

All the meticulous planning and detailing that goes into producing a generator is not something people think of – nor should they! We work hard to make sure that people don't have to think about generators – after all that's what we do for a living. In TDPS we make first class generators for the world.

www.tdps.co.in

tdpsTM is

potential

Annual Report
2015

A photograph of an industrial factory floor. In the foreground and middle ground, several large, cylindrical metal coils are arranged in a row. Each coil is wrapped with thick, reddish-brown insulation. The floor is painted green with yellow safety lines. In the background, there are various industrial machines, pipes, and structural elements of the factory.

tdpsTM is

on the
move

At **tdps**, we are constantly on the move. Never content with the status quo, and always working on improvements - in markets, relations, energy reduction, product specifications and more.

Over the years, **tdps** has established itself as one of the leading AC generator manufacturers, delivering across a wide product spectrum - from 1 to 250MVA. Our AC generator range has been developed to cater to applications in steam turbines, gas turbines, hydro turbines, wind turbines, diesel and gas engines. Our product offering also has solutions for geothermal, solar thermal, motor, transformer and propulsion engine testing, oil & gas applications.

Since inception, the company has manufactured 2900+ generators with an aggregate output capacity of 19000+ MW. Our growing user base illustrates the success story of a young company with growth plans to become the world's leading generator manufacturer and solutions provider.



COMPANY INFORMATION

www.tdps.co.in

CIN: L31103KA1999PLC025071

Registered Office & Unit 1

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

Unit 2

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

Japan Branch Office

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

Wholly Owned Subsidiaries

TD Power Systems (USA) Inc.
TD Power Systems Japan Limited
DF Power Systems Private Limited

Bankers

Bank of Baroda
Standard Chartered Bank
ICICI Bank Limited

Auditors

B.K. Ramadhyani & Co. LLP
Chartered Accountants
Bangalore – 560 055

Stock Exchanges

(Where the shares of the Company are listed)

BSE Limited
National Stock Exchange of India Ltd.

Registrar and Transfer Agents (RTA)

Link Intime India Private Limited

Investors grievance redressal e-mail id

investor.relations@tdps.co.in

Board of Directors**Chairman**

Mohib N. Khericha

Managing Director

Nikhil Kumar

Directors

Hitoshi Matsuo
(upto 21.02.2015)
Nandita Lakshmanan
Arjun Kalyanpur
Nitin Bagamane
Ravi Kanth Mantha
K. G. Prabhakar
(from 20.05.2015)

Chief Financial Officer

K. G. Prabhakar

Company Secretary

N. Srivatsa

INDEX

Directors' Report	03
- Management Discussion & Analysis	32
- Corporate Governance Report	40
Auditors' Report	56
Balance Sheet	60
Statement of Profit & Loss	61
Cash Flow Statement	62
Consolidated Financial Statements	83



DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the Sixteenth Annual Report (Boards' Report) together with the audited Financial Statements of the Company for the year ended March 31, 2015.

Financial Results

	For the year ended March 31, 2015 (Rs. in Lakhs)	For the year ended March 31, 2014 (Rs. in Lakhs)
Revenue from operations & other Income	42,195.06	38,438.88
Operating Profit (EBITDA)	5,472.94	6,370.93
Finance cost	371.99	360.48
Depreciation & amortization	2,800.60	1,459.94
Profit before Tax (PBT)	2,300.35	4,550.51
Tax expense	604.06	1,151.66
Profit after Tax (PAT)	1,696.29	3,398.85
Add: Surplus brought forward from the Previous Year	20,627.58	18,471.97
Less: Depreciation on Opening balance	152.26	-
Available for appropriation	22,171.61	21,870.82
Appropriations		
Provision for Dividends and Tax thereon	1,059.13	894.39
Transfer to General Reserves	200.85	348.85
Surplus carried to Balance Sheet	20,911.63	20,627.58

Review of Operations

Even as the market sentiments seemed surcharged with the installation of the new government, no tangible change was witnessed in the business environment during Fiscal 2015. The much expected kick start of investments and consequent industrial growth resulting in an improvement in order book was belied. The capital goods industry was subdued belying expectations of a recovery. The core sector of power, cement, steel, oil & gas was sluggish resulting in virtually no expansion in these sectors affecting order flows to the capital goods sector. The world economy continued to be slow and did not instill confidence.

In these challenging circumstances, your Company increased its revenue from operations by Rs. 3,756 lakhs in Fiscal 2015- a rise of about 9.77% on the back of a moderate growth of 18% in orders. Net sales from manufacturing business at Rs. 35,609.12 Lakhs, increased by Rs. 4,773.06 Lakhs, a growth of 15.48% in Fiscal 2015, contributing 84.39% of our Total Income in Fiscal 2015, as compared to 80.22% in Fiscal 2014. Net sales from our Project Business at Rs. 4,867.40 Lakhs increased by Rs. 284.55 Lakhs, a subdued growth of 6.21% in Fiscal 2015 contributing 11.54% of our Total Income as compared to 11.92% in Fiscal 2014.

Exports and deemed exports contributed 66% of Revenue as compared to about 49% in the previous year which reflects our continuing focus on growing our overseas markets. Steam generators contributed 46% of the turnover followed by Hydro generators at 27%. Considering the dismal state of the domestic market, overseas markets have assumed great significance in growing the Companies business year on year and the initiatives undertaken by the Company in the last 3-4 years in seeding these markets are yielding good results encouraging us to enlarge our presence in select markets overseas.

Earnings Before interest, tax, depreciation & amortization (EBITDA) lower by 14.10% at Rs. 5,472.94 Lakhs as compared to Rs. 6,370.93 Lakhs in the previous year due to lower realizations on account on Euro & JPY devaluation. The Profit after tax decreased by Rs. 1,702 lakhs to Rs. 1,696.29 Lakhs as compared to Rs. 3,398.85 Lakhs, a decrease of 50% over previous year mainly due to a higher depreciation and amortization charge of Rs. 2,800.60 lakhs an increase of Rs. 1,340.66 Lakhs or 91.83% over previous year due to increased capitalization of fixed assets, change in the useful life of the asset as prescribed under the Companies Act, 2013 ("Act") and amortization of technical know as per accounting policy of the Company.

Directors' Report (contd.)

The pending orders as of March 31, 2015 are Rs. 40,651.20 lakhs comprising of both manufacturing (Rs. 33,937.50 lakhs) and project business (Rs. 6,713.70 lakhs).

The net worth of the Company stands at Rs. 49,128.13 lakhs with the accretion of Rs. 484.89 lakhs to total reserves during the year. No material changes & commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which these financial statements relate and the date of this report.

Dividend

The Directors have recommended a dividend of Rs. 2.645 per equity share (an increase of 15%) for the year ended March 31, 2015 as against Rs. 2.30 per equity share for the year ended March 31, 2014. This Dividend is subject to approval of the shareholders at the forth coming Annual General Meeting. The dividends will entail a payout of Rs. 1,059.13 lakhs including dividend distribution tax of Rs. 179.99 lakhs.

Management Discussion & Analysis

Pursuant to clause 49 of the listing agreement with the stock exchanges, the Management Discussion & Analysis report covering operations, performance & outlook of the Company is annexed as **Annexure 9** to the Boards' Report.

Corporate Governance Report

A separate report on Corporate Governance is included in the Annual Report as **Annexure 10** to the Boards' Report. The certificate from a Practicing Company Secretary, regarding the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges forms part of the said Report.

Note on Board evaluation, Board Diversity Policy, Training of independent directors –familiarization of directors, Policy on directors' appointment and remuneration, Whistle Blower policy / Vigil mechanism, Nomination & Remuneration policy form part of the Corporate Governance report (Annexure 10).

Subsidiaries

As on March 31, 2015, the Company has 3 wholly owned subsidiaries - DF Power Systems Private Limited (an Indian Subsidiary), TD Power Systems (USA) Inc., in the United States of America and TD Power Systems Japan Limited, in Japan.

In accordance with Section 129(3) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014, the Company has prepared its consolidated financial statement including all the said Subsidiaries which is forming part of this Report. Further, a statement containing the salient features of the financial statement of the said subsidiaries in Form AOC-1 is appended as **Annexure 2** to the Boards' Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website www.tdps.co.in. These documents will also be available for inspection during business hours at our registered office in Bengaluru, India.

A review of the operations of the subsidiaries as follows

Indian Subsidiary

During the year ended March 31, 2015, the weakness in order inflow both BTG / EPC projects continued to impact the performance of the Wholly Owned Subsidiary (WOS) DF Power Systems Private Limited. The orders for Thermal Power Market -15MW-150MW, the Company's mainstay was dismal in the year. Thermal Power Private EPC Companies reflected stress in domestic market and certain large players accepted orders merely in the hope of an improved market in future. Though there seemed some market traction starting in Small Power Plants (< 10MW) pricing was an issue. The Cement waste Heat recovery based Power plants, which was seen as an innovative option was cooling off due to lower fuel costs and longer payback periods. Thus, the overall scenario for power projects was rather dismal, the orders in the market were limited and at suboptimal prices prompting the Company to stay away from active bidding for projects.

The difficult market conditions continued to affect revenues and profitability of the Company. Though revenue of Rs. 16,479.99 lakhs for the year ended March 31, 2015 was higher as compared to Rs. 1,3034.71 lakhs for year ended March 31, 2014, this

Directors' Report (contd.)

company incurred a net loss of Rs. 1,773.43 lakhs for the year as compared to a loss of Rs. 668.16 lakhs in the previous year. Considering the uncertain market situation, the company's ability to operate viably and profitably, a decision was taken by its Board to disengage from BTG/ EPC projects, scale down the business after completion of the existing projects and review as and when opportunities emerge in future.

US Subsidiary

The seeding efforts in the USA through TD Power Systems (USA) Inc. have not borne fruit in the year under Report and the necessity of having an overseas sales office in the USA is under review. The operations of this company during the year under report have resulted in revenue of USD 20.92 lakhs (Rs. 1,287.5 lakhs) and a loss of USD -2.54 lakhs (Rs. -145.571 lakhs).

Japan Subsidiary

TD Power Systems Japan Limited was incorporated to support the Company's efforts to grow TG Island business in Japan. Due to the dismal market conditions in India and sluggish global economic scenario, the primary activity of TG Island business continued to witness severe stress further compounded by the strengthening of Japanese yen. The operations of this company during the year under report have resulted in revenue of JPY 9,288.21 lakhs (Rs. 5,170.51 lakhs) and a profit after tax of JPY Rs. 263.14 lakhs (Rs. 141.27 lakhs). The Company's order book as of March 31, 2015 stands at JPY 8,780.03 (Rs. 4,555.10 lakhs).

Internal Financial Control

The Company has established adequate internal control system, commensurate with the nature of its business and size of its operations in order to ensure quality and reliability of underlying processes focused towards achieving operational efficiency, reliability of financial data and safeguarding of assets. Internal Financial control system ensures that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets of the Company. Internal controls are evaluated by the external/internal Auditors and supported by Management reviews. All audit observations and follow up actions thereon are initiated for resolution by the Finance Function and reported to the Audit Committee.

Directors' Responsibility Statement

Pursuant to clause (c) of sub section (3) of section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors, in the case of a listed company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board of Directors & Key Managerial Personnel

Board of Directors ("The Board")

As per the provisions of the Companies Act, 2013, Mr. Mohib N. Khericha retires at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.

During the Financial Year 2014-15, in compliance of relevant provisions of the Companies Act, 2013 and Rules thereunder, Mr. Nitin Bagamane, Dr. Arjun Kalyanpur, Ms. Nandita Lakshmanan and Mr. Ravi K Mantha the existing Independent

Directors' Report (contd.)

Directors were appointed as Independent Directors of the Company, at the Annual General Meeting of the Company held on August 12, 2014. The details of the terms & conditions of their appointment are available on the website of the Company (www.tdps.co.in) in compliance of the revised Clause 49 of the Listing Agreement.

The said Independent Directors have given declaration stating that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. Hitoshi Matsuo, Non-Executive / Non Independent Director, has tendered resignation as Director of the Company effective from closing of business hours on February 21, 2015. The Board places on record its appreciation for the services rendered by Mr. Hitoshi Matsuo during his tenure with the Company.

On the recommendation of the Nomination and Remuneration committee, the Board of Directors of the Company appointed Mr. K G Prabhakar as Director (Category-Non Independent/Executive) of the Company with effect from May 20, 2015 in the casual vacancy caused by the resignation of Mr. Hitoshi Matsuo. Mr. K.G. Prabhakar is a Chartered Accountant with over 28 years of work experience in corporate finance, Accounting and taxation and is associated with the Company since 2001. Currently he is the Chief Financial Officer (CFO) of the Company.

Key Managerial personnel

Mr. Nikhil Kumar, Managing Director, Mr. K. G. Prabhakar, Chief Financial Officer and Mr. N. Srivatsa, Company Secretary are deemed to be Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013 and Rules thereunder and they were already in office before the commencement of the Companies Act, 2013.

