuel and the operating costs contributed to lower turn over and profits.

The company's order book continues to be encouraging and stands at Rs. 50,469.14 Lacs as on March 31, 2010

Considering the orders on hand and the overall improvement in the business environment, your directors are confident of improved operating performance in the ongoing financial year and accordingly, recommend a payment of dividends @ 50% p.a. on pro rata basis for financial year ended March 31 2010.

CURRENT YEAR

The country continues to face shortage in peak demand with almost all states in deficit in load shedding continuing in many parts of the country. The continuing power shortage scenario reflects a failure of the country to create optimum capacity in last 3 – 5 years plans. About 25% of the capacity in the pipeline is said to be through private developers.

The Indian economy which was witnessing a slow down in all sectors has emerged from the recessionary conditions and clawed back into the growth mode ably supported by the manufacturing sector. The demand for plants for captive generation of power in order to achieve sustainable power quality and cost reduction has resumed on the back of an improved performance from sectors like Steel, Cement, Sugar etc.

The company has completed the expansion project at unit II which comprises of new manufacturing facilities of 7000 Sqft with an investment of Rs 48.24 Crores in plant and machinery enhancing its manufacturing abilities.

The company has successfully manufactured First Few Machines under Production Technology Transfer Agreement from Sicme Motori and machines are awaiting certification by M/s. Det Norske Veritas, Denmark.

The company has a comfortable order book for the manufacture of generators at its new plant. The company has received orders for manufacture of High end rating generators.

Considering the overall market scenario, the order book and the company's capability in meeting with delivery schedules and barring unforeseen circumstances your directors are hopeful of a good performance during the current year.

SUBSIDIARY COMPANY

The company's subsidiary D F Power Systems Private Limited has recorded an impressive performance for the year ended March 31 2010 with a turnover of Rs. 30,463.19 lacs and a net profit of Rs.1,048.76 lacs. The Audited Accounts of the subsidiary for the year ended March 31 2010, Report of the Auditors' thereon and the Directors' report is attached hereto. Further, the statement in terms of Section 212(1)(e) of the Companies Act, 1956 is also attached to this report.

STATUTORY AUDITORS

M/s B. K. Ramadhyani & Co, Chartered Accountants, Bangalore, retire at this Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend their appointment.

DISCLOSURE UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

- a. Particulars in respect of Rule 'A' & 'B' (Conservation of energy and Technology Absorption) – as per Annexure 'A'.
- b. Foreign Exchange:

Particulars	2009 – 10 (Rs.)
Foreign Exchange Earnings	311,256,650.00
Foreign Exchange Outgo	452,362,877.00

PARTICULARS OF EMPLOYEES

During the period under review, the statement of employees who were in receipt of remuneration requiring disclosure in terms of Section 217(2A) of the Companies Act, 1956 is enclosed as Annexure B.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the companies Act 1956 with respect to directors' responsibility statement, it is hereby confirmed: -

1. That in the preparation of the accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and the estimates that are reasonable and prudent so as to give true and fare view of the state of affairs of the company at the end of the financial year and are the profit or loss of the company for the year under review.

3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the directors have prepared the accounts for the financial year ended March 31, 2010 on a 'going concern' basis.

ACKNOWLEDGEMENT

Your directors wish to thank the Bank of Baroda and Standard Chartered Bank for the valuable support.

The Directors wish to thank the customers and suppliers for their unstinted support and co-operation.

The Directors also wish to thank the employees at all levels for their excellent support and contribution to the operations of the company and look forward to continued co-operation in the progress of the company.

For and on behalf of the Board of Directors

Mohib N. Khericha

MOHIB N KHERICHA
Chairman

Place: Bangalore
Date: June 09,2010

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES

1	Name of Subsidiary	DF Power Systems Private Limited
2	Financial year of the Company	31 st March, 2010
3	Share of the Subsidiary held by TD Power Systems Private Limited on the above date:	
	a) Number of shares and face value	3,50,000 Equity Shares of Rs 10.00 each
	b) Extent of Holding	70%
4	Net aggregate amount of profit/ (loss) of the Subsidiary so far as they concern the members of TD Power Systems Private Limited:	
	a) Dealt with in the accounts of TD Power Systems Private Limited for the year ended 31 st March 2010.	Nil
	b) Not dealt with in the accounts of TD Power Systems Private limited for the year ended 31 st March 2010.	Rs.7, 34,13, 519.00
5	Net aggregate amount of profit/(loss) for previous financial years of the Subsidiary since it became a subsidiary so far as they concern the members of TD Power Systems Private Limited	
	a) Dealt with in the accounts of TD Power Systems Private Limited for the year ended 31 st March 2010.	Nil
	b) Not dealt with in the accounts of TD Power Systems Private limited for the year ended 31 st March 2010.	Rs9, 96,680.00

For and on behalf of the Board of Directors

Sd/-
Mohib Khericha
Director

Sd/-
Nikhil Kumar
Director

Bangalore
Date 09th June 2010

ANNEXURE – 'A'

ANNEXURE TO DIRECTOR'S REPORT

DISCLOSURE OF PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A. CONSERVATION OF ENERGY:

The company has installed Diesel Generator sets, in order to meet its power requirements and uses diesel to reduce cost of power. Thus, the company continues to be assured of clean and uninterrupted power supply reducing dependence on Electricity Board for power requirements.

Total energy consumption and energy consumption per unit of production – Not applicable.

B. TECHNOLOGY ABSORPTION:

1. Research and Development – Research and Development is undertaken continuously for lowering costs and processes improvements.

2. Benefits derived –

- Quality Improvement.
- Process improvement resulting in higher production
- Enhanced design and products capability to achieve customer satisfaction.
- Development of in-house skills for manufacture of high precision products.
- Solution to critical problems.

3. Expenditure on Research And Development -

The manufacturing activity is customer specific, and accordingly, designs, procurement, manufacturing process do not entail specific R & D expenditure.

For and on behalf of the Board of Directors

Mohib N. Khericha

MOHIB N KHERICHA
Chairman

Place: Bangalore
Date: June 09,2010

Annexure to the Director's Report

ANNEXURE - B

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rule 1975, and forming part of the director's report for the year ended March 31, 2010

Sl No	Name	Designation	Qualification	Age (years)	Date of Joining	Experience (Yrs)	Gross Remuneration (Rs.)	Previous Employment - Designation
Employed for Full Year								
01	Nikhil Kumar	Jt Managing Director	B.Tech	42	01-Oct-01	19	29,082,648	Kirloskar Electric Company Limited - General Manager
02	Hitoshi Matsuo	Managing Director	M.E.	66	01-Jul-02	43	28,920,337	Toyo Denki Seizo K.K. Japan - General Manager
03	Fumio Yamada	General Manager	M.E.	63	01-Feb-02	37	5,162,389	Toyo Denki Seizo K.K. Japan - General Manager
04	Tadao Miyayishi	Director - Technical	M.E.	63	01-Feb-02	41	7,473,633	Toyo Denki Seizo K.K. Japan - Asst. General Manager

Note :

- 1 The Managing Director is not related to any Director of the Company.
- 2 Remuneration includes salary, statutory contribution to funds and commission.