Risk Management Policy

Pursuant to the revised Clause 49 of the Listing Agreement, a Risk Management committee of the Board of directors of the Company has been constituted. The details of the committee and its terms of reference are set out in the corporate governance report forming part of this report. While the Company has identified certain major risks and initiated appropriate measures to mitigate the said risks, a process to enhance the risk management framework is underway.

Auditors

M/s. B. K. Ramadhyani & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility to the effect that their reappointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for reappointment.

The Notes on financial statements referred to in the Auditors Report are self-explanatory. The Auditors Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

The Board appointed Mr. Sudhir V Hulyalkar, Practicing Company Secretary, Bangalore, to conduct the Secretarial Audit of the Company for the Financial Year 2014-15.

The Secretarial Audit Report for FY 2014-15 forms part of the Annual Report at **Annexure 8** to the Boards' Report and does not contain any qualification, reservation or adverse remark.

Cost Auditor

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, M/s. Rao, Murthy & Associates, Cost Accountants, Bangalore have been appointed as Cost Auditors of the Company for the Financial Year 2015-16.

Disclosure

Extract of the Annual Return

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as **Annexure 1** to the Boards' Report.

Directors' Report (contd.)

Number of Board Meetings

The Board met four times during the Financial Year 2014-2015 the details of which are given in the Corporate governance report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Particulars of Contracts or Arrangements

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure 3** to the Boards' Report.

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under Sub-section (3) (m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as **Annexure 4** to the Boards' Report.

Particulars of Loans, Guarantees or Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 also form part of the notes to the financial statements provided in this Annual Report:-

Nature of transaction	Date of Board Resolution	Date of transaction	Name of the person to whom it is made	Amount
Loan	12.02.2014	11.04.2014	TD Power Systems (USA) Inc.	USD 100,000
Loan	12.02.2014	15.05.2014	TD Power Systems (USA) Inc.	USD 100,000
Loan	12.02.2014	25.06.2014	TD Power Systems (USA) Inc.	USD 100,000
Loan	21.05.2014	02.06.2014	TD Power Systems Japan Limited	JPY 30,000,000
Loan	11.02.2015	05.03.2015	TD Power Systems (USA) Inc.	USD 100,000
Corporate Guarantee	11.02.2015	30.03.2015	To ICICI Bank Ltd. on behalf DF Power Systems Private Limited	Rs. 620,000,000
Corporate Guarantee	11.02.2015	30.03.2015	To Bank of Baroda on behalf DF Power Systems Private Limited	Rs. 300,000,000
Corporate Guarantee	11.02.2015	27.02.2015	To Standard Chartered Bank on behalf DF Power Systems Private Limited	Rs. 500,000,000

Particulars of employees

A table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure 5** to the Boards' Report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of Rs. 6,000,000 or more per annum or employed for part of the year and in receipt of Rs. 500,000 or more per month, in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure 6** to the Boards' Report.

CSR Committee

In terms of the requirements of the Companies Act, 2013, a Corporate Social Responsibility committee (CSR Committee) has been formed which has approved a CSR policy for the Company which is available on the website of the Company. The annual report on CSR is annexed as **Annexure 7** to the Boards' Report.

Audit Committee

The composition and function of the Audit committee of the Board of Directors of the Company is disclosed in the Report on Corporate Governance forming part of this report.

Directors' Report (contd.)

General

Your Directors state as follows

1. No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
2. There was no issue of equity shares with differential rights, as to voting, dividend or otherwise.
3. There was no issue of shares including as sweat equity shares or employee stock options.
4. There were no deposits covered under Chapter V of the Companies Act, 2013.
5. No money has been provided by company for purchase of its own shares by employees or by trustees for the benefit of employees.
6. No subsidiary has paid remuneration to Managing Director except DF Power Systems Private Limited (Rs. 1,851,500).
7. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Acknowledgement

Your Directors place on record their appreciation of the contribution and support of the employees at all levels. They also place on record their appreciation of the continued support and faith extended during the year by the Company's customers, suppliers, bankers and shareholders.

For and on behalf of the Board of Directors

Bangalore
May 20, 2015

Mohib N. Khericha
Chairman

INTENTIONALLY LEFT BANK

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - 1

FORM NO. MGT-9

Extract of Annual Return

As on the Financial Year ended on 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014].

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L31103KA1999PLC025071
ii.	Registration Date	16/04/1999
iii.	Name of the Company	TD Power Systems Limited
iv.	Category/ Sub Category of the Company	Public Company (Limited by Shares)
v.	Address of the Registered office and contact details	# 27, 28 & 29, KIADB Industrial Area, Dabaspet Nelamangala Taluk, Bangalore – 562111 srivatsa.n@tdps.co.in 080-2299 5700
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (West) Mumbai - 400 078

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Manufacture of AC Generators	3601	98.46
2.	Manufacture of Electric Motors	3604	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Companies for which information is being filled - 3 (three)

Sl. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	DF Power Systems Private Limited	U51505KA2007 PTC041717	Subsidiary	99.99%	Section 2(87) (ii) of the Companies Act, 2013
2.	TD Power Systems (USA) Inc.	NA	Subsidiary	100%	Section 2(87) (ii) of the Companies Act, 2013
3.	TD Power Systems Japan Limited	NA	Subsidiary	100%	Section 2(87) (ii) of the Companies Act, 2013

Annexure to the Directors' Report (contd.)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual / HUF	6985524	0	6985524	21.02	6485524	0	6485524	19.52	-1.50
b. Central Govt	0	0	0	0	0	0	0	0	0
c. State Govt (s)	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	6026433	0	6026433	18.13	5026433	0	5026433	15.12	-3.01
e. Banks / FI	0	0	0	0	0	0	0	0	0
f. Any Other									
a. Chartered Capital & Investment Ltd.	1134252	0	1134252	3.41	1134252	0	1134252	3.41	0
b. Sofia M. Khericha	2084100	0	2084100	6.27	2084100	0	2084100	6.27	0
c. Foziyha Akil Contractor	151823	0	151823	0.46	0	0	0	0	-0.46
Sub-total (A) (1)	16382132	0	16382132	49.29	14730309	0	14730309	44.32	-4.98
2. Foreign									
a. NRIs -Individuals	4235254	0	4235254	12.74	3235254	0	3235254	9.73	-3.01
b. Other	0	0	0	0	0	0	0	0	0
c. Individuals	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	0	0	0	0	0	0	0	0	0
e. Banks / FI	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	4235254	0	4235254	12.74	3235254	0	3235254	9.73	-3.01
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	20617386	0	20617386	62.03	17965563	0	17965563	54.05	-7.99
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	2147562	0	2147562	6.46	7265857	0	7265857	21.86	15.4
b. Banks / FI	0	0	0	0	0	0	0	0	0
c. Central Govt	0	0	0	0	0	0	0	0	0
d. State Govt (s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FIIs	6847633	0	6847633	20.60	3942060	0	3942060	11.86	-8.74

Annexure to the Directors' Report (contd.)

Shareholding Pattern (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	8995195	0	8995195	27.06	11207917	0	11207917	33.72	6.66
2. Non-institutions									
a. Bodies Corp									
i. Indian	1638651	0	1638651	4.93	1607183	0	1607183	4.84	-0.09
ii. Overseas	0	0	0	0	0	0	0	0	0
b. Individuals									
i. Individual Shareholders holding nominal share capital up to Rs. 1 lakh	210323	2	210325	0.63	632588	2	632590	1.90	1.27
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	608291	145500	753791	2.27	730066	0	730066	2.20	-0.07
c. Others									
a. Non Resident Indians (Repat)	1965	0	1965	0.01	24064	0	24064	0.07	0.06
b. Non Resident Indians (Non Repat)	435	0	435	0.00	818	0	818	0.00	0.00
c. Foreign National	116508	0	116508	0.35	0	0	0	0	-0.35
d. Clearing Member	27062	0	27062	0.08	88398	0	88398	0.27	0.19
e. Foreign Company	0	876270	876270	2.64	0	876270	876270	2.64	0
f. Foreign Portfolio Investor (Corporate)	0	0	0	0	104719	0	104719	0.32	0.32
Sub-total (B)(2)	2603235	1021772	3625007	10.91	3187836	876272	4064108	12.23	1.33
Total Public Shareholding (B)=(B)(1)+(B)(2)	11598430	1021772	12620202	37.97	14395753	876272	15272025	45.95	7.99
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	32215816	1021772	33237588	100	32361316	876272	33237588	100	0

Annexure to the Directors' Report (contd.)

Shareholding Pattern (contd.)

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Saphire Finman Services Private Limited	6026433	18.13	0	5026433	15.12	0	-3.01
2.	Nikhil Kumar	5138664	15.46	0	4638664	13.96	0	-1.50
3.	Hitoshi Matsuo	4235254	12.74	0	3235254	9.73	0	-3.01
4.	Sofia M. Khericha	2084100	6.27	0	2084100	6.27	0	0
5.	Mohib N. Khericha	1846860	5.56	0	1846860	5.56	0	0
6.	Chartered Capital & Investment Ltd.	1134252	3.41	0	1134252	3.41	0	0
7.	Foziyha Akil Contractor	151823	0.46	0	0	0	0	-0.46
	Total	20617386	62.03	0	17965563	54.05	0	-7.98

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Saphire Finman Services Private Limited				
	At the beginning of the year	6026433	18.13%	6026433	18.13%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	-1000000 (Sale of Shares on 07.10.2014)	-3.01%	5026433	15.12%
	At the end of the year	5026433	15.12%		
2.	Nikhil Kumar				
	At the beginning of the year	5138664	15.46%	5138664	15.46%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-500000 (Sale of Shares on 09.10.2014)	-1.50%	4638664	13.96%
	At the end of the year	4638664	13.96%		

Annexure to the Directors' Report (contd.)

Shareholding Pattern (contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	Hitoshi Matsuo				
	At the beginning of year	4235254	12.74%	4235254	12.74%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-1000000 (Sale of Shares on 07.10.2014)	-3.01%	3235254	9.73%
	At the end of the year	3235254	9.73%		
4.	Mohib N. Khericha				
	At the beginning of year	1846860	5.56%	1846860	5.56%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year	1846860	5.56%		

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Sofia Mohib Khericha				
	At the beginning of year	2084100	6.27%	2084100	6.27%
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	0	0	-	-
	At the end of the year (or on the date of separation, if separated during the year)	2084100	6.27%		
2.	Ironwood Investment Holdings				
	At the beginning of year	1338794	4.03%	1338794	4.03%
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfe/ bonus/sweat equity etc)	-1338794 (Sale of Shares on 09.01.2015)	4.03%	0	0

Annexure to the Directors' Report (contd.)

Shareholding Pattern (contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Ironwood Investment Holdings (contd.) At the end of the year (or on the date of separation, if separated during the year)	0	0		
3.	India Value Fund IV At the beginning of year	1218971	3.67%	1218971	3.67%
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year (or on the date of separation, if separated during the year)	1218971	3.67%		
4.	Smallcap World Fund, Inc. At the beginning of year	1209982	3.64%	1209982	3.64%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-88771 (Sale of Shares on 23.01.2015)	-0.27%	1121211	3.37%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-10208 (Sale of Shares on 30.01.2015)	-0.03%	1111003	3.34%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-30728 (Sale of Shares on 06.02.2015)	-0.09%	1080275	3.25%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-7789 (Sale of Shares on 13.02.2015)	-0.02%	1072486	3.23%

Annexure to the Directors' Report (contd.)

Shareholding Pattern (contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Smallcap World Fund, Inc. (contd.)				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-81 (Sale of Shares on 20.02.2015)	-0.00%	1072405	3.23%
	At the end of the year (or on the date of separation, if separated during the year)	1072405	3.23%		
5.	Chartered Capital & Investment Ltd.				
	At the beginning of year	1134252	3.41%	1134252	3.41%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year (or on the date of separation, if separated during the year)	1134252	3.41%		-
6.	IDFC Premier Equity Fund				
	At the beginning of year	1111825	3.35%	1111825	3.35%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	160222 (Acquisition of Shares on 10.10.2014)	0.48%	1272047	3.83%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	245427 (Acquisition of Shares on 17.10.2014)	0.74%	1517474	4.57%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1517474 (Sold Shares on 21.11.2014)	-4.57%	0	0

Annexure to the Directors' Report (contd.)

Shareholding Pattern (contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	IDFC Premier Equity Fund (contd.)				
	At the end of the year (or on the date of separation, if separated during the year)	0	0		
7.	Toyo Denki Seizo KK				
	At the beginning of year	876270	2.64%	876270	2.64%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year (or on the date of separation, if separated during the year)	876270	2.64%		
8.	Baring India Private Equity Fund III Listed Investments Limited				
	At the beginning of year	805778	2.42%	805778	2.42%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year (or on the date of separation, if separated during the year)	805778	2.42%		
9.	Ontario Teachers' Pension Plan Board Managed By Arohi Asset Management Ptd. Ltd-NP9Q				
	At the beginning of year	716225	2.15%	716225	2.15%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	57625 (Acquisition of Shares on 04.07.2014)	0.18%	773850	2.33%

Annexure to the Directors' Report (contd.)

Shareholding Pattern (contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Ontario Teachers' Pension Plan Board Managed By Arohi Asset Management Ptd. Ltd- NP9Q (contd.) At the end of the year (or on the date of separation, if separated during the year)	773850	2.33%		
10.	Beaver Investment Holdings At the beginning of year	554076	1.67%	554076	1.67%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increases/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-554076 (Sale of Shares on 09.01.2015)	1.67%	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0		
Note: The above statement is based on the weekly benpos provided by the Registrar & Share Transfer Agent, Link In time India Private Limited.					

v. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Nikhil Kumar At the beginning of year	5138664	15.46%	5138664	15.46%
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-500000 (Sale of Shares on 09.10.2014)	-1.50%	4638664	13.96%
	At the end of the year (or on the date of separation, if separated during the year)	4638664	13.96%		

Annexure to the Directors' Report (contd.)

Shareholding Pattern (contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2.	Mohib N. Khericha				
	At the beginning of year	1846860	5.56%	1846860	5.56%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year	1846860	5.56%		
3.	Nithin Bagamane				
	At the beginning of year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year	0	0		
4.	Arjun Kalyanpur				
	At the beginning of year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year	0	0		
5.	Nandita Lakshmanan				
	At the beginning of year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year	0	0		
6.	Ravi Kanth Mantha				
	At the beginning of year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year	0	0		

Annexure to the Directors' Report (contd.)

Shareholding Pattern (contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	K G Prabhakar				
	At the beginning of year	54500	0.16%	54500	0.16%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-50000 (Sale of Shares on 30.09.2014)	-0.15%	4500	0.01%
	At the end of the year	4500	0.01%		
8.	N. Srivatsa				
	At the beginning of year	75	0.00%	75	0.00%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increas/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	-	-
	At the end of the year	75	0.00%		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amt in Rs.)

Sl. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness at the beginning of the financial year (01.01.2014)				
i	Principal Amount	597,961,754	-	-	597,961,754
ii	Interest due but not paid**	-	-	-	-
iii	Interest accrued but not due**	-	-	-	-
	Total	597,961,754	-	-	597,961,754
B.	Change in Indebtedness during the financial year				
i	Addition	-	-	-	-
ii	Reduction	24,447,871	-	-	24,447,871
	Net Change	24,447,871	-	-	24,447,871
C.	Indebtedness at the end of the financial year (31.03.2015)				
i	Principal Amount	573,513,883	-	-	573,513,883
ii	Interest due but not paid**	-	-	-	-
iii	Interest accrued but not due**	-	-	-	-
	Total	573,513,883	-	-	573,513,883
** Since indebtedness is in respect of a working capital facility, Interest for the period is paid at the end of the period. Thus, neither "Interest due but not paid" nor "Interest accrued but not due" arise.					

Annexure to the Directors' Report (contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director - Mr. Nikhil Kumar

Sl. No.	Particulars of Remuneration	(Rs.)
1.	Gross salary	
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,000,400
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	# 8,926,900
	- others, specify	
5.	Others, please specify	-
	Total (A)	20,966,900
	Ceiling as per the Act	Rs. 23,003,550 being 10% of net profits in terms of Section 198 of Companies Act, 2013

#Subject to approval of shareholders

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total (Rs.)
		Nitin Bagamane (Rs.)	Arjun Kalyanpur (Rs.)	Nandita Lakshmanan (Rs.)	Ravi Kanth Mantha (Rs.)	
1.	Independent Directors					
	Fee for attending board / committee meetings	1,80,000	80,000	1,40,000	1,00,000	5,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1,80,000	80,000	1,40,000	1,00,000	5,00,000
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings	1,60,000		60,000		2,20,000
	Commission	-		-		-
	Others, please specify	-		-		-
	Total (2)	1,60,000		60,000		2,20,000
	Total (B) = (1+2)					7,20,000
	Overall Ceiling as per the Act					Rs. 2,300,355 being 1% of net profits in terms of Section 198 of Companies Act, 2013.
	Total Managerial Remuneration (A+B)					21,686,900

Annexure to the Directors' Report (contd.)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total (Rs.)
		Company Secretary (Rs.)	Chief Finance Officer (Rs.)	
1.	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,15,193	47,75,072	87,90,265
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	46,800	46,800
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	40,15,193	48,21,872	88,37,065

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Sl. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give Details)
A.	Company Penalty Punishment Compounding					
B.	Directors Penalty Punishment Compounding			NIL		
C.	Other Officers in Default Penalty Punishment Compounding					

Annexure to the Directors' Report (contd.)

ANNEXURE – 2

FORM AOC – I

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

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

(Amount Rs. In lakhs)

Name of the Subsidiary	DF Power Systems Pvt. Ltd.	TD Power Systems (USA) Inc.	TD Power Systems Japan Ltd.
Reporting Currency	INR	USD	JPY
Exchange Rate	NA	**	**
Share Capital	600.00	481.78	122.44
Reserves & Surplus	2064.50	(548.56)	200.66
Total Assets	12516.59	383.11	3759.02
Total Liabilities	12516.59	383.11	3759.02
Investments	-	-	-
Turnover	16479.99	1287.50	5170.51
Profit / (Loss) before taxation	(1773.43)	(145.57)	214.38
Provision for taxation	1.40	-	73.10
Profit / (Loss) after taxation	(1774.83)	(145.57)	141.27
Proposed Dividend	-	-	-
% of Shareholding	100	100	100

Note

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil
- ** Financial Information is based on Audited Results.
- Figures of the foreign subsidiaries are converted as per Accounting Standard AS 11.
- Subsidiaries have 31st March as reporting date.

For and on behalf of the Board of Directors

Mohib N. Khericha
Chairman

Nikhil Kumar
Managing Director

Bangalore
May 20, 2015

K. G. Prabhakar
Chief Financial Officer

N. Srivatsa
Company Secretary

Annexure to the Directors' Report (contd.)

ANNEXURE – 3

FORM AOC – II

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis	2. Details of material contracts or arrangement or transactions at arm's length basis
a. Name(s) of the related party and nature of relationship b. Nature of contracts/arrangements/transactions c. Duration of the contracts/arrangements/transactions d. Salient terms of the contracts or arrangements or transactions including the value, if any e. Justification for entering into such contracts or arrangements or transactions f. Date(s) of approval by the Board g. Amount paid as advances, if any h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	a. Name(s) of the related party and nature of relationship b. Nature of contracts/arrangements/transactions c. Duration of the contracts/arrangements/transactions d. Salient terms of the contracts or arrangements or transactions including the value, if any e. Date(s) of approval by the Board, if any f. Amount paid as advances, if any

Nil

Nil

Note

No contracts or arrangements as referred to in Section 188 of the Companies Act, 2013 have been entered into by the Company in Fiscal 2015 requiring disclosures as above. However, the related party transactions for Fiscal 2015 are as per Note 31 to the financial statements and are based on contracts entered into prior to April 1, 2014.

For and on behalf of the Board of Directors

Mohib N. Khericha
Chairman

Nikhil Kumar
Managing Director

Bangalore
May 20, 2015

K. G. Prabhakar
Chief Financial Officer

N. Srivatsa
Company Secretary

Annexure to the Directors' Report (contd.)

ANNEXURE – 4

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

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

A. Conservation of Energy	
Steps taken or impact on conservation of energy	<p>1. Energy conservation measures taken</p> <ul style="list-style-type: none"> - Timer is incorporated for transformer lighting & A/C for coil tapping area for effective power utilization. - In curing oven, the volume reduced to have less power consumption, from 210 kw to 132 kw. - Poly carbonate sheets changed for shop floor roof, hence the natural light is improved & the power saved by not switching “on” the high bay lights. - Latest version IGBT changed for 65T OH crane, main hoist VFD drive, and the power consumption is reduced to the motor. - UPS is provided for LOS system for testing dept., the dedicated running of 250 kva is avoided and fuel & energy is saved. <p>2. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.</p> <ul style="list-style-type: none"> - In both the Units of the Company, LED light fittings are planned for high bay fittings in shop floor winding & GVPI bay instead of HPSV lamps. LED lamps are planned for coil section instead of fluorescent lamps. - The energy efficient compressor is planned instead of conventional compressor system in shop floor-air supply. - The detuned power capacitor will be introduced in LT power system to avoid Current Harmonic effects in the system <p>3. Impact of measures (1) & (2) above for reduction of energy consumption and consequent impact on the cost of production of goods. The above measures have resulted in energy saving, optimum utilization and efficiency and reduction in cost.</p>
Steps taken by the company for utilizing alternate sources of energy	Natural gas will be the alternate fuel for DG sets. Dual fuel system will be introduced for the DG sets to reduce the consumption of HSD.
Capital investment on energy conservation equipments	Nil
B. Technology Absorption	
1. Efforts made towards technology absorption	Development of advanced insulation system, large frames in horizontal configuration, development and manufacture of high power rating machines for a specific application jointly with a global leader, development of generators for wind application with variable parameters are some of the salient efforts. Absorption of technology for generators used for various applications and large generators is in progress.
2. Benefits derived like product improvement, cost reduction, product development or import substitution	Improvement of machine performance, enhanced ability to manufacture generators of various ranges, applications, large sizes and strengthening collaborative manufacturing aspects satisfying performance and quality requirements of global markets.

Annexure to the Directors' Report (contd.)

3.	In case of imported technology (imported during the last three years reckoned from the beginning of the FY), following information may be furnished	
a.	Technology Imported	Design and manufacturing technology in respect of wind and hydro and new generation type generators.
b.	Year of Import	2008/2011/2013
c.	Has technology been fully absorbed	Manufacture of large generators in progress and absorption in respect of critical parts and assemblies completed while in respect of certain other critical parts of a large generator the absorption is under study. Manufacturing commenced in respect of wind generators.
d.	If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	The technology imported is being absorbed backed by training and development which is a gradual process due to high quality and precision requirements.
4.	Expenditure incurred on Research and Development	Rs. in lakhs
a.	Capital	-
b.	Recurring	628.56
c.	Total	628.56
d.	Total R&D expenditure as a percentage of turnover	1.55%
C.	Foreign Exchange Earnings and Outgo	Rs. in Lakhs
	Earnings in foreign Exchange [Value of Exports on FOB basis]	14505.66
	Foreign Exchange outgo (Includes RMC, components, spare parts and other expenditure in foreign currency)	1182.35

ANNEXURE - 5

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

i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Name of the Director	Ratio to the Median
		Mr. Nikhil Kumar (MD)	60.99
ii.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Name of the Director	% Increase
		Mr. Nikhil Kumar (MD)	7.60% (Subject to approval of shareholders.)
		Mr. K G Prabhakar (CFO)	11.64%
		Mr. N Srivatsa (CS)	9.41%

Annexure to the Directors' Report (contd.)

iii.	The percentage increase in the median remuneration of employees in the financial year	11.95%			
iv.	The number of permanent employees on the rolls of Company	591			
v.	The explanation on the relationship between average increase in remuneration and company performance	The Profit before tax (PBT) decreased by 50.55% in Fiscal 2015 whereas the increase in median remuneration was 11.90%. This increase was necessitated to retain trained, skilled and experienced work force. Change in the method of depreciation charge consequent to the Companies Act, 2013 contributed to 56% reduction in PBT.			
vi.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Remuneration of Key Managerial Personnel increased by an average of 10.52% as compared to a decrease of 50.55% in PBT for Fiscal 2015			
vii.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	Particulars	2011*	2014	2015
		Share price at March 31	256**	267.85	359.30
		No. of equity shares	33237588	33237588	33237588
		PE ratio	15.11	26.18	70.45
		Market capitalization (Rs. In lakhs)	85088.23	89026.88	119422.65
		% increase / decrease in market quotation in comparison to last public offer price	-	(+)4.63%	(+)40.35%
		* The Company's last public offer was in September 2011 **Price at which shares were issued at IPO			
viii.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the salaries of employees other than Managerial personnel in Fiscal 2015 is 19.26% where as the percentile increase in managerial remuneration is 7.60% (after considering commission provided in books payable subject to approval of shareholders). Excluding the commission as stated above, there will be decrease of about 38.26% in Fiscal 2015 over Fiscal 2014 in managerial remuneration.			
ix.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The comparison of remuneration of the each Key Managerial Personnel against the Company PAT and Revenue for the FY 2014-15 are as follows			
		Name of the KMP	% of Revenue	% of PBT	
		Mr. Nikhil Kumar	0.49%	9.11%	
		Mr. K. G. Prabhakar	0.11%	2.09%	
	Mr. N. Srivatsa	0.10%	1.74%		

Annexure to the Directors' Report (contd.)

x.	The key parameters for any variable component of remuneration availed by the directors	As provided in the Act and subject to approval of the shareholders, the Whole time directors are entitled to a variable salary in the form of commission, approved by the Board on the recommendation of the Nomination and Remuneration committee based on company performance, management challenges, market requirements and individual performance.
xi.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Nil As no employee receives remuneration in excess of the highest paid director.
xii.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

ANNEXURE – 6

Information in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Employee Name	Nikhil Kumar
Designation	Managing Director
Remuneration	Rs. 20,966,900
Nature of employment	Contract
Qualifications & experience	Bachelor of Engineering
Date of commencement of employment	01-10- 2001
Age	47
Previous employment and designation	Kirloskar Electric Company Limited Bangalore General Manager
Percentage of equity shares held (March 31, 2015)	13.96%
Relative of any director or Manager of the Company	No

For and on behalf of the Board of Directors

Mohib N. Khericha
Chairman**Nikhil Kumar**
Managing DirectorBangalore
May 20, 2015**K. G. Prabhakar**
Chief Financial Officer**N. Srivatsa**
Company Secretary

Annexure to the Directors' Report (contd.)**ANNEXURE – 7****Annual Report of Corporate Social Responsibility Activities (CSR) & CSR Policy**

[Pursuant to Section 135 of the Companies Act, 2013]

1. Composition of the CSR Committee

In accordance with Section 135 of the Companies Act, 2013 and the Rules pertaining thereto, a committee of the Board known as 'Corporate Social Responsibility Committee (CSR Committee)' has been constituted comprising of the following members:

Name	Category	Description
Mr. Ravi Kanth Mantha	Independent Director	Chairman
Mr. Nitin Bagamane	Independent Director	Member
Mr. Nikhil Kumar	Managing Director	Member

2. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program

The CSR committee formulated this CSR policy and the proposed activities under the said policy are as specified by Schedule VII of the Companies Act, 2013. The Board of Directors of the Company, after taking into account the recommendations of the CSR Committee has approved this CSR Policy for the Company. As required under Section 135(4) of the Companies Act, 2013, this policy is uploaded on the Company's website www.tdps.co.in.