For and on behalf of Board of Directors

Chobha H. Khosla

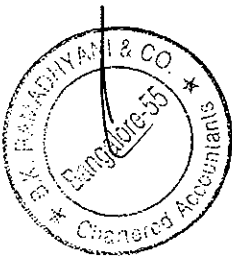
Chairman

Bangalore

Date : 09th June 2010


AUDITOR'S REPORT
TO THE MEMBERS OF T.D. POWER SYSTEMS PRIVATE LIMITED, BANGALORE

1. We have audited the attached Balance Sheet of TD Power Systems Private Limited as at 31st march 2010 and Profit and Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have 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 accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;



- e. On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31.3.2010;
 - ii. in the case of the Profit and Loss account, of the profit for the year ended on that date and
 - iii. in the case of Cash Flow statement, of the cash flow for the year ended on that date

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

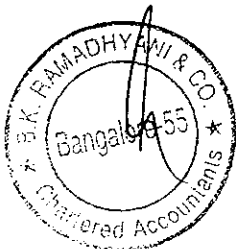

R Satyanarayana Murthi
Partner
Membership No. 024248

Place: Bangalore
Date: 9th June 2010

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

**Annexure referred to in paragraph 3 of the Auditor's Report
To the members of T D Power Systems Private Limited for the year ended
March 31st, 2010.**

- (i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets in the Fixed Assets Register.
- b. Physical verification of fixed assets is being done on a phased manner and is in reasonable intervals. According to the information furnished, no material discrepancies have been observed in such verification.
- c. There has been no disposal of substantial part of fixed assets during the year;
- (ii) a. The Inventory was physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (iii) The company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and accordingly, clause (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Order are not applicable;
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered in the register maintained.
- b. According to the Company, the transactions made in pursuance of such contracts or arrangements, during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

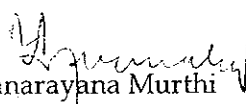


- (vi) The Company has not accepted any deposits from public, hence in our opinion the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules made there under are not applicable. According to the Company, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) As explained to us, the Company has maintained cost records under Section 209(1) (d) of the Companies Act, 1956. However we have not made a detailed examination of the records.
- (ix) a. According to information and explanation given to us, the company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, custom duty, service tax, customs duty, excise duty, cess and other statutory dues to the appropriate authorities. Cess payable under section 441A of the Companies Act, 1956 has not been notified. Consequently, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same. Further, short/non deduction of withholding tax has not been reckoned for this purpose.
- b. There are no outstanding disputed amount payable on account of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess.
- (x) The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses during the current year or during the previous year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to bank. The Company has not taken any loan from Financial institutions and also has not issued any debentures.
- (xii) According to the information and explanations given to us and the documents and records produced before us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;



- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore paragraph 4(xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) The company has given corporate guarantee of Rs. 87 Crores and Rs. 292 Crores in respect of facilities availed by its subsidiary M/s D F Power Systems Private Limited to the bankers M/s ICICI Bank Limited and M/s Bank of Baroda, Bangalore. The terms and conditions of the guarantee are not prima facie prejudicial to the interest of the company.
- (xvi) The Company had obtained term loans during the year from the Company's bankers and the same has been applied for the purpose for which it was obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes. No long term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the issue of shares to parties covered in the Register maintained under Section 301 of the Act during the year and the price charged therefore are not prejudicial to the interests of the company.
- (xix) According to the information and explanations given to us, there are no debentures issued by the company during the year and hence paragraph 4(xix) of the Order regarding the creation of securities is not applicable.
- (xx) During the year the company has not raised money by way of public issue of capital, debentures, etc and hence paragraph 4(xx) of the Order regarding the end use of money is not applicable;
- (xxi) According to the information and explanations given to us, no fraud on or by the company during the year has been noticed or reported during the course of our audit.

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


R Satyanarayana Murthi
Partner
Membership No. 024248

Date: 09th June 2010
Place: Bangalore

B.K. RAMADHYANI & COMPANY
CHARTERED ACCOUNTANTS
4-B, Chitrapura Bhavan,
No. 68, 8th Main, 15th Cross,
Maddur, Bangalore-560 003

TD POWER SYSTEMS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	In Rs.	As at 31st March 2009 In Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
a) Capital	A	63,435,670	63,435,670
b) Reserves & Surplus	B	<u>1,177,513,008</u>	<u>884,391,627</u>
		1,240,948,678	947,827,297
LOAN FUNDS			
a) Secured Loans	C	<u>682,193,516</u>	<u>287,163,043</u>
		682,193,516	287,163,043
TOTAL		<u>1,923,142,194</u>	<u>1,234,990,340</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block	D	1,252,566,444	620,104,244
b) Less : Depreciation		<u>155,522,673</u>	<u>101,430,759</u>
c) Net Block		1,097,043,771	518,673,484
d) Capital Work in progress (At cost)		-	<u>8,575,905</u>
		1,097,043,771	527,249,389
INVESTMENT			
	E	33,050,000	3,550,000
CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	F	373,311,648	325,375,106
b) Sundry Debtors		1,131,868,648	894,655,364
c) Cash & Bank Balances		677,632,025	678,191,056
d) Loans & Advances		<u>369,080,151</u>	<u>380,305,648</u>
		2,551,892,472	2,278,527,174
Less : CURRENT LIABILITIES & PROVISIONS			
a) Current Liabilities	G	1,615,460,032	1,463,034,435
b) Provisions		<u>73,193,584</u>	<u>72,605,717</u>
		1,688,653,616	1,535,640,152
NET CURRENT ASSETS		863,238,856	742,887,022
DEFERRED TAX LIABILITY (NET)		70,190,433	38,696,072
TOTAL		<u>1,923,142,194</u>	<u>1,234,990,339</u>
NOTES ON ACCOUNTS			
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FOOT NOTE : Schedules referred to above and the Notes attached form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of Board of Directors

For B.K. RAMADHYANI & CO.
Chartered Accountants

Mohib N Khericha
Chairman

Mohib N. Khericha

R SATYANARAYANA MURTHI
Partner - M.No. 024248

Hitoshi Matsuo
Managing Director

Hitoshi Matsuo

Bangalore
Date : 09th June 2010

K G Prabhakar
VP - Finance & Secretary

K G Prabhakar

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

TD POWER SYSTEMS PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule	Current Year In Rs.	Previous Year In Rs.
INCOME			
Gross Sales		4,729,693,128	4,999,017,064
Less : Excise Duty Paid		<u>184,111,215</u>	<u>211,891,947</u>
Net Sales		4,545,581,913	4,787,125,117
Other Income	H	52,110,902	71,399,517
TOTAL		<u>4,597,692,815</u>	<u>4,858,524,634</u>
EXPENDITURE			
Consumption of Raw Materials, Stores, Spares parts & Components	I	1,812,877,883	1,602,040,627
Purchases for Trading		1,587,294,927	2,109,445,853
Operating and Other Expenses	J	577,368,209	537,496,633
Interest and Finance Charges			
On Fixed Loans		14,930,622	18,030,298
On Other Accounts		<u>27,323,909</u>	<u>8,016,764</u>
Loss on Sale of Fixed Asset		42,254,531	26,047,062
Depreciation	K	265,159	-
		<u>55,814,113</u>	<u>32,666,830</u>
		<u>4,075,874,822</u>	<u>4,307,697,006</u>
PROFIT BEFORE TAXATION			
		521,817,993	550,827,628
Add : Provision no longer required		-	3,900,835
Less : Provision for Taxation (net)		160,093,969	164,127,366
Less : Deferred Tax (net)		31,494,361	17,367,782
Less : Fringe Benefit Tax		-	3,400,000
PROFIT AFTER TAX			
		330,229,663	369,833,315
Balance of Profit brought forward from previous year		786,026,372	491,565,545
AMOUNT AVAILABLE FOR APPROPRIATION			
Appropriations:			
Less : Provision for Dividend on Equity Shares (including Tax on Dividend of Rs. 5,390,446/- (Previous Year Rs. 5,390,446/-))		37,108,281	37,108,281
Less : Transfer to General Reserve		<u>36,172,402</u>	<u>38,264,207</u>
Balance of Profit Carried to Balance Sheet		<u>1,042,975,352</u>	<u>786,026,372</u>
EPS - Basic (on Re. 10/- per share)		40.50	46.42
EPS - Diluted (on Re. 10/- per share)		40.50	46.42