The CSR Policy is to focus in areas such as Environment (Waste-to-energy processes, greening of the environment), Water (Revival of water bodies, groundwater recharge, storm water management, water supply) Sanitation (access to toilets for all, treatment of wastewater, reuse of treated water) and Solid Waste Management (Reduce, reuse, recycle) with a five year road map. In addition, the company may consider undertaking other permitted CSR activities from time to time including making contributions to the specific funds mandated by the Central/ State Government of India like Prime Minister's Relief Fund etc.

The CSR Policy believes that tangible and accelerated social benefit will be derived if the Company focuses its CSR activities in one geographical area / location and accordingly the proposed CSR initiatives will be executed mostly in and around villages in Nelamangala taluk, Bangalore Rural District where the Company's operations are situated currently.

In terms of the CSR policy, the CSR committee selected a project relating to integrated water & sanitation management in Tymagondalu Village, Nelamangala Tq, Bangalore Rural District as the first CSR initiative of the Company. This initiative is expected to have duration of 5 years during which objectives such as garbage free village, augmentation of ground and surface water, zero contamination of water, 24/7 water supply, decentralized STP and solid waste management programs in two wards and related training and campaign would be achieved. To guide and assist in implementation of this CSR initiative, the Company has partnered with an experienced consulting agency and their affiliate.

3. Average net profit of the Company for last three financial years, as per Section 198 of Companies Act, 2013

The average net profit of the Company for the last three financial years is Rs. 3,185.25 lakhs.

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above)

Prescribed CSR expenditure is Rs. 63.70 lakhs (2% of Rs. 3,185.25 lakhs.)

5. Details of CSR spent during the financial year

- a. Total amount to be spent for the financial year: Rs. 63.70 lakhs
- b. Amount unspent, if any: Rs. 59.77 lakhs

Annexure to the Directors' Report (contd.)

c. Manner in which the amount spent during the financial year

(Rs. in lakhs)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs undertaken	Amount outlay (budget) project or Programme wise (Rs.)	Amount spent on the projects or programs 1. Direct expenditure 2. Overhead (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent direct or through implementing agency
1.	Integrated water & Sanitation management	Health care, sanitation & safe drinking water (i) of Schedule VII	Local area of Tymagondalu in Nelamangala taluk, Bangalore Rural District	63.70 (Initial outlay)	3.93 (overhead)	3.93	Direct
2.	Akshaya Patra	Eradication of hunger and malnutrition (i) of Schedule VII		3.00	3.00 (Direct)	3.00	Direct

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report

The proposed project is being implemented through a partner agency and its affiliate. The selection of this agency required a validation of their capability and experience consuming considerable time. Once the partner agency was selected, a CSR study was commissioned to identify projects which could meet the CSR policy objectives and the proposed initiative in integrated water & sanitation management was identified. The next step was to interact with the local administration and all other stakeholders to participate in this initiative. The above activities were imperative for the success of the project which will be a 5 year initiative and required certain time and mobilization. The sum of Rs. 3.93 lakhs spent as of March 31, 2015 relates to all the activities stated above. Funds are released to partner agencies only when it is satisfied that the agreed target and the expected milestones will be met. As of the date of this report an additional Rs. 15.00 lakhs has been released to the partner agencies towards the project.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company

The CSR committee confirms that the implementation and monitoring of the CSR policy, is in compliance with the CSR objectives and policy of the Company.

Nikhil Kumar
Managing Director

Ravi Kanth Mantha
Chairperson CSR Committee

Annexure to the Directors' Report (contd.)

ANNEXURE – 8

FORM NO. MR-3

Secretarial Audit Report for the Financial Year ended March 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
TD Power Systems Limited
Bangalore

I have conducted the secretarial audit of the compliance applicable statutory provisions and the adherence to good corporate practices by TD Power Systems Limited (CIN: L31103KA1999PLC025071) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by TD Power Systems Limited ("the Company") for the financial year ended on March 31, 2015 according to the provisions of

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI')
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Legal Metrology Act, 2009;
- vii. The Environment (Protection) Act, 1986 and Rules thereunder;
- viii. The Water (Prevention & Control Of Pollution) Act, 1974;
- ix. The Air (Prevention & Control of Pollution) Act, 1981;
- x. The Factories Act, 1948 and Rules thereunder;

Annexure to the Directors' Report (contd.)

- xi. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- xii. All other Labour, Employee and Industrial Laws to the extent applicable to the Company;
- xiii. I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines, as mentioned above wherever applicable subject to the following observations.

1. The Company was not required to comply with the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') as there were no instances during the period under review for the Company to comply with
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
2. The Company has filed all the forms and returns as required under the Companies Act, 2013. The Company is generally regular in filing the forms and returns within the prescribed time.

I further report that

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

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

The decisions carried through are recorded in the minutes. I did not find any dissenting views recorded in the minutes. It was informed to me that, in absence of any such dissenting views it was not required to record any such views in the minutes.

I further report that there are adequate systems and processes in the company commensurate size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company has requisite systems and processes to monitor and ensure compliance with labor and employee related laws, environmental laws as applicable to the Company and the Company is generally regular in making statutory payments and filing of periodical returns and forms with the prescribed authorities.

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

The Company's new facility (Unit 2, Shop 3) located at Dabaspet, Bangalore for the production of large generators (2 pole technology) in the range of 74 MVA to 250 MVA was commissioned on April 25, 2014. In this respect the Company has signed a license agreement with Siemens AG to receive know-how for twenty years. The Company has informed to the stock exchanges under Clause 36 of the Listing Agreement that with this commissioning of the above said production facilities, the objects of the IPO as modified and approved by the shareholders in the Annual General Meeting held on July 12, 2012 has been completed.

Bangalore
May 20, 2015

Sudhir V Hulyalkar
Company Secretary in Practice

FCS No. 6040
C P No. : 6137

Annexure to the Directors' Report (contd.)

ANNEXURE – 9

MANAGEMENT DISCUSSION AND ANALYSIS

The global recovery was mostly muted due to subdued recovery in some major developed economies of the world and China. The economic slowdown experienced in India since Fiscal 2011 seems to be requiring more time to improve than anticipated. The new government's efforts to usher in policy momentum conducive for revival of economic and industrial growth have improved business confidence and sentiments. However, as a result of guarded optimism which seems to be guiding over all business and industrial activity, there has been no visible momentum reflecting revival of demand, growth or investment cycle in the economy in Fiscal 2015. The demand for capital goods was subdued, if not nonexistent, in Fiscal 2015, driven by a wait and watch strategy in investment by business and industry faced as they were with falling capacity utilization and market growth. The positive business confidence and optimism failed to translate into significant capex allocations which could revive the capital goods sector. The devaluation of the Japanese yen and the Euro also affected realizations for Indian manufacturers.

In order to drive maximum capacity and operational efficiencies, power intensive industries such as steel, aluminum, copper, cement, engineering, sugar, chemicals depend on Captive Power Plants (CPP) in which the Company has a significant market presence. However, many CPP operated at suboptimal level in Fiscal 2015 due to fuel linkage issues and infrastructure bottlenecks thus seriously affecting growth or expansion. As in the last two to three years the domestic market for generators continued to be stagnant in Fiscal 2015. Consistent depression in demand over the last three years have led to intense competition and consequently unrelenting pricing pressures.

We are one of the leading manufacturers of AC Generators for a diverse range of prime movers with output capacities ranging from 1 MW to 200 MW for steam and gas and up to 35 MW for hydro and upto 20 MW diesel and gas engines and customized rating for wind turbines, catering to both conventional and renewable fuel based power plants.

In the backdrop of the challenging conditions as described above, the Company's performance has been encouraging. The manufacturing order booking grew by 18% in Fiscal 2015 to Rs. 4,318.79 lakhs from Rs. 3,664.30 lakhs as compared to Fiscal 2014 of which, the order booking from domestic sector was Rs. 1,792.73 lakhs (42%) as compared to exports (including deemed exports) at Rs. 2,526.06 lakhs being (58%). While the order booking in the first two quarters of Fiscal 2015 was healthy at Rs. 2,641.53 lakhs, the third and fourth quarter order booking was Rs. 1,677.26 lakhs. Steam and Hydro contributed to 44.44% and 25.71% respectively of order book for Fiscal 2015 while gas contributed to 9.36% and a beginning has been made in Traction generators. As of March 31, 2015 (Fiscal 2015) 2,671 generators with an aggregate output capacity of over 20,558 MW and have been supplied to 73 countries.

During Fiscal 2015 we have added 5 new customers OEM's in steam and wind segments. We have entered the traction generators market in which initial orders as qualification orders and once such orders are successfully completed, a significant potential is awaiting the Company in this segment with substantial orders on a long-term basis. It is hoped that some portion of the serial production orders will be received in Fiscal 2016.

On standalone basis, the Net sales from our manufacturing business increased by Rs. 4,773.06 Lakhs or 15.48%, to Rs. 35,609.12 Lakhs in Fiscal 2015 from Rs.30,836.06 Lakhs in Fiscal 2014. The generator business contributed to 84.39% of Fiscal 2015 revenues of the Company. Reflecting the depressed demand in the domestic markets, domestic sales has been sliding over the last 3 years contributing 33.47% of sales in fiscal 2015 as compared to 51.43% in Fiscal 2014 (& 62% in Fiscal 2013), while exports and deemed exports contributed to 66.53% of sales for Fiscal 2015 as compared to 49% in Fiscal 2014 (& 38% in Fiscal 2013). Growing supplies to reputed original equipment manufacturers (OEM's) who are global leaders in power equipments has strengthened our overseas markets and will continue to drive our exports both in the medium and long-term. While we have initiated required steps to strengthen our presence in the USA and Japan, steps are being taken to establish presence in other key markets to grow overseas markets.

Steam and Hydro contributed to 49% and 28.70% respectively of the revenue for Fiscal 2015 while gas contributed to 10.60%. The contribution of Gas generators has increased from 7.1% in Fiscal 2014 (& 2.5% in Fiscal 2013) to 10.60% in Fiscal 2015. Sale of Diesel and Gas engine generators increased by about 36.5% respectively in Fiscal 2015 while the sale of Hydro generators was lower by 10% in Fiscal 2015. Consistent growth in sales of gas, diesel, wind and other application generators contributed to about 22% revenue in Fiscal 2015 while steam and hydro generators contributed 78%, i.e. lower by 5% than in Fiscal 2014, reflecting reducing dependence on steam (though this segment has grown by 5% in Fiscal 2015) and hydro generators.

A large part of generator sales take place through OEM's, with top 10 customers contributing to 70.34% of FY 2015 revenues. Our association with a leading hydro power equipment manufacturer is progressing well reflecting a good potential in this segment as and when the Hydro market grows.

Management Discussion and Analysis (contd.)

We also undertake overseas Turbine Generator island (TG Island) projects for steam turbine power plants with output capacity up to 55 MW using a Japanese turbine combined with our generator through our Japan branch. Net sales from our Project Business (TG island (up to 52MW)) increased by Rs. 284.55 Lakhs or 6.21% to Rs. 4,867.40 Lakhs in Fiscal 2015 from Rs. 4,582.85 Lakhs in Fiscal 2014. The appreciation of the Japanese yen as well as dismal economic and investment climate in India and worldwide resulted in low order intake adversely impacting this business in Fiscal 2015.

As of March 31, 2015, the pending order for Manufacturing was Rs. 33,937.50 Lakhs and for projects business in India and Japan was Rs. 6713.66 Lakhs.