NOTES ON ACCOUNTS

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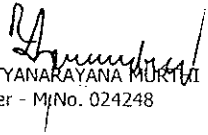
FOOT NOTE : Schedules referred to above and the Notes attached form an integral part of the Profit & Loss Account

As per our report of even date

For and on behalf of Board of Directors

For B.K. RAMADHYANI & CO.
Chartered Accountants

Mohib N Khericha
Chairman


R SATYANARAYANA MURTHI
Partner - M.No. 024248

Hitoshi Matsuo
Managing Director

Bangalore
Date : 09th June 2010

K G Prabhakar
VP - Finance & Secretary

B.K. RAMADHYANI & COMPANY
CHARTERED ACCOUNTANTS
4-B, Chitrapura Bhavan,
No. 68, 6th Main, 15th Cross,
Malleswaram, Bangalore - 560 055.

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2010

	In Rs.	As at 31st March 2009 In Rs.
SHARE CAPITAL		
SCHEDULE "A"		
Authorised :		
10,000,000 (10,000,000) Equity Shares of Rs. 10/- each	100,000,000	100,000,000
TOTAL	100,000,000	100,000,000

Issued, Subscribed and Paid-up :

6,343,567 (6,343,567) Equity Shares of Rs: 10/- each	63,435,670	63,435,670
	63,435,670	63,435,670

NOTES : Equity Shares include :

Equity Share Capital includes 2,000,000 Shares of Rs. 10/- each allotted as fully paid up by way of bonus shares (i) On Capitalisation of Reserve to an extent of 1,000,000 Equity Shares on 05th July 2001 (ii) On Capitalisation out of Surplus in Profit & Loss Account to an extent of 1,000,000 Equity Shares on 16th December 2004.

RESERVES AND SURPLUS

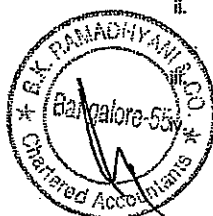
SCHEDULE "B"		
Share Premium Account		
Opening Balance	8,517,516	8,517,516
Balance Carried Forward	8,517,516	8,517,516
General Reserve Account		
Opening Balance	89,847,738	51,583,531
Add : Additions during the year	36,172,402	38,264,207
Balance Carried Forward	126,020,140	89,847,738
Profit & Loss Account		
Balance in P & L Account carried forward	1,042,975,352	786,026,373
	1,177,513,008	884,391,627

SECURED LOANS

SCHEDULE "C"		
a) Loans and Advances from Banks		
1. Term Loan from Bank of Baroda	390,108,525	148,532,818
2. Working Capital	284,045,524	119,182,283
3. Loan from Bank of Tokyo Mitsubishi UFJ Limited, Japan		18,644,950
b) Other Loans		
For Assets purchased under Hire Purchase	8,039,467	802,992
	682,193,516	287,163,043

Notes:

i. Balance of Term Loan from M/s Bank of Baroda as on 31 st March. Secured by the First charge on Land, Building, Specific Plant & Machinery, Furniture and Office Equipment, First Charge on all Current Assets of the company and Personal Guarantee of two Directors - Mr. Nikhil Kumar & Mr. Hitoshi Matsuo.	390,108,525	148,532,818
ii. Balance of Working Capital Loan from M/s Bank of Baroda as on 31 st March - Secured by Hypothecation of Raw Materials, Goods-in-process, Finished Goods and Book Debts and a charge on Fixed assets of the company and secured by Personal Guarantee of two Directors - Mr. Nikhil Kumar & Mr. Hitoshi From Bank of Tokyo Mitsubishi UFJ Limited, Tokyo, Japan secured by goods pending shipment.	284,045,524	119,182,283
b.) From ICICI Bank / ABN Amro Bank - Secured by specific Motor Vehicles.	8,039,467	802,992



SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH 2010

SCHEDULE "D"

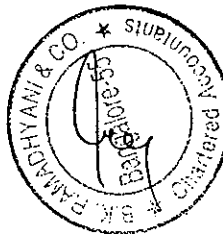
FIXED ASSETS - OWNED

	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
	As at 1st April 2009	Additions	Deletions	As at 31st March 2010	As at 1st April 2009	Additions	Withdrawals during the period	As at 31st March 2010	As at 31st March 2009
Free Hold Land	81,500,378	26,995,322	-	108,495,700	-	-	-	108,495,700	81,500,378
Lease Hold Land (*)	2,315,184	-	-	2,315,184	-	-	-	2,315,184	2,315,184
Buildings	166,809,674	95,158,804	-	261,968,478	15,997,655	6,710,741	-	239,260,082	150,812,019
Plant & Machinery (**)	308,052,661	482,350,063	796,665	789,606,059	62,177,962	41,835,926	458,123	686,050,294	245,874,699
Office Equipments	9,868,509	1,668,560	-	11,537,069	1,249,049	623,629	-	9,664,391	8,619,460
Furniture & Fixtures	11,379,792	1,876,363	-	13,256,155	3,930,923	1,272,090	-	8,053,142	7,448,869
Computers	21,582,777	13,157,205	711,465	34,028,517	11,587,187	3,294,786	707,413	19,853,957	9,995,591
Communication Equipments	1,351,368	37,690	19,594	1,369,464	511,693	52,533	19,595	824,833	839,675
Motor Vehicles (***)	17,243,901	13,999,072	1,253,155	29,989,818	5,976,290	2,074,408	537,068	22,526,188	11,267,611
TOTAL	620,104,244	635,243,079	2,780,879	1,252,566,444	101,430,759	55,814,113	1,722,199	1,097,043,771	518,673,485
Previous Year	460,284,014	160,276,400	456,170	620,104,244	69,220,099	32,666,830	456,170	518,673,485	-

(*) Land purchased on Lease Cum Sale basis from KIADB is for a period of six years due to be converted before 24th December 2010.

(**) Accumulated depreciation as on 01st April 2004 under Owned Assets includes accumulated depreciation of leased asset also.

(***) Dues w.r.t Motor Vehicles under Hire Purchase Scheme from ICICI & ABN Amro amounts to Rs. 8,039,467 (Previous Year Rs. 802,992)



SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2010

As at 31st
March 2009
In Rs.

	Nos	Face Value Rs.	In Rs	
INVESTMENTS LONG TERM - UNQUOTED NON-TRADE (AT COST)				SCHEDULE "E"
2,000 Share of M/s The Shamrao Vithal Co-operative Bank limited @ Rs. 25/- each	2,000	25	50,000	50,000
3,50,000 Shares in Subsidiary Co-M/s D F Power Systems Private Limited @ Rs. 10/- each	350,000	10	3,500,000	3,500,000
Subscription to 29,50,000 Equity Share Capital in Subsidiary Co - M/s D F Power Systems Private Limited @ Rs. 10/- each - Pending Allotment			29,500,000	
			33,050,000	3,550,000

Note :

No permanent diminution is expected in investment of intrinsic value of this strategic investment which is long term.

CURRENT ASSETS, LOANS & ADVANCES

SCHEDULE "F"

A. Current Assets				
1. Inventories				
i. Raw Material		128,987,510	154,521,226	
ii. Process Stock		243,969,271	161,095,365	
iii. Finished Goods		335,427	9,390,416	
iv. Stock of Trading Goods		19,440	368,099	
			373,311,648	325,375,106
2. Sundry Debtors - Unsecured, Considered good unless and otherwise stated				
i. Debts outstanding for a period exceeding six months		163,229,808	198,363,426	
ii. Other Debts		968,638,840	696,291,938	
			1,131,868,648	894,655,364
3. Cash and Bank Balances				
a. Cash on Hand		179,027	129,772	
b. Cheques in hand		57,927,044	623,327	
c. Other accounts				
- On Current Account (Refer Note No. 08 of Schedule "L")		53,709,018	55,578,939	
- On Short Term Deposits & Margins		565,816,936	621,859,018	
			677,632,025	678,191,056
B. Loans and Advances - Unsecured, Considered good unless and otherwise stated				
a. Sundry Advances		297,952,427	347,086,364	
b. Central Excise Deposits		33,037,404	15,057,621	
c. Advance payment of tax (net)		38,090,320	18,161,663	
			369,080,151	380,305,648
			2,551,892,472	2,278,527,173

CURRENT LIABILITIES & PROVISIONS

SCHEDULE "G"

A. Current Liabilities				
Sundry Creditors		815,651,862	659,385,358	
Trade Advances		231,016,981	230,785,324	
Other liabilities		568,791,189	572,863,753	
			1,615,460,032	1,463,034,435
B. Provisions for				
Warranty Claims		22,053,039	23,415,781	
Gratuity		634,613	634,613	
Leave Encashment		13,397,651	11,447,042	
Equity Dividend		37,108,281	37,108,281	
			73,193,584	72,605,717
			1,688,653,616	1,535,640,152



SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Current Year In Rs.	Previous Year In Rs.
--	------------------------	-------------------------

SALES**SCHEDULE "H"**

Sale of Goods - Inland - Manufacturing	2,752,257,113	2,245,262,090
Sale of Goods - Inland - Trading	296,816,758	1,089,290,912
Sale of Goods - Overseas Branch	<u>1,474,772,382</u>	<u>1,430,332,911</u>
	4,523,846,253	4,764,885,912
Miscellaneous Services	<u>21,735,660</u>	<u>22,239,204</u>
	21,735,660	22,239,204
NET SALES	<u>4,545,581,913</u>	<u>4,787,125,116</u>

OTHER INCOME

Interest from Banks on deposits (at gross, TDS Rs. 6.497.380/-) (Previous Year 7.837.589/-)	27,170,030	42,623,458
Miscellaneous Income	24,933,372	28,768,559
Dividend Income	<u>7,500</u>	<u>7,500</u>
	<u>52,110,902</u>	<u>71,399,517</u>

CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS & COMPONENTS**SCHEDULE "I"**

Raw material and Components	<u>1,886,696,800</u>	<u>1,681,532,841</u>
Stores, Spare Parts, etc	1,886,696,800	1,681,532,841
Add/(Deduct) : Decrease / (Increase) in Stocks		
Stock at Close		
Process Stock	243,969,271	161,095,365
Finished Goods	<u>335,427</u>	<u>9,390,416</u>
	244,304,698	170,485,781
Less : Stock at commencement		
Process Stock	161,095,365	85,705,871
Finished Goods	<u>9,390,416</u>	<u>5,287,696</u>
	170,485,781	90,993,567
Net Increase / (Decrease) in Stock	(73,818,917)	(79,492,214)
	<u>1,812,877,883</u>	<u>1,602,040,627</u>



SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Current Year In Rs.	Previous Year In Rs.
OPERATING & OTHER EXPENSES		
		SCHEDULE "J"
Power & Fuel	45,479,057	34,370,794
Expenses relating to Employees :		
Salaries, Wages & Bonuses	144,301,492	121,661,673
Contribution to Employees PF, FPF	5,851,566	5,841,245
Workmen and Staff Welfare Expenses	35,058,541	28,151,331
(includes contribution to employees' State Insurance & PF Admn Charges)		
Gratuity, Leave Encashment as per Actuarial Valuation	<u>4,068,873</u>	<u>6,856,195</u>
	189,290,472	162,510,444
Rent	15,346,913	13,978,649
Repairs		
Buildings	8,996,769	4,560,699
Machinery	40,895,241	26,059,166
Others	<u>3,031,531</u>	<u>26,410,303</u>
	52,923,541	57,030,169
Selling Expenses	23,670,220	58,043,925
Maintenance of Vehicles	2,333,347	1,763,114
Insurance	3,457,558	1,873,512
Rates and Taxes	9,192,327	907,901
Advertisement	26,783	795,281
Donations	845,000	-
Printing & Stationery	3,737,970	3,985,563
Travelling Expenses	54,934,026	62,452,803
Postage, Telegrams and Telephones	5,630,710	5,098,351
Auditors Remuneration	953,365	575,000
Tech. Consultancy & Professional Charges	47,981,459	30,218,420
Bank Charges	24,570,480	34,118,466
Subscription to Technical Associations, Journals and Magazines	2,738,402	1,181,793
Software Expenses on ERP	14,448,018	-
Manufacturing expenses	2,434,716	1,399,171
Royalty	5,983,975	2,273,911
Direction Charges including other expenses	<u>71,389,870</u>	<u>64,919,367</u>
	<u>577,368,209</u>	<u>537,496,634</u>

DEPRECIATION

1. Depreciation

	Current Year In Rs.	Previous Year In Rs.
	55,814,113	32,666,830
	<u>55,814,113</u>	<u>32,666,830</u>



TD POWER SYSTEMS PRIVATE LIMITED
BANGALORE – 562 111

SCHEDULE " L "

Notes attached to and forming part of Balance Sheet and Profit and Loss Account for the year ending 31st March 2010.

1. Significant Accounting Policies.

1.1 Accrual System of Accounting:

Company follows accrual system of accounting for all items of expenditure and income. Provision for warranties are made on an estimated basis.

1.2 Fixed Assets:

Fixed assets are stated at cost of acquisition excluding duties, inclusive of freight, taxes and incidental expenses relating to the acquisition and finance cost on specific borrowings utilized for acquisition of Fixed Assets less Depreciation.

1.3 Inventories:

Inventories are valued at cost or net realizable value for item specific, which ever is lower.