Our Subsidiary, DF Power Systems Private Limited, is in the business of EPC / Boiler-Turbine Generator island projects (BTG) and the balance of plant portion for steam turbine power plants with output capacity up to 150 MW. Net Sales from EPC Business increased by Rs. 3,583.63 Lakhs or 29.42% to Rs. 15,765.64 Lakhs in Fiscal 2015 from Rs. 12,182.01 Lakhs in Fiscal 2014. The order book as of close of Fiscal 2014 was Rs. 14,370 Lakhs, made up of two orders – from a cement plant in Karnataka and a waste heat recovery plant in Raipur. Both these orders on hand are scheduled for completion in the ongoing year. Fiscal 2015 witnessed serious weakness in order inflow - both BTG / EPC projects and no orders were received during the year. The orders for Thermal Power Market 15MW-150MW, the Company's mainstay was dismal in the year. Though there seemed some market traction starting in Small Power Plants (< 10MW), pricing was an issue and certain large players accepted orders merely in the hope of an improved market in future. The Cement waste Heat recovery based Power Plants, which was seen as an innovative option failed to take off due to softening of oil prices and longer payback periods. The above factors prompted the company to stay away from active bidding for projects and adopt a wait and watch policy.

The performance of the two overseas subsidiaries is as stated in the Director's Report.

On a consolidated basis, the Net sales increased by Rs. 11,721.21 Lakhs or 24.41% to Rs. 59,744.19 Lakhs in Fiscal 2015 from Rs. 48,022.98 Lakhs in Fiscal 2014. Our profit after tax decreased by Rs. 2,353.65 Lakhs or 103.65% resulting in loss of Rs. 82.84 Lakhs in Fiscal 2015 from a profit of Rs. 2,270.81 Lakhs in Fiscal 2014.

Outlook

The investment cycle is not showing signs of revival while demand continues to be tepid. It is reported that corporate profits as a percentage of GDP are at a historic low thus lending support to a view that entities with large cash flow abilities are holding back investments if not refusing to invest. The demand supply shortfall, quality and price of power continue to be bottlenecks for industrial growth and if investment by industry is to be fruitful, it is imperative for them to have dependable and cost effective power source. In the current Fiscal, the domestic market continues to remain soft till date for the manufacturing business and a revival if at all, in this market would be sustainable from FY 16 again driven by industrial capex recovery. We hope that the domestic market revives and the capex cycle turns around based on the policy changes being driven by the new government, softening interest rates, coal block auctions and the infrastructure investments.

Despite the unfavorable market conditions, we continue to have healthy market share in steam generators (up to 55MW), in diesel generators and hydro generators and are well placed to capitalize on any upswing in domestic as well as overseas demand.

Hydro orders from Indian OEM's are expected for projects in South East Asia even though no new projects are likely in India. However, price competitiveness is a challenge in the hydro market with aggressive pricing from European manufacturers and the weakening of the rupee could be a major concern.

Projects requiring large generator are in the pipeline but decisions are on hold. The Company is exploring component business from the large generator segment and has received a breakthrough order in this segment. While we hope that the domestic market recovers for steam generators, we continue to focus on building our existing portfolio of generators for other applications and expect growth in gas and wind generators in Fiscal 2016. Exports will continue to be our focus area in Fiscal 2016. We have a comfortable order book currently for Fiscal 2016 and are hopeful in increasing the same to support good growth in manufacturing business over Fiscal 2015. The traction generators business promises to be of significant volumes and could be a game changer for the Company both in domestic and export markets.

The projects business (TG Island) is being realigned to meet business requirements and during this Fiscal 2016 revenues from this segment will continue to be flat.

It is expected that the Company will tide over the difficult market conditions in Fiscal 2016 on the back of a revival in manufacturing business. Any substantial improvements in business in the above segments both in India and overseas will contribute to an improved performance. The Company maintains a healthy cash position and continues to remain debt free.

Management Discussion and Analysis (contd.)

Risk Management and Mitigation

The Company's business relates to manufacture and sale of generators falling under capital goods sector and is dependent on country's economic growth, investment climate and business confidence as well as the sectors where in the Company's products are used.

The focus on exports and ongoing association with leading global leaders has enabled the Company to reduce dependence on the domestic market and accordingly, percentage exports (including deemed exports) in turnover during the year has gone up from 49% in Fiscal 2014 to 66.53% in Fiscal 2015.

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

1. Economic slowdown and market concentration

A conducive investment climate and interest rate regime, global economic and market conditions drive growth and performance of the industrial sector which forms the Company's customer base. An economic slowdown directly impacts the demand for capital goods, including the products of the Company.

Further, over dependence on any market/s may adversely affect the performance of the Company, if the concerned market gets sluggish due to factors stated above. As stated earlier, in the last 3 years, due to the slow-down in the economic activities, the domestic market has declined/remained stagnant which had considerable effect on the demand of the Company's products.

In order to reduce the over dependence on the domestic market, the Company focused on marketing its products in the global market and developed certain strategic partnerships and technology agreements. On the back of such initiatives, the contribution of exports to the total turnover has significantly grown. The Company is directing significant resources for extending its footprints in the global market to lessen the risk of over dependence on certain countries/regions. We have consistently grown our export base, by adding new OEM's within existing verticals, increase market share in existing verticals through better pricing, customization etc and diversifying into/introducing new product verticals.

2. Technology and Product concentration

Steam turbine generators continue to be a major contributor of our standalone net sales year on year. Advanced technology relating to steam turbine generators or the development of steam turbine generators that prove superior in quality or effectiveness to our generator could affect our dominant market position in this segment.

The diverse product verticals catering to steam turbine generators, horizontal hydro generators, vertical hydro generators, diesel engine generators, wind turbine generators, gas engine generators, gas turbine generators, high voltage motors and generators for Geo Thermal and Solar thermal applications enables market presence across the spectrum of generator market in India and overseas and has reduced dependence on any particular industry or market segment. Even though Steam generators accounted for a significant portion of the revenues, the contribution of hydro, gas and other applications are consistently growing de-risking the products mix.

3. Technology Risk

Response to and adoption of advanced technology and emerging power generation industry standards and practices on a cost-effective and timely basis is critical to sustaining and growing market reach of the Company.

The Company operates in the engineered-to-order capital goods industry where product efficiency, critical product features and overall life cycle costs play an important role.

The Company analyses customer preferences and accordingly develops design. The Company's team is engaged continuously in design and development of generators meeting customer requirements from time to time. Projects to develop generators for Special application and for design modification and enhancement are ongoing.

Technology absorption continues and orders are being received for large generators. As a part of the technology agreements, the Company receives updation of technology and processed continuously from licensors.

4. Competition Risk

Many large corporations in Europe, America and in South East are competitors to the Company. These large corporations have access to advanced technologies, greater global reach, larger financial resources and may benefit from greater economies of scale and operating efficiencies. Competitors may be able to sell their products at prices lower than the Company's, which may have an adverse effect on the Company's market share and results of operations. This may compel

Management Discussion and Analysis (contd.)

the Company to quote aggressively and impact its margins.

With a view to mitigate this risk, the Company provides value proposition to customer with products which meet the benchmark efficiencies at a competitive price and shorter delivery time, without compromising on margins. The Company continues to upgrade its engineered to order platform and design capabilities by incorporating latest technologies in its products and improvements in the design of generators enabling it to offer more efficient machines. Reduction in production, distribution costs and improvement in operating efficiencies are continuously pursued enabling it to offer competitive prices.

The Company prioritizes its supply chain in sourcing good quality raw materials and other inputs at competitive prices with high reliability in meeting delivery timelines.

5. Risk arising from transnational sale of products

In view of export of product to several countries in various continents, there is a risk of various types of claims from customers towards under performance of product and third party claims if the laws of that country are not fully conformed to.

The Company has strict quality control procedures which ensure that all the products supplied to the customers must meet the contractual parameters. It is ensured that the contracts with customers clearly specify the obligations of the Company. In addition, the Company takes appropriate contractually insurance policies to cover all such risks.

Manufacturing facilities, Design & Development

We have 3 manufacturing units, all located at Bangalore equipped with advanced automation/machines which help in delivering quality products at competitive prices. One of the facilities is a dedicated large generator manufacturing unit with state of the art machines and equipment. All the manufacturing units are ISO 9001:2008 compliant.

The Company's R&D facility which is approved by the Department of Scientific Industrial Research, GOI focuses on adoption of new technology and development of superior designs enhancing performance, quality and reducing costs. The Company's team is engaged continuously in design and development of generators meeting customer requirements from time to time. Projects to develop generators for Special application and for design modification and enhancement are ongoing. Our generators are approved by reputed and leading engineering consultants.

Internal Control Systems and their adequacy

The Company has established adequate internal control system, commensurate with the nature of its business and size of its operations in order to ensure quality and reliability of underlying processes focused towards achieving operational efficiency, reliability of financial data and safeguarding of assets. Internal controls are evaluated by the external Internal Auditors and supported by Management reviews. All audit observations and follow up actions thereon are initiated for resolution by the finance function and reported to the Audit Committee.

Environment, Health and Safety

As a leading Generator Manufacturer the Company conducts all its operations in a manner that is protective of the environment, health and safety of employees, customers, suppliers and the community in large and is a zero discharge facility.

In fulfilling this commitment, we maintain and continually improve all our process and complying with legal and other requirements, in order to

- Ensure safety and Health of our employees, associated stakeholders and focus on how to make the world a better place to live.
- Comply with all applicable legal Safety and Health performance of individuals at different levels while considering their career advancement in the organization.
- Enhance Safety, Health & Environment (SHE) awareness amongst employees and associated stakeholders through effective communication and training.
- Ensure SHE responsibility amongst all the employees in their practices, promote and value their involvement in achieving the goals of this policy.
- Fix responsibility of SHE policy and procedures on the contractors, Sub-Contractors, Transporters and all other agencies operating with the Company.
- Integrate Health & Safety in all decision-making processes of the company including those dealings with purchase of

Management Discussion and Analysis (contd.)

plant equipment, machinery & materials as well as selection and placement of personnel.

- Adopt all the relevant techniques & methods such as risk assessment and safety audits at appropriate intervals of time to assess the status on Quality, Environment and Health & Safety and take relevant remedial measures to overcome problems encountered.

The Company’s environmental, occupational health and safety management systems fulfill ISO 14001-2204 and OSHAS 18001-2007 requirements.

Human Resources

Continuous skill development and enhancement is important for the Company with its focus on export markets. The Company recognizes that its workforce is critical to the Company’s success and therefore, is committed to training, skilling and up skilling it/s work force on an ongoing basis which ensures that its work force is able to adopt evolving technologies, processes and techniques. The Company’s leadership engages affirmatively in employee development and engagement activities such as involvement in the ‘Corporate Responsibility’ initiatives, active participation of work force in safety initiatives, quality improvement programs, language skills, leadership development programs, training programs and training under license agreements, on an ongoing basis. During the year, about 47 man days per employee was dedicated for training. Employee relations continue to remain peaceful and cordial.

The Company believes in equal opportunity in recruitment and in the course of the employment among employees regardless of color, race, gender, social origin, caste or religion. Efforts are continuously made to create an inclusive working environment for women and to integrate them in organizational functions.

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

The Company continues to reinforce the Code of Business Conduct across functions/workforce. In order to enhance communications and to create a congenial environment, the organizational leadership and the shop-floor employees of the company have invested significant amount of time and effort.

As on March 31, 2015, the total strength of employees stood at 1136 including our subsidiary company. The attrition rate is less than 2% annually. A new wage agreement has been signed keeping in view the requirements of quality, productivity and efficiency in today’s competitive environment.

Financial Review

Consolidated basis

The results of operations as of and for the years ended March 31, 2015 and 2014 on a consolidated basis is as follows

Particulars	Fiscal 2015		Fiscal 2014	
	(Rs. in Lakhs)	% of Total Income	(Rs. in Lakhs)	% of Total Income
Income				
Net Sales	59,744.19	96.06	48,022.98	93.37
Other Income	2,450.15	3.94	3,409.80	6.63
Total Income	62,194.34	100.00	51,432.78	100.00
Expenditure				
Consumption of Raw Material, Stores, Spare parts and Components	25,307.73	40.69	22,002.79	42.78
Purchases for Project Business	4,860.66	7.82	1,782.85	3.47
Purchases for EPC	15,157.78	24.37	11,379.09	22.12
Operating and Other Expenses	13,004.67	20.91	10,857.13	21.11

Management Discussion and Analysis (contd.)