1.4 Depreciation:

Depreciation is charged on Straight Line method as stipulated in Section 205 (2) (b) of the Companies Act, 1956, at the rates specified in Schedule XIV, prorata for the quarter of additions / deletions.

1.5 Construction Contracts:

Revenue in respect of indivisible contracts is on the basis of confirmation of delivery at site for full value of the equipment inclusive of corresponding erection and commissioning charges as indicated in the contract.

1.6 Revenue Recognition:

Sale of goods is recognized on shipment to customers, and exclusive of Excise duty and Sales tax.

1.7 Foreign currency translation on overseas branch:

The financial statement of foreign branch is translated in accordance with Accounting Standard 11 prescribed by the Institute of Chartered Accountants of India.

1.8 Amortisation of Technical Know-how Fees:

Technical Know-how Fees has been amortised over a period of 60 months.

1.9 Provision for taxation:

Provision for taxation for the year is after taking cognizance of excess / short provision in prior years.

1.10 Borrowing Cost:

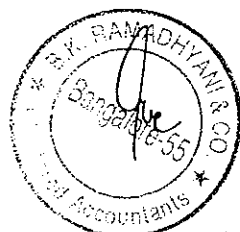
Interest and other borrowing cost on specific borrowings relating to qualifying assets are capitalized up to the date such assets are ready for use. Other interest and borrowing cost are charged to Profit & Loss Account.

1.11 Contingent Liabilities:

Financial effects of contingent liabilities are disclosed based on information available up to the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

1.12 Retirement benefits to Employees:

- a. Gratuity: Provision for Gratuity is determined on actuarial basis at the end of the year.
- b. Leave Encashment: Leave encashment is determined on actuarial basis at the end of the year.



2. Contingent Liabilities etc.:

i. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	-	340,017,451
ii. Guarantees, Counter Guarantees given on Imports and Sale Contract etc. (net of margins held by bank)	829,048,472	987,678,191
iii. Corporate Guarantee issued to the bankers of the subsidiary company.	379,00,00,000	87,00,00,000
iv. Corporate Guarantee issued to customer on behalf of subsidiary company.	450,010,508	450,010,508

3. Operational Lease

The Company has various operating lease for transit houses and residential premises for employees that are renewable on a periodic basis, and cancelable at its option. Rental expenses for operating lease included in the Income Statement for the year is Rs. 2,159,064/- (Previous Year Rs. 2,231,457/-).

4. Segment Reporting

The company's operation comprises of Trading & Manufacturing Activities. Primary segmental reporting comprises of Trading & Manufacturing 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.

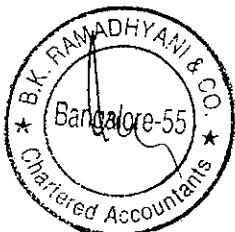
Certain expenses, which are not allocable to any specific segment, are separately disclosed at the enterprise level. Cash and bank balances in India are reported at the enterprise level as the company operates common bank accounts. Fixed assets, Liabilities, Current assets and Current liabilities relating 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 branch offices of the company, viz., India and Japan. Revenues in the secondary segment are based on the sales made by the branch office. Inter-segmental purchases & sales are separately identified and reported. Fixed assets, 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.

Primary Segment Reporting – Profit & Loss Account

Particulars	CURRENT YEAR			
	Manufacturing	Trading	Common	Total
Revenue	2,553,041,376	1,782,846,472	-	4,335,887,848
Inter - Segmental Sale	209,694,065	-	-	209,694,065
Segment Cost	2,197,303,140	1,517,210,419	53,598,553	3,768,112,112
Inter - Segmental Purchase	-	209,694,065	-	209,694,065
Operating Profit	565,432,301	55,941,988	(53,598,553)	567,775,735
Other Income	19,552,149	25,831,304	6,727,449	52,110,902
Profit before Interest, Depreciation	584,984,449	81,773,292	(46,871,104)	619,886,637
Interest	42,207,481	17,630	29,421	42,254,531
Depreciation & Amortisation	55,160,614	538,899	114,600	55,814,113
Profit before Tax	487,616,354	81,216,763	(47,015,125)	521,817,992
Provision no longer required	-	-	-	-
Tax/Deferred Tax	191,588,330	-	-	191,588,330
Profit after Tax	296,028,024	81,216,763	(47,015,125)	330,229,662

Particulars	PREVIOUS YEAR			
	Manufacturing	Trading	Common	Total
Revenue	2,154,105,949	2,534,068,567	-	4,688,174,516
Inter - Segmental Sale	98,950,601	-	-	98,950,601
Segment Cost	1,861,536,737	2,247,906,132	40,589,643	4,150,032,512
Inter - Segmental Purchase	-	98,950,601	-	98,950,601
Operating Profit	391,519,812	187,211,834	(40,589,643)	538,142,003
Other Income	19,618,236	19,279,720	32,501,562	71,399,518
Profit before Interest, Depreciation	411,138,049	206,491,554	(8,088,082)	609,541,521
Interest	-	-	26,047,062	26,047,062
Depreciation & Amortisation	31,330,196	1,261,273	75,361	32,666,830
Profit before Tax	379,807,852	205,230,281	(34,210,505)	550,827,628
Provision no longer required	-	-	3,900,835	3,900,835
Tax/Deferred Tax	184,895,148	-	-	184,895,148
Profit after Tax	194,912,704	205,230,281	(30,309,670)	369,833,315



Primary Segment Reporting – Assets & Liabilities

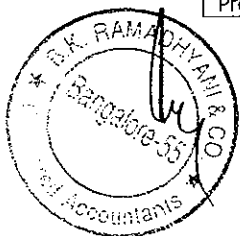
Particulars	CURRENT YEAR			
	Manufacturing	Trading	Common	Total
Fixed Assets				
Gross Block	1,117,489,077	24,266,482	110,810,884	1,252,566,443
Less : Depreciation	146,125,864	9,396,809	-	155,522,673
Net Block	971,363,214	14,869,673	110,810,884	1,097,043,771
				-
Current Assets Loans & Advances				
Inventories	373,292,208	19,440	-	373,311,648
Sundry Debtors	804,058,642	327,810,007	-	1,131,868,648
Cash and Bank Balance	-	47,110,254	630,521,771	677,632,025
Loans and Advances	200,950,512	115,647,379	563,683,582	880,281,472
				-
Less : Current Liabilities	953,747,951	696,270,648	549,836,339	2,199,854,938
				-
Net Current Assets	424,553,411	(205,683,569)	644,369,014	863,238,855
				-
Capital expenditure during the period	630,124,113	5,118,966		635,243,079
Depreciation and Non Cash Amortisations during the year	55,275,214	538,899		55,814,113

PREVIOUS YEAR

Particulars	PREVIOUS YEAR			
	Manufacturing	Trading	Common	Total
Fixed Assets				
Gross Block	1,117,489,077	24,266,482	110,810,884	1,252,566,443
Less : Depreciation	146,125,864	9,396,809	-	155,522,673
Net Block	971,363,214	14,869,673	110,810,884	1,097,043,771
				-
Current Assets Loans & Advances				
Inventories	373,292,208	19,440	-	373,311,648
Sundry Debtors	804,058,642	327,810,007	-	1,131,868,648
Cash and Bank Balance	-	47,110,254	630,521,771	677,632,025
Loans and Advances	200,950,512	115,647,379	563,683,582	880,281,472
				-
Less : Current Liabilities	953,747,951	696,270,648	549,836,339	2,199,854,938
				-
Net Current Assets	424,553,411	(205,683,569)	644,369,014	863,238,855
				-
Capital expenditure during the period	630,124,113	5,118,966		635,243,079
Depreciation and Non Cash Amortisations during the year	55,275,214	538,899		55,814,113

Secondary Segment Reporting – Profit & Loss Account

Particulars	CURRENT YEAR		
	India	Japan	Total
Revenue	2,861,115,466	1,474,772,382	4,335,887,848
Inter-Segmental Sale	209,694,065	-	209,694,065
Segment Cost	2,526,537,713	1,241,574,399	3,768,112,113
Inter-Segmental Purchase	-	209,694,065	209,694,065
Operating Profit	544,271,817	23,503,918	567,775,735
Other Income	42,790,422	9,320,480	52,110,902
Profit before Interest, Depreciation and Tax	587,062,239	32,824,398	619,886,636
Interest	42,254,532	-	42,254,532
Depreciation & Amortization	55,654,414	159,699	55,814,113
Profit before tax	489,153,294	32,664,699	521,817,992
Provision no longer required	-	-	-
Tax/Deferred Tax/Fringe Benefit Tax	191,588,330	-	191,588,330
Profit after Tax	297,564,964	32,664,699	330,229,662



PREVIOUS YEAR

Particulars	India	Japan	Total
Revenue	3,257,841,605	1,430,332,911	4,688,174,516
Inter-Segmental Sale	98,950,601		98,950,601
Segment Cost	2,827,815,514	1,322,216,998	4,150,032,512
Inter-Segmental Purchase		98,950,601	98,950,601
Operating Profit	528,976,691	9,165,312	534,142,004
Other Income	70,507,568	891,950	71,399,518
Profit before Interest, Depreciation and Tax	599,484,259	10,057,262	609,541,521
Interest	26,047,063	-	26,047,063
Depreciation & Amortization	32,520,715	146,115	32,666,830
Profit before tax	540,916,482	9,911,147	550,827,629
Provision no longer required	3,900,835		3,900,835
Tax/Deferred Tax/Fringe Benefit Tax	184,895,148		184,895,148
Profit after Tax	359,922,169	9,911,147	369,833,315

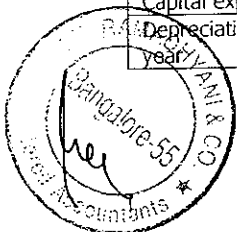
Secondary Segment Reporting – Assets & Liabilities

CURRENT YEAR

Particulars	India	Japan	Total
<i>Fixed Assets</i>			
Gross Block	1,250,244,427	2,322,016	1,252,566,443
Less: Depreciation	154,169,867	1,352,805	155,522,673
Net Block	1,096,074,560	969,211	1,097,043,772
			-
Current Assets Loans & Advances			
Inventories	373,311,648	-	373,311,648
Sundry Debtors	890,246,714	241,621,934	1,131,868,648
Cash and Bank Balance	630,521,771	47,110,254	677,632,025
Loans and Advances	819,336,853	60,944,619	880,281,473
			-
Less: Current Liabilities	1,949,806,176	250,048,763	2,199,854,938
			-
Net Current Assets	763,610,810	99,628,044	863,238,855
			-
Capital expenditure during the period	634,912,813	330,266	635,243,079
Depreciation and Non Cash Amortizations during the year	55,654,414	159,699	55,814,113

PREVIOUS YEAR

Particulars	India	Japan	Total
<i>Fixed Assets</i>			
Gross Block	618,237,902	1,866,342	620,104,244
Less: Depreciation	100,091,537	1,339,221	101,430,759
Net Block	518,146,365	527,121	518,673,486
			-
Current Assets Loans & Advances			
Inventories	325,375,106	-	325,375,106
Sundry Debtors	716,225,413	178,429,951	894,655,364
Cash and Bank Balance	669,944,098	8,246,958	678,191,056
Loans and Advances	641,943,314	89,540,495	731,483,808
			-
Less: Current Liabilities	1,706,409,284	180,409,028	1,886,818,312
			-
Net Current Assets	647,078,646	95,808,376	742,887,022
			-
Capital expenditure during the period	159,946,134	330,266	160,276,400
Depreciation and Non Cash Amortizations during the year	32,520,715	146,115	32,666,830



5. Deferred Tax Liability is calculated in accordance with AS 22, and the net tax liability for the year is debited to Profit & Loss Account.

	As at 31.03.10	As at 31.03.09
On account of timing difference		
i. Liability		
a. Depreciation on fixed Assets	77,217,264	43,873,277
b. Technical Know-how	(223,311)	(297,748)
TOTAL	76,993,953	43,575,529
ii. Asset		
a. Disallowance under Section 43 B and other sections	6,803,520	4,879,457
iii. NET DIFFERENCE	70,190,433	38,696,072

6. Related Party Disclosure

Transaction with key management personnel and their relatives:

Sl No	Name of the Key Personnel	Nature of Transaction	As at 31.03.10	As at 31.03.09
01	Nikhil Kumar	Directors Remuneration and Commission	29,082,648	25,458,911
02	Hitoshi Matsuo	Directors Remuneration and Commission	28,920,337	28,897,366
03	Tadao Kuwashima	Directors Remuneration	7,473,633	6,378,240
04	Mohib Khericha	Sitting Fee	12,000	10,000
05	Mohib Khericha	Lease Rent	1,800,000	1,800,000
06	Mohib Khericha	Consultation Charges	330,900	336,565
07	D F Power	Rent including Service Tax received	3,391,056	1,914,083
08	Systems Private Limited	Management Services received	25,481,038	13,898,549

7. The Details of Earning Per Share (EPS) are as under

	As at 31.03.10	As at 31.03.09
i. BASIC AND DILUTED EPS		
a. Profit After Tax (excluding Extra-Ordinary Items)	256,948,980	294,460,828
b. No of shares of Rs. 10/- each at the end of the year	6,343,567	6,343,567
c. No of Shares of Rs. 10/- each – Equivalent	6,343,567	6,343,567
c. Basic EPS	40.50	46.42

8. Balances with Foreign Banks

i. With Bank of Tokyo Mitsubishi Limited, Tokyo		
On Current Account	- Yen 91,329,325	8,956,983
On Short Term Deposits	- Yen 5,035,315	5,031,240
On Deposits	- USD 5,812	5,891
On Deposits	- USD 100	100
ii. Maximum balance at any time during the year	- Yen 598,897,974	581,307,449
	- INR 291,124,305	304,023,796

09. Earning in Foreign Exchange

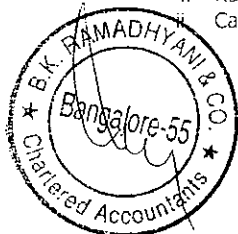
i. Others	530,177	891,950
ii. Exports – FOB	310,726,473	445,168,433

10. Expenditure in Foreign Currency on Account of

i. Others - On Payment Basis	38,640,219	25,852,796
ii. Capital Purchase	238,111,025	73,210,344