Particulars	Fiscal 2015		Fiscal 2014	
	(Rs. in Lakhs)	% of Total Income	(Rs. in Lakhs)	% of Total Income
Interest and Finance Charges				
On Fixed Loans	0.00	0.00	0.00	0.00
On Other Accounts	388.69	0.62	361.40	0.70
Loss on Sale of Fixed Assets	2.79	0.00	18.98	0.04
Depreciation Amortization of Technical Know-how	2,876.29	4.62	1,495.19	2.91
Total Expenditure	61,598.61	99.04	47,897.42	93.13
Profit Before Tax	595.73	0.96	3,535.36	6.87
Less				
Provision for Taxation	363.10	-	1,173.03	-
Provision for Wealth Tax	1.82	-	2.10	-
Deferred Tax	313.65	-	89.42	-
Profit/(Loss) After Tax	(82.84)	-	2,270.81	-

The Company's performance in Fiscal 2015 (vis-a-vis Fiscal 2014) on a consolidated basis is summarized as follows

- Total income at Rs. 62,194.34 Lakhs was higher by 20.92 % due to increase in sales volume of manufacturing business and Project Business.
- Net sales from manufacturing business at Rs. 34, 070.60 Lakhs an increase of 14.69% contributing 54.78% of Total Income.
- Net sales from our Project Business including Japan Subsidiary at Rs. 9,907.95 Lakhs increased 61.52% contributing 15.93% of Total Income.
- Net Sales from EPC Business at Rs. 15,765.64 Lakhs increased by 29.42% contributing 25.35% of Total Income.
- Other Income decreased by Rs. 959.65 Lakhs or 28.14%, primarily due to decrease in foreign exchange gain on account of Euro & JPY devaluation.
- Total Expenditure at Rs. 61,598.61 Lakhs increased by 28.61%, due to increased business volumes and providing for bad & doubtful debts.
- Consumption of raw material, stores, spare parts and components expenses at Rs. 25,307.73 Lakhs increased by 15.02%, primarily due to increase in sales of manufactured goods.
- Purchases for Project Business including Japan Subsidiary at Rs. 4,860.66 Lakhs increased by 172.63%, due to increased business volume.
- Purchases for EPC at Rs. 15,157.78 Lakhs increased by 33.21%.
- Operating and Other Expenses Rs. 13,004.67 Lakhs increased by 19.78%.
- Personnel expenses through salaries, wages and bonuses at Rs. 4,693.72 Lakhs increased by 6.88%, due to increase in salaries of employees and wage settlement with workmen.
- Profit before tax and extraordinary items at Rs. 595.74 Lakhs decreased by Rs. 2,939.63 Lakhs or 83.15%.
- Profit after tax decreased by Rs. 2,353.65 Lakhs or 103.65% resulting in Loss of Rs. 82.84 Lakhs.
- The consolidated net worth stands at Rs. 49,403.98 Lakhs a decrease of Rs. 1351.17 Lakhs over Fiscal 2014.

Management Discussion and Analysis (contd.)

Standalone basis

The results of operations as of and for the years ended March 31, 2015 and 2014 on a stand-alone basis, comprising of manufacturing business and projects business is as follows

Particulars	Fiscal 2015		Fiscal 2014	
	(Rs. in Lakhs)	% of Total Income	(Rs. in Lakhs)	% of Total Income
Income				
Net Sales	40,476.51	95.93	35,418.91	92.14
Other Income	1,718.54	4.07	3,019.98	7.86
Total Income	42,195.06	100.00	38,438.89	100.00
Expenditure				
Consumption of Raw Material, Stores, Spare parts and Components	24,689.11	58.51	22,002.79	57.24
Purchases for Project Business	3,083.60	7.31	1,867.57	4.86
Operating and Other Expenses	8,949.39	21.21	8,178.61	21.28
Interest and Finance Charges				
On Fixed Loans	0.00	0.00	0.00	0.00
On Other Accounts	372.00	0.88	360.48	0.94
Loss on Sale of Fixed Assets	-	-	18.98	0.05
Depreciation Amortization of Technical Knowhow	2,800.60	6.64	1,459.94	3.80
Total Expenditure	39,894.70	94.55	33,888.37	88.16
Profit Before Tax	2,300.36	5.45	4,550.52	11.84
Less				
Provision for Taxation	290.00	-	1,060.00	-
Provision for Wealth Tax	1.82	-	1.99	-
Deferred Tax	312.25	-	89.68	-
Profit/(Loss) After Tax	1,696.29	-	3,398.85	-

On a standalone basis the Company's manufacturing and projects' business performance in Fiscal 2015 (vis-a-vis Fiscal 2014) is summarized as follows

- Total income increased by Rs. 3756.17 Lakhs or 9.77 % to Rs. 42,195.06 Lakhs.
 - Net sales from manufacturing business at Rs. 35,609.12 Lakhs increased by 15.48% contributing 84.39% of Total Income.
 - Net sales from Project Business at Rs. 4,867.40 Lakhs increased by 6.21% contributing 11.54% of Total Income.
- Other Income contributed 4.07% of total income and decreased by 43.09% to Rs. 1,718.54 Lakhs primarily due to decrease in foreign exchange gains. Interest from banks on deposits Rs. 1,237.59 Lakhs decreased by 5.49%, due to utilization of funds for capital expenditure.
- Total expenditure at Rs. 39,894.70 Lakhs increased by 17.72%, due to increased volumes.
 - Consumption of raw material, stores, spare parts and components expenses at Rs. 24,689.12 Lakhs increased by 12.21%, due to increase in sales of manufactured goods. Expressed as a percentage of total income, raw material consumption increased to 58.51% due to increased volumes and product mix.
 - Purchases for Project Business at Rs. 3,083.60 Lakhs increased by 65.11% due to increased volume. Expressed as a percentage of total income, purchases for Project Business increased to 7.31%.
 - Operating and other expenses at Rs. 8,949.38 Lakhs increased by 9.42%. Expressed as a percentage of total income, operating and other expenses remained flat at 21.21%
 - Power and fuel expenses at Rs. 607.35 Lakhs decreased by 7.96%, to Rs. 607.35 Lakhs on account transition to Grid Power from Diesel generator.

Management Discussion and Analysis (contd.)

- Personnel expenses on account of salaries, wages and bonus at Rs. 3,365.94 Lakhs increased by 6.99%, basically due to increase in salaries of employees and wage settlement with workmen.
- Welfare expenses at Rs. 1,332.22 Lakhs increased by 32.96%, due to actuarial valuation of accrued leave.
- Repair expenses at Rs. 445.72 Lakhs increased by 63.19%, due to repair and maintenance of machines and other office equipment accounting.
- Selling Expenses at Rs. 603.19 Lakhs increased by 30.81%, on account of increased business volumes.
- Insurance expenses at Rs. 121.37 Lakhs increased by 14.06%, on account of increased business volumes, increase in fixed assets and product liability policies for export order.
- Consultancy & Professional charges at Rs. 413.36 Lakhs increased by 24.26% due to increased consultancy and professional services increased compliance requirements and accreditation charges.
- Royalty charges at Rs. 64.22 Lakhs increased by 305.69%, primarily due to sale of product under licensed agreement.
- Direction charges including other expenses at Rs. 289.29 Lakhs decreased by 30.76% due to retirement of whole-time directors.
- Manufacturing expenses at Rs. 144.25 Lakhs increased by 30.36%.
- Interest and finance charges at Rs. 372.00 Lakhs increased by 3.20% due to increase in the working capital utilization.
- Depreciation and amortization of technical know-how expense at Rs. 2,800.60 Lakhs increased by 91.83%, due to increased capitalization of fixed assets, additional depreciation charge due to change in the useful life of the asset in terms of the Companies Act, 2013 and amortization of technical know-how as per accounting policy of the Company.
- Earnings Before interest, tax, depreciation & amortization (EBITDA) lower by 14.10% at Rs. 5,472.94 Lakhs as compared to Rs. 6,370.93 Lakhs in the previous year due to lower realizations and increased costs.
- Profit after tax at Rs. 1,696.29 Lakhs decreased by Rs. 1,702.57 Lakhs or 50.09%.
- Capital expenditure including technology transfer Rs. 8,272,75 incurred primarily towards expanding our manufacturing facility for enhanced product range.
- Net working capital was comfortable at Rs. 18107.58 lakhs.
- Dividend declared was higher by 15% at Rs. 2.645 per share and the Dividend payout is 62.44% including dividend distribution tax.

Forward-Looking Statement

Statements in the Management Discussion and Analysis describing the Company's plans, estimates and projections may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results may materially differ from those expressed or implied in the report. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

Annexure to the Directors' Report (contd.)

ANNEXURE – 10

CORPORATE GOVERNANCE REPORT

Company's Philosophy

Your Company i.e. TD Power Systems Limited ("The Company")/ ("TDPS") is committed to ethical business practices and regulatory compliances and continues to practice good Corporate Governance. It is our constant endeavour to adhere to the highest standard of integrity and to safeguard the interest of all our stakeholders. We believe, we have complied with the requirements of corporate governance contained in the Listing Agreement, particularly those relating to composition of Board of Directors ("The Board"), constitution of Committees such as an Audit Committee, Shareholder Grievance Committee and Remuneration Committee.

I. Board of Directors and Procedures

The composition of the Board of Directors as on March 31, 2015 comprised of six Directors consisting of a Non- Executive Chairman, a Managing Director ("MD") and four Independent Directors including a Women Director. The positions of the Chairman of the Board and the Managing Director (Chief Executive Officer) of the Company are held by separate individuals. The Chairman of the Board is a Non-Executive Non-Independent Director and one of the Promoters.

A. Composition & Category of Directors, Attendance at Board Meetings & Annual General Meeting, Membership of other Boards/Committees as on March 31, 2015

Name	Category	Board meetings during the year	Board meetings attended	Attendance at AGM	Directorship in other companies		Chairmanship / Committee membership of other companies	
					Chairman	Director	Chairman	Director
Mr. Mohib N. Khericha	Non-Executive Chairman	4	4	Yes	-	5	4	7
Mr. Nikhil Kumar	Managing Director	4	4	Yes	-	-	-	-
Mr. Hitoshi Matsuo #	Director	4	3	Yes	-	-	-	-
Ms. Nandita Lakshmanan	Independent Director	4	3	Yes	-	-	-	-
Dr. Arjun Kalyanpur	Independent Director	4	1	No	-	-	-	-
Mr. Nitin Bagamane	Independent Director	4	4	Yes	-	3	1	2
Mr. Ravi Kanth Mantha	Independent Director	4	4	Yes	-	-	-	2

Note

- # Mr. Hitoshi Matsuo – Director, resigned as Director of the Company effective from closing of business hours on February 21, 2015.
- Excepting Mr. Mohib N. Khericha and Mr. Hitoshi Matsuo who hold 1,846,860 and 3,235,254 Equity Shares respectively, no other Non-Executive Directors holds shares of the Company.
- None of the Directors are related to each other.
- Number of Directorship held in other Companies includes all Companies, whether Listed or unlisted and excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 ("The Act")
- The necessary disclosures regarding change in Committee positions, if any, have been made by all the Directors, during the year under review. None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees across all Indian Companies.

Corporate Governance Report (contd.)

B. Independent Directors

1. Independent Director means a Non-Executive Director, who fulfils the criteria as laid down in Clause 49(II)(B)(1) of the Listing Agreement.
2. The limits on directorship of Independent Directors and Executive Directors are within the permissible limits.
3. The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013.
4. The Company has issued formal letter of appointment to its Independent Directors appointed at the Annual General Meeting (“AGM”) held on August 12, 2014, and the terms and conditions of said Letter are published on the website of the Company www.tdps.co.in.
5. The Independent Directors of the Company met on March 25, 2015 without the attendance of the Executive and Non-Executive Directors and members of the Management of the Company. In the said meetings the Independent Directors reviewed the matters stated in Clause 49 (II) (B) (6)-i.e. review the performance of non-Independent Directors and the Board as a whole. Review the performance of the Chairperson of the Company, assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
6. None of the Independent Directors are due for re-appointment.

C. Familiarisation Programme for Non Executive/ Independent Directors of the Company

In terms of Clause 49 of the Listing Agreement, the Company adopted a Familiarization Programme for its Non-Executive Directors including Independent Directors comprising two segments.

1. Familiarization upon induction of new Directors
 - Inductee shall be provided with a copy of all the applicable codes and policies formulated and adopted by the Company.
 - An orientation on the Company’s, products, markets, customers and functions shall be provided.
 - Introduction to & interaction with certain key members of the senior management of the Company.
 - A detailed briefing to the inductee on the roles and responsibilities as Director/Independent Director.
2. Annual Familiarization Programme

The Company shall on an annual basis brief its Directors inter alia about the Company’s business model, shareholder profile, financial details, their roles, rights and responsibilities in the Company. The Board shall also be periodically briefed on the various changes in the regulations governing the conduct of Independent Directors. The above familiarization- program is placed on our website www.tdps.co.in.

D. Remuneration of Directors

There have been substantial changes in the regulatory framework in view of the introduction of the Companies Act, 2013 (“The Act”) and revised Listing Agreement with the Stock Exchanges. In view of the above, during 2014-15, the Nomination & Remuneration Committee (NRC) of the Board has framed a policy on selection and appointment of Directors and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178 of the Companies Act, 2013. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company. Based on the recommendation of the NRC, the Board has approved the policy.

1. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

a. General

- The remuneration / compensation / commission etc. to the Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the provisions of the Act.

Corporate Governance Report (contd.)

- Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Financial Officer (“CFO”), the Company Secretary (“CS”) and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

- **Fixed Pay**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the NRC. The breakup of the pay scale and quantum of perquisites including, employer’s contribution to P.F, medical expenses etc. shall be decided and approved by the Board/ the person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- **Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- **Provisions for excess Remuneration**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

c. Remuneration to Non-Executive / Independent Director

- **Remuneration / Commission**

The remuneration / commission shall be as per the Companies Act, 2013.

- **Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that, the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- **Profit-linked Commission**

The profit-linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

- **Stock Options**

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

2. Non-Executive Directors’ Compensation

Non-Executive Directors are paid sitting fees for attending Board/Committee Meetings and no commission/ share of profit is payable to them. Details are provided in Annexure 1- the extract of the Annual Return, annexed to the Directors Report in Form MGT-9 as required under the provisions of Section 92 of the Companies Act, 2013.

Corporate Governance Report (contd.)

3. Executive Directors

The Company's Board comprises one executive director, namely, Mr. Nikhil Kumar, Managing Director. The remuneration of the Managing Director is governed by the agreement between the Company and Mr. Nikhil Kumar, which has been approved by the Board of Directors and the shareholders. The appointment is for a period of five years commencing from January 17, 2011 as provided in the service agreement with the Managing Director. The remuneration broadly comprises fixed component i.e. salary, allowances, perquisites and other benefits and a variable component in the form of commission on the profits of the Company.

Details of remuneration paid to the Managing Director for the Fiscal 2015 are provided in Annexure 1 of the extract of the Annual Return, annexed to the Directors Report in Form MGT-9 as required under the provisions of Section 92 of the Companies Act, 2013.

E. Board Meetings

During the financial year ended March 31, 2015, 4 (four) Board meetings were held on May 21, 2014, August 12, 2014, November 05, 2014 and February 11, 2015. The maximum interval between any two meetings was well within the maximum period of four months/one hundred and twenty days. The attendance of each of the Directors at the Board Meeting(s) is given in the table above.

F. Board Agenda

Agenda papers including draft minutes are circulated well in advance of Board meetings to the members. It contains vital and adequate information facilitating deliberations at the meeting. These are approved at the next meeting after incorporating changes, if any, which are affirmed by the chairperson.

The information forming part of the Board meeting includes

- Annual Business Plan which includes capital expenditure and manpower budget. The capital expenditure proposals sanctioned and actual amounts incurred are reported on a quarterly basis. Reasons for variance between the budget and actuals are also explained.
- Information on recruitment of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- Report on statutory compliance, show cause notices, penalties, suits filed by/against the company and shareholders grievances, etc.
- Quarterly financial results for the Company and for the group companies with analysis of performance.
- Minutes of the meetings of Board appointed committees.
- Significant labor problems and their proposed solutions, wage agreements etc.
- Safety issues - fatal or serious accidents in the plants, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Matters relating to related party transactions & statutory compliance.
- Minutes of meeting of the Board of Directors, financial statements, related party transactions and significant transactions relating to wholly owned subsidiaries.

II Board Committees

Pursuant to the provisions of the Companies Act, 2013 (the Act) and the Rules thereunder and Circular issued by the Securities & Exchange Board of India (SEBI), which is effective from 1st October, 2014, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee have been reconstituted at the Board Meeting held on August 12, 2014 and the terms of reference of each committee has been revised to meet the requirements of the Act and SEBI circular.

Corporate Governance Report (contd.)

A. Audit Committee

The Audit Committee (“Committee”) consists of four Independent Directors and a non-Independent Director. Mr. Nitin Bagamane, Independent Director is the chairman and Dr. Arjun Kalyanpur, Ms. Nandita Lakshmanan, (all Independent Directors) and Mr. Mohib N. Khericha are the other members of the Committee. Mr. Ravi Kanth Mantha, Independent director, was inducted on February 11, 2015 as a member of the Audit Committee. The constitution of the committee meets with the requirements of section 177 of the Companies Act, 2013.

All the current members of the Committee have relevant experience in financial matters and Mr. Mohib N. Khericha is a member of the Institute of Chartered Accountants of India (ICAI).

The Chairman of the Audit Committee Mr. Nitin Bagamane attended the 15th Annual General Meeting held on Tuesday, August 12, 2014.

The Audit Committee met four (4) times during the financial year ended March 31, 2015 on May 21, 2014, August 12, 2014, November 05, 2014 and February 11, 2015. Particulars of attendance by the members of the Committee during the year ended March 31, 2015 are as follows.

Date of meeting	Members present
May 21, 2014	Mr. Nitin Bagamane, Mr. Mohib N. Khericha, and Ms. Nandita Lakshmanan
August 12, 2014	Mr. Nitin Bagamane, Mr. Mohib N. Khericha, and Ms. Nandita Lakshmanan
November 05, 2014	Mr. Nitin Bagamane, Mr. Mohib N. Khericha, Ms. Nandita Lakshmanan and Dr. Arjun Kalyanpur
February 11, 2015	Mr. Nitin Bagamane, Mr. Mohib N. Khericha and Dr. Arjun Kalyanpur

The Company Secretary is the Secretary of the Audit Committee.

The Managing Director and the Chief Financial Officer attend the Audit committee meetings by invitation. The Statutory Auditors attended all four meetings as special invitees to provide comments and share concerns, if any, with the Audit committee.

The Committee reviews various aspects of internal controls and internal auditors’ reports on a regular basis.

The terms of reference of the Audit Committee are in terms of Section 177 of the Companies Act, 2013 and Rules thereunder and Clause 49 (III) (D) of the Listing Agreement including the following.

- Review of Management Discussion and Analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/ letters of internal control weaknesses issued by the statutory auditors, Internal Audit Reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the internal auditor.
- Review inter alia related party transactions and the financial statements, minutes of Board meeting and audit committee meetings of the Company’s unlisted Wholly Owned Subsidiaries (“WOS”) and all significant transactions and arrangements entered into by the said Subsidiary.

B. Nomination & Remuneration Committee

The Nomination and Remuneration Committee (“Committee”) consists of Dr. Arjun Kalyanpur as the Chairman and Ms. Nandita Lakshmanan and Mr. Mohib N. Khericha as members of the Committee.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference of the Nomination & Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and rules thereunder and Clause 49 of the Listing Agreement as may be applicable from time to time and includes the following.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.

Corporate Governance Report (contd.)

- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

During the financial year 2014-2015 there were no meeting of the Committee.

C. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee ("The Committee") consists of Mr. Mohib N. Khericha, Non-Executive Director - the Chairman, Dr. Arjun Kalyanpur and Ms. Nandita Lakshmanan - Independent Directors are the members of the committee.

The Company Secretary is the Compliance Officer of the Committee.

During the financial year ended March 31, 2015, no complaints have been received from the shareholders or pending resolution. The Committee has not met during financial year ended March 31, 2015.

D. Risk Management

A Risk Management Committee ("The Committee") comprising of Mr. Nitin Bagamane and Mr. Ravi Kanth Mantha, Independent Directors of the Company, Mr. Nikhil Kumar - Managing Director and Mr. K G Prabhakar, Director and CFO as members was constituted to assist the Board in identifying existential risks, reviewing mitigation and elimination plans for those risks.

The Company has identified potential risks and required mitigation measures. The risk management policy is being reviewed to enhance control mechanism for risk evaluation and mitigation and the risk management process.

III. Other Disclosures Recommended by SEBI

A. Subsidiaries

The Company has three Wholly Owned Subsidiaries (WOS) one Indian and two overseas as detailed below.

None of these subsidiaries are a 'material non-listed Indian subsidiary', whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the holding company and its subsidiaries, in the immediately preceding accounting year. The Company has formulated a policy on determining material subsidiaries which is available on our website www.tdps.co.in.

Indian Subsidiary

DF Power Systems Private Limited (DFPS) is a material non-Listed Indian Subsidiary. Mr. Nitin Bagamane and Mr. Ravi Kanth Mantha, Independent Directors of the Company have been appointed as Directors of DFPS.

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

- All minutes of Board meetings of DFPS are placed before the Company's Board meetings and taken on record.
- The Audit Committee of the Company reviews the financial statements of DFPS.
- A statement containing all significant transactions and arrangements entered into by DFPS is placed before the Company's Board.

Overseas Subsidiaries

USA Subsidiary

The USA Subsidiary - TD Power Systems (USA) Inc. (TDPS USA) was incorporated on February 20, 2013 as a Delaware Corporation and the principal place of business of the Company located at Richfield, Ohio, USA. Three Directors of the Company Mr. Mohib N. Khericha, Mr. Nikhil Kumar and Mr. Hitoshi Matsuo (resigned with effect from February 21, 2015) as Directors of TDPS USA.

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

Japan Subsidiary

The Japanese subsidiary - TD Power Systems Japan Limited (TDPS Japan) was incorporated on March 19, 2013 and principal place of business of the company located at Tokyo, Japan. Three Directors of the Company Mr. Mohib N. Khericha, Mr. Nikhil Kumar and Ms. Nandita Lakshmanan are Directors of (TDPS Japan). In addition

Corporate Governance Report (contd.)

Mr. T Hosoya was appointed as Director in place of Mr. Hitoshi Matsuo who has resigned with effect from June 20, 2014. The financial statements of TDPS Japan are reviewed by the Audit Committee and overall operational performance is reviewed by the board.

B. Disclosure regarding Appointment or Reappointment of a Director

At the ensuing Annual General Meeting of the Company Mr. Mohib N. Khericha retires by rotation and being eligible offers himself for reappointment. A brief profile of Mr. Mohib N. Khericha is given below.

Name	Mr. Mohib N. Khericha
Qualifications	B. Com. from Gujarat University. A fellow member of the Institute of Chartered Accountants of India.
Date of Appointment	February 22, 2000
Expertise in specific Functional areas	He has over 40 years of work experience in capital structuring, restructuring, financial management and loan syndication before venturing into merchant banking in the year 1994. He is on the board of various public limited and private limited companies as an Independent Director. Currently, he is the Managing Director of Chartered Capital and Investment Limited, a listed Company which is into Investment Banking Services.

Directorships held		
Sl. No.	Company	Designation
1.	M/s. Chartered Capital and Investment Limited	Managing Director
2.	M/s. Photoquip (India) Ltd.	Director
3.	M/s. Mazada Limited	Director
4.	M/s. Chartered Logistics Limited	Director
5.	M/s. Kirloskar Power Build Gears Limited	Director
6.	M/s. DF Power Systems Private Limited	Director
7.	M/s. Ravindu Motors Private Limited	Director
8.	M/s. Vijay Farms Private Limited	Director
9.	M/s. Saphire Finman Services Private Limited	Director
10.	M/s. Vijayjyothi Investments & Agencies Pvt. Ltd.	Director
11.	M/s. Sri Vijayadurga Investments & Agencies Pvt. Ltd.	Director
12.	M/s. Abhiman Trading Company Pvt. Ltd.	Director
13.	M/s. Vijay Kirti Investments & Agencies Pvt. Ltd.	Director
14.	M/s. Vimraj Investments Pvt. Ltd.	Director
15.	M/s. TD Power Systems (USA) Inc.	Director
16.	M/s. TD Power Systems Japan Limited	Director
17.	M/s. Laburnum Chemicals Pvt. Ltd.	Director

C. Postal Ballot

No special resolution was passed during the last year that required approval through postal ballot. Similarly, there is no proposal to pass any Special Resolution through postal ballot for the ensuing AGM.

Corporate Governance Report (contd.)

IV. General Body Meetings

Details of last 3 Annual General Meetings and summary of Special Resolutions passed therein

Financial Year Ended	Date & Time	Venue	Special Resolutions passed
March 31, 2012	July 12, 2012 10.30 AM	The Capitol, Raj Bhavan Road, Bangalore -560 001	Vary and or revise (amount or schedule of deployment) the utilization of the proceeds from the Initial Public Offering ('IPO') of Equity Shares made in pursuance of the said Prospectus and or to utilize the proceeds from the IPO including but not limited to allocation intended for certain purposes into objects otherwise than stated in the Prospectus, as the case may be.
March 31, 2013	September 20, 2013 11.00 AM	The Chancery Pavilion, 135, Residency Road, Bangalore - 560 025	Nil
March 31, 2014	August 12, 2014 10.30 AM	The Chancery Pavilion, 135, Residency Road, Bangalore - 560 025	Increase the FII Limits. Borrowing Powers to the Board of Directors

V. Disclosure

1. Related Party Transactions

During the year 2014-15, no materially significant related party transactions have been entered into by the Company with the Promoters, Directors or Management or their relatives that may have a potential conflict with the interest of the Company. Details of all related party transactions for the year ended March 31, 2015 are disclosed in the Notes to the Accounts in the Annual Report as required under Accounting Standard (AS) -18 issued by the Institute of Chartered Accountants of India.

2. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company has complied with the requirements of the Listing Agreements of the Stock Exchanges as well as regulations and guidelines of SEBI and other Statutory Authority on all matters relating to capital markets. There have been no instances of any penalties or strictures imposed on the Company on any matter relating to the capital market, either by Stock Exchanges, SEBI or any statutory authority during the last three years.