11. Value of Imports Calculated on CIF Basis

i. Raw Materials	248,278,457	120,294,526
Capital Purchase	325,700,449	73,024



12. Remuneration to Auditors (Excluding Service Tax):

i. For Audit	700,000	250,000
ii. For Taxation	200,000	200,000
iii. For Management Services	50,000	50,000
iv. Others	3,365	75,000

13. Value of Imported and indigenous raw materials, stores, spare parts and components consumed and percentage of each to the total consumption:

i. Value of imported raw materials, stores, spare parts and components consumed	- Value	165,616,383	132,953,678
	- Percentage	9.14	8.30
ii. Value of indigenous raw materials, stores, spare parts and components consumed	- Value	1,647,261,500	1,469,086,949
	- Percentage	90.86	91.70

14. Consumption of major raw materials and components during the year:

	Unit	Quantity	Value	Quantity	Value
i. Copper (Wires, strips, rods, Sheets etc)	Kgs	743,823	328,513,757	572,150	285,793,801
ii. Iron and Steel	Kgs	7,352,702	411,186,454	8,055,425	446,107,458
iii. Others - As the items are innumerable & hence quantitative details not furnished			1,073,177,672		870,139,368

15. Capacities and Production:

Item No	Class of Goods		Licensed	Capacities Installed	Production
1.	A C Generators	Nos	360	360	281

16. Details of Sales and Purchases for Trading:

Class of Goods:

Power Generation Systems and Electrical Equipment's

Turnover	Rs.	1,771,812,453	2,519,623,823
Purchase	Rs.	1,587,294,927	2,109,445,853

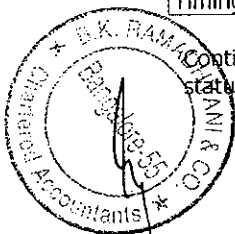
As the items are innumerable & project specific, quantity particulars of sale, turnover & purchases have not been ascertained.

17. Disclosure in terms of Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets.

Movement of provisions for liabilities

Particulars	Taxation	Warranty Claims	Gratuity	Leave Encashment
Balance as on 01 st April 2009	351,178,160	23,415,781	634,613	11,447,042
Provided during the year	160,093,969	-	2,118,264	1,950,609
Amounts used during the year	70,807	-	2,118,264	-
Reversed during the year	-	1,362,742	-	-
Balance as at 31 st March 2010	511,201,322	22,053,039	634,613	13,397,651
Timing of outflow/uncertainties - On	Crystallization	Crystallization	Crystallization	Crystallization

Contingent Liabilities in respect of Guarantee is on devolvement and in respect of Bills Discounted and statutory levies is on demand by the concerned parties and settlement of disputes.



Rs. Previous Year Rs

18. Interest and borrowing cost on specific borrowings relating to acquisition of capital assets has been capitalized as under up-to the date such assets brought to use.	2,473,152	384,597
Land	699,731	-
Buildings	207,555	-
Plant & Machinery	1,565,866	384,597
19. Direction Charges		
i. Director's Remuneration	26,968,916	20,840,394
ii. Contribution to PF	2,929,202	2,337,693
iii. Director's Sitting Fees	12,000	10,000
iv. Commission	35,578,500	37,556,430
v. Director's Travelling Expenses	5,901,252	4,174,843
vi. Value of Perquisites	895,663	778,837
vii. TOTAL	72,285,533	65,698,197
20. Disclosure under The Micro, Small & Medium Enterprises Development Act, 2006 in respect of establishments considered as Micro, Small & Medium Enterprise based on the information made available by the Suppliers.		
i. Overdue amount outstanding at the year ended	47,377,119	67,527,517
ii. Interest payable on over due bills including paid / payable subsequently.	828,750	1,005,474
iii. Total amount of interest along with the amount of the payment made during the year to the suppliers beyond appointed day	47,377,119	67,527,517
iv. Total amount of interest along with the amount of the payment made to suppliers during the year on account of reference made by the suppliers to facilitation council	-	-
v. Total 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 interest specified under this Act.	-	-
vi. Total amount of interest accrued during the year and remaining unpaid at the end of year	828,750	1,005,474
vii. Total amount of further interest remaining due and payable in succeeding years.	828,750	1,005,474
21. Consequent to the announcement by the ICAI in 2005, following are the disclosures as required for the derivative instruments on hedging foreign currency exposures.		
Foreign currency exposures hedged:		
i. Assets (Receivables)	-	-
ii. Liabilities (Payables)	-	-
iii. Others	-	-
Foreign currency exposures not hedged:		
i. Assets (Receivables)	27,873,256	111,796,397
ii. Liabilities (Payables)	22,413,028	14,533,083
iii. Others	-	-



22. Disclosure requirement of AS-15 Revised (2005) "Employee Benefits"

Short Term Employee Benefit:-

Employee benefits which are short term in nature like salaries, bonus, Casual Leave and Sick Leave Encashment, Leave Travel Allowance and are recognized in the period in which the employee renders the related service.

Long Term Employee Benefit:-

Company recognizes Contribution to Provident Fund, Gratuity and Leave Encashment as long-term employee benefits.

Defined Employee Benefit.

- Provident Fund – Company contributes to Commissioner of Provident Fund at the rate of 12% of basic and dearness allowance earned by the employee.
- Gratuity – Company adopts payment of Gratuity as per The Gratuity Act, 1972. The liability in respect of gratuity is assessed based on actuarial valuation and contributed to the gratuity trust.

Leave Encashment – Liability in respect of unutilized leave eligible for encashment is provided in the books of account based on actuarial valuation at the end of the year.

31st March 2010 – In Rs.

	Gratuity	Leave Encashment
I Component of employer expenses		
i. Current Cost Service	777,355	1,564,237
ii. Interest cost	554,636	915,763
iii. Expected Return on plan assets	(1,005,395)	-
iv. Past Service Cost	-	-
v. Actuarial Losses/(Gains)	(1,843,693)	(529,391)
vi. Total expenses recognized in the Statement of Profit and Loss	2,170,289	1,950,609
II Actual Contribution and Benefits Payments for the period ended		
i. Actual benefit payments	-	-
ii. Actual Contributions	3,423,675	-
III Net asset/(liability) recognized in balance sheet as at		
i. Present value of Defined Benefit Obligation	8,528,817	13,397,651
ii. Fair Value of plan assets	13,510,345	-
iii. Funded status [Surplus/(Deficit)]	4,981,528	-
iv. Unrecognized Past Service Costs	-	-
v. Net asset/(liability) recognized in balance sheet	(4,981,528)	(13,397,651)
IV Change in Defined Benefit Obligations during the year ended		
i. Present value of DBO at beginning of period	6,932,951	11,447,042
ii. Current Service Cost	777,355	1,564,237
iii. Interest Cost	554,636	915,763
iv. Actuarial (gains)/losses	(1,843,693)	(529,391)
v. Benefits Paid/ Service Charge	(282,807)	-
Transfer to DFPS	(1,297,011)	-
vi. Present value of DBO at the end of period	8,528,817	13,397,651
V Change in Fair Value of Assets during the year ended		
i. Plan assets at beginning of period	10,661,093	-
ii. Expected return on plan assets	1,005,395	-
iii. Actuarial gain/(loss)	-	-
iv. Actual Company contributions	3,423,675	-
v. Benefits paid/Service Cost	(282,807)	-
vi. Plan assets at the end of period	13,510,345	-
VI Actuarial Assumptions		
i. Discount Rate	8.00%	8.00%
ii. Expected Return on plan assets	8.00%	8.00%
Salary escalation	7.00%	8.00%
Attrition Rate	5.00%	5.00%



23. Figures have been rounded off to the nearest Rupee.

24. Figures in brackets refer to previous year ended 31st March 2009 and are re-grouped wherever necessary to conform to the presentation of the current year accounts.

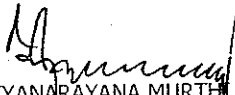
As per our report of even date.

For and behalf of the Board of Directors

For B.K. RAMADHYANI & CO.
Chartered Accountants

Mohib N Khericha
Chairman

Mohib N. Khericha


R SATYANARAYANA MURTHI
Partner- M.No. 024248

Hitoshi Matsuo
Managing Director

Hitoshi Matsuo

Place: Bangalore
Date: 09TH June 2010

K G Prabhakar
Vice President & Secretary

K G Prabhakar

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

TD POWER SYSTEMS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH


2010

2009

A	CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax and extraordinary items	521,817,993	550,827,628
Adjustments for		
Depreciation	55,814,113	32,666,830
Amortisation	-	-
(Profit) / Loss on sale of Fixed Asset	103,643	(20,000)
Dividend Income	(7,500)	(7,500)
Interest Income	(27,170,030)	(42,630,958)
Interest Payments	42,254,531	26,047,062
Provision for Warranty Claims	(1,362,742)	(2,791,705)
Exchange Fluctuation Deficit	-	-
Provision for Gratuity & Leave Encashment	4,068,873	6,856,195
	<u>73,700,887</u>	<u>20,119,924</u>
Operating profit before Working Capital Changes	595,518,881	570,947,552
Adjustments for		
Trade Receivables	(237,213,284)	409,085,564
Other Receivables	(23,075,249)	(126,943,482)
Inventories	(47,936,542)	(175,107,886)
Trade Payables	152,425,598	(164,740,347)
Cash generated from Operations	439,719,404	513,241,401
Payment of Fringe Benefit Tax	509,850	6,042,633
Payment of Gratuity	2,210,801	2,715,805
Direct Taxes Paid	169,674,910	173,981,829
Net Cash Flow from Operating Activities	267,323,843	330,501,134
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(626,667,174)	(131,504,333)
Purchase of Investments	(29,500,000)	(3,500,000)
Sale of Fixed Asset / Purchase of Investments	2,780,879	456,170
Dividend Received	7,500	7,500
Interest Received	49,012,005	5,815,110
Net Cash used in investing activities	(604,366,790)	(128,725,553)
C Cash flow from financing activities		
Proceeds from issuance of Share Capital	-	-
Share Application Money	-	-
Share Premium	-	-
Refund on Income Tax	3,886,039	4,692,272
Long term borrowings	241,575,706	7,502,011
Temporary Borrowing	(18,644,950)	1,002,213
Unsecured Loans & Deposits	7,236,475	(8,570,966)
Working Capital borrowings	164,863,241	57,863,033
Interest Paid	(43,083,281)	(27,052,536)
Dividend and Tax on Dividend paid	(37,108,281)	(14,875,976)
Net Cash flow from financing activities	318,724,949	20,560,051
Net increase/decrease in cash and cash equivalents	(18,317,998)	222,335,632
Cash and cash equivalents at the beginning	678,191,056	455,847,923
Cash and cash equivalents at close	659,873,058	678,183,555
Actual Closing Cash Balance	677,632,025	678,191,056
Add : Non-Cash Equivalents	(17,758,968)	-
Cash and cash equivalents at Close	659,873,058	678,191,056

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

As per our report of even date
For B.K. RAMADHYANI & CO.
Chartered Accountants



R SATYANARAYANA MURTHI
Partner - M.No. 024248
Bangalore

Date : 09th June 2010

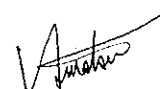
B.K. RAMADHYANI & COMPANY
CHARTERED ACCOUNTANTS
4-B, Chitrapura Bhavan,
No. 68, 8th Main, 15th Cross,
Malleswaram, Bangalore - 560 055.

For and on behalf of Board of Directors

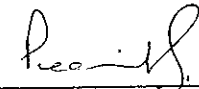
Mohib N Khericha
Chairman



Hitoshi Matsuo
Managing Director



K G Prabhakar
VP - Finance & Secretary



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

REGISTRATION NO.

						2	5	0	7	1
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BALANCE SHEET DATE

3	1
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0	3
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2	0	1	0
---	---	---	---

STATE CODE

0	8
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II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs.)

PUBLIC ISSUE

		N	I	L		
--	--	---	---	---	--	--

RIGHT ISSUE

		N	I	L		
--	--	---	---	---	--	--

BONUS ISSUE

		N	I	L		
--	--	---	---	---	--	--

PRIVATE PLACEMENT

		N	I	L		
--	--	---	---	---	--	--

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs.)

TOTAL LIABILITIES

1	9	2	3	1	4	2	1	9	4
---	---	---	---	---	---	---	---	---	---

TOTAL ASSETS

1	9	2	3	1	4	2	1	9	4
---	---	---	---	---	---	---	---	---	---

SOURCE OF FUNDS

PAID UP CAPITAL

6	3	4	3	5	6	7	0
---	---	---	---	---	---	---	---

RESERVES & SURPLUS

1	1	7	7	5	1	3	0	0	8
---	---	---	---	---	---	---	---	---	---

SECURED LOANS

6	8	2	1	9	3	5	1	7
---	---	---	---	---	---	---	---	---

UNSECURED LOANS

		N	I	L		
--	--	---	---	---	--	--

APPLICATION OF FUNDS

NET FIXED ASSETS

1	0	9	7	0	4	3	7	7	1
---	---	---	---	---	---	---	---	---	---

INVESTMENT

3	3	0	5	0	0	0	0	0
---	---	---	---	---	---	---	---	---

NET CURRENT ASSET

8	6	3	2	3	8	8	5	6
---	---	---	---	---	---	---	---	---

MISC . EXPENDITURE

		N	I	L		
--	--	---	---	---	--	--

ACCUMULATED LOSSES

		N	I	L		
--	--	---	---	---	--	--

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN Rs.)

TURNOVER

4	5	9	7	6	9	2	8	1	5
---	---	---	---	---	---	---	---	---	---

TOTAL EXPENDITURE

4	0	7	5	8	7	4	8	2	2
---	---	---	---	---	---	---	---	---	---

PROFIT BEFORE TAX

5	2	1	8	1	7	9	9	3
---	---	---	---	---	---	---	---	---

PROFIT AFTER TAX

3	3	0	2	2	9	6	6	3
---	---	---	---	---	---	---	---	---

EARNINGS PER SHARE IN RS.

		4	0	.	5	0
--	--	---	---	---	---	---

DIVIDENT RATE %

		5	0	.	0	0
--	--	---	---	---	---	---

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO . (ITC CODE)

3	6	0	1
---	---	---	---

PRODUCT DESCRIPTION

A	C	G
---	---	---