3. Code of Conduct

The Company has in place a comprehensive Code of Conduct ("the Code") applicable to all the employees and Non-executive Directors including Independent Directors. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been placed on the Company's website (www.tdps.co.in). The Code has been circulated to Directors and Management Personnel and its compliance is affirmed by them annually. A declaration signed by the Managing Director forms part of this Report.

4. CEO / CFO Certification

The Managing Director and Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under the Listing Agreement, for the year ended March 31, 2015. The said certificate forms part of this report.

5. Accounting treatment in preparation of Financial Statements

The guidelines / Accounting Standards (AS) laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material respects.

6. Code for prevention of Insider Trading/Fair Disclosure

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), the Company has adopted a Code for Prevention of Insider Trading. The objective of the code is to restrict an insider from dealing in the shares of the Company either directly or indirectly when in possession of unpublished price sensitive information

Corporate Governance Report (contd.)

(UPSI) and also to restrict communication of such UPSI. The code is applicable to the directors and designated employees / persons associated with the company. The code enumerates the procedure to be followed for dealing in the shares of the Company and periodic disclosures to be made. It also restricts the insiders from dealing in the company's shares during the period when the 'Trading Window' is announced closed. The Company Secretary has been designated as the Compliance Officer.

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

VI Means of Communication

Quarterly/half yearly/Yearly Results

Pursuant to provisions of the Listing Agreements, periodical financial results of the Company are being published in widely circulated English newspaper (Business Standard - All India editions) and vernacular Kannada newspaper (Kannada Prabha - Bangalore edition).

Financial results, duly approved by the Board, are forwarded to the Stock Exchanges (BSE & NSE) and also displayed on Company's Website www.tdps.co.in. Along with the financial results, other information as per the Listing Agreement such as Annual Report, Shareholding Pattern, and official news/press releases are filed with BSE on <http://listing.bseindia.com> and with NSE through <https://www.connect2nse.com/LISTING/> (NSE Electronic Application Processing System (NEAPS) and also on companies website www.tdps.co.in. The Company conducts earnings calls after the board meeting to discuss financial results of the Company for the quarter, half year and year ended.

VII. General Shareholder Information

The Company has complied with Clause 49 (I) (A) (1), (2) & (3) of the Listing Agreement as applicable for protecting and facilitating the exercise of shareholders' rights.

A. Sixteenth Annual General Meeting is scheduled to be held

Date & Time: Wednesday, September 23, 2015 at 10.30 AM

Venue

Hotel Le Meridien
28 Sankey Road, P B No. 174
Opposite to Bangalore Golf Club
Bangalore 560 052
India

B. Financial Year

A twelve-month period starting from April 1, 2014 to March 31, 2015.

C. Date of Book closure

The Companies Register of Members and Share Transfer Book's will remain closed from September 17, 2015 to September 23, 2015 (both days inclusive) for the purpose of Annual General Meeting.

D. Dividend Payment Date

The dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid within the statutory period of 30 days, to those shareholders whose names appear on the Company's Register of Members as on September 16, 2015.

E. Listing on Stock Exchanges

The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)

BSE Ltd.	533553
National Stock Exchange of India Limited	TDPOWERSYS
ISIN No.	INE419M01019

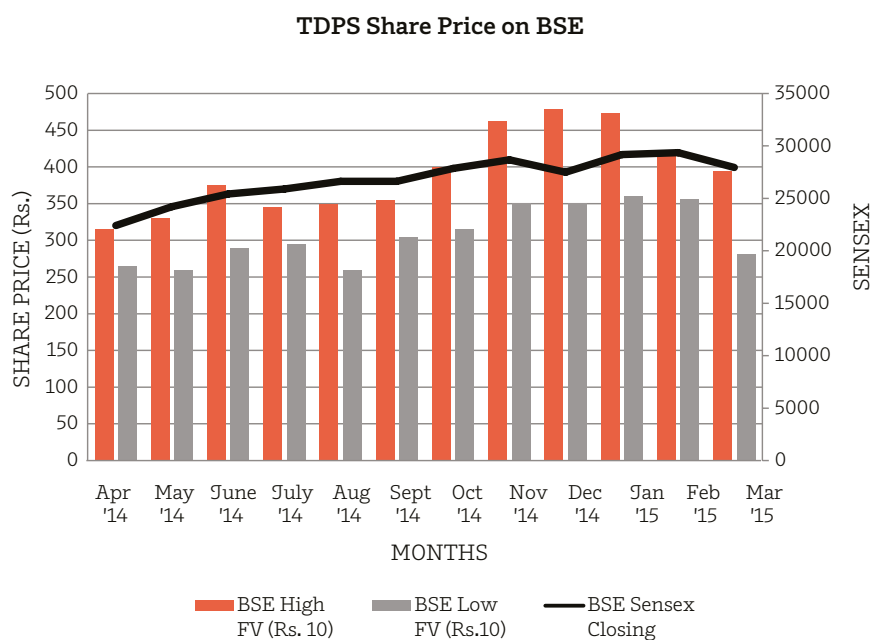
Corporate Governance Report (contd.)

F. Market Price Data: High, Low, close, volume during each month in last financial year

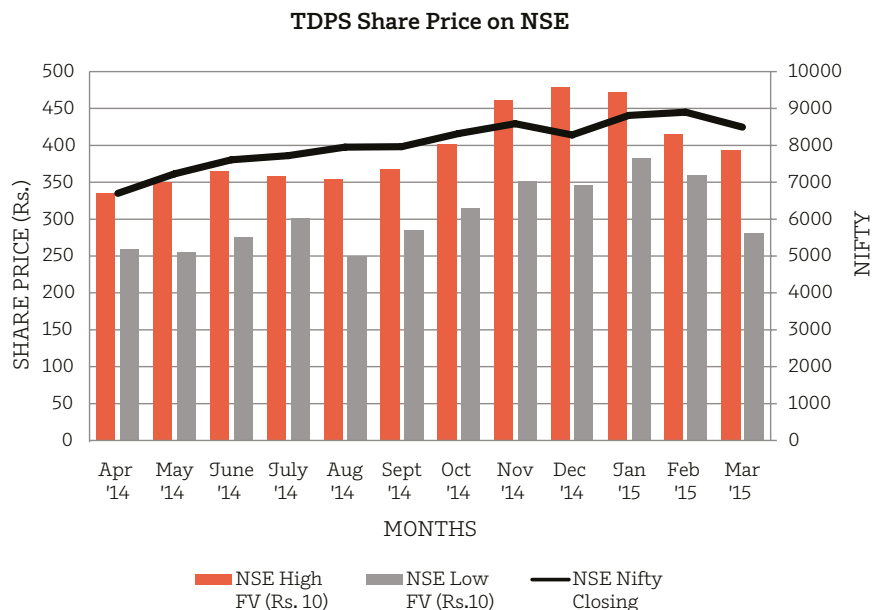
A summary containing monthly high/low/close and total volume of share prices at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) is as under

Months	On BSE				On NSE			
	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Rs.)
Apr-14	316	265.6	275.1	15656	335.95	259.95	269.65	75797
May-14	330	259.95	313	110267	350	256	310	118747
Jun-14	375	290	323.05	137751	364.95	275.25	319.85	70427
Jul-14	345	295	322.2	10667	358	302.1	327.55	55172
Aug-14	350	259	334.9	15944	354.9	249.75	329	103604
Sep-14	355	305	335.05	128430	368	286	334.95	166589
Oct-14	400.05	315	349.25	2921438	401.6	315.2	347.85	949305
Nov-14	463	350.2	432.1	982240	461.95	352	431.45	1242511
Dec-14	478.8	351	451.95	88091	479	345.95	450.75	298650
Jan-15	472.85	360	381.8	4665631	472.05	380.1	383.5	1390807
Feb-15	416	356.2	365.6	126422	415.8	360.2	368.4	476927
Mar-15	395	281.7	359.4	284940	394.3	281.05	359.2	756370

G. Performance in comparison to broad-based indices such as NSE Nifty & BSE Sensex



Corporate Governance Report (contd.)



H. Registrar and Transfer Agents (RTA)

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound
 L. B. S. Marg, Bhandup (West)
 Mumbai - 400 078
 Telephone No. 022- 25963838

I. Share Transfer System

The Company has appointed Link Intime India Private Limited, as Registrars and Share Transfer Agents. Share transfers in physical form, if any, are registered on a weekly basis and returned within a period of fifteen days provided all the documents are valid and complete in all respects. The authority to approve the share transfer/transmission lies with the Board through the Share Allotment, Transfers and Investor Grievance Committee of Directors. However, no share transfers have been received during the period.

J. Shareholding pattern as on March 31, 2015

Shareholding Pattern as on March 31, 2015			
Sl. No.	Category	Number of Shares	% of Holding
(A)	Promoters & Promoters Group		
1	Promoters		
	Individual (Indian Nationals)	6485524	19.52
	Individual (Foreign National)	3235254	9.73
	Body Corporate	5026433	15.12
2	Promoters Group	3218352	9.68
	Total (A1 + A2)	17965563	54.05
(B)	Public Shareholdings		
1	Mutual Funds	7265857	21.86
2	Foreign Institutional Investors	3942060	11.86
3	Bodies Corporate	1607183	4.84
4	Individuals	1362656	4.10
5	Others	1094269	3.29
	Total B	15272025	45.95
	Grand Total (A + B)	33237588	100.00

Corporate Governance Report (contd.)

K. Distribution of shareholding as on March 31, 2015

Shareholding of Nominal Shares	Shareholders	% to Total Shareholders	Total Shares	% of Paid up Capital
1 to 500	2755	87.18	261941	0.79
501 to 1000	168	5.32	133760	0.40
1001 to 2000	84	2.66	129543	0.39
2001 to 3000	33	1.04	83283	0.25
3001 to 4000	11	0.35	40069	0.12
4001 to 5000	12	0.38	57168	0.17
5001 to 10000	23	0.73	189280	0.57
Above 10000	74	2.34	32342544	97.31
Total	3160	100.00	33237588	100.00

Note: The above statement of distribution of shareholding as on 31.3.2015 is as provided by the Registrar & Share Transfer Agent, Link Intime India Private Limited.

L. Dematerialisation of Shares and Liquidity as on March 31, 2015

Description	No. of Holders	No. of Shares	% of Equity
Physical	2	876,272	2.64
NSDL	1,934	29,816,613	89.71
CDSL	1,224	2,544,703	7.65
Total	3160	33,237,588	100.00

M. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity
No outstanding GDRs/ADRs/Warrants or any Convertible instruments**N. Registered Office & Plant Location**

27, 28 & 29 KIADB Industrial Area, Dabaspet
Nelamangala Taluk, Bangalore, Karnataka - 562 111
Ph.: + 091-080-22995700
Fax: 091-080-22995718

O. Compliance Officer

N. Srivatsa
Company Secretary & Compliance Officer

P. Address for correspondence

Shareholders/Beneficial owners are requested to correspond with the Company's RTA (Registrar & Share Transfer Agent) with respect to any query, request, information or clarification pertaining to shares and are further advised to quote their folio number, DP & Client ID number as the case may be, in all correspondence with it. In addition to the RTA, the shareholders may correspond at the following addresses.

Registered Office & Plant	City Office
TD POWER SYSTEMS LIMITED # 27, 28 & 29 KIADB Industrial Area Dabaspet, Nelamangala Taluk Bangalore, Karnataka - 562 111 Ph.: + 091-080-2299 5700 Fax: 091-080-2299 5718	TD POWER SYSTEMS LIMITED RMJ Mandoth Towers 3rd Floor, #37, 7th Cross, Vasanthnagar Bangalore – 560 052 Ph.: +091-080-2201 7800 Fax: 091-080-2201 7850

Corporate Governance Report (contd.)

Q. Information through Company's Website

Information pertaining to financial performance, Shareholding pattern, compliance with Corporate Governance and announcements are being uploaded and can be viewed by the general public on www.tdps.co.in

VIII. Other Disclosure

A. Management Discussion and Analysis Report

The Management Discussion and Analysis report forms part of Directors' Report as **Annexure-9**

B. Whistle Blower Policy / Vigil Mechanism

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

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

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

This Whistle Blower Policy & Vigil Mechanism ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors/ Employees of the Company to approach the Chairperson of the Audit Committee of the Company or Chairman of the Company and Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed is implemented through this Whistle Blower Policy to provide for adequate safeguards to the whistle blowers against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, and Section 177 of the Companies Act, 2013.

The above policy is available on our website www.tdps.co.in.

C. Board Evaluation

The evaluation of the directors and the Board as a whole was conducted based on the criteria and framework formulated by the Nomination and Remuneration Committee.

The Nomination & Remuneration Committee (NRC) has prepared a process for evaluation of directors. The evaluation process broadly consists of peer reviews and self-evaluation.

An independent directors' meeting was held to review the following

- Review the performance of non-independent directors and the Board as a whole.
- Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

D. Board Diversity

The Company recognises the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company.

The Company maintains that Board appointment should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

The Nomination and Remuneration Committee (the "Committee") is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

Corporate Governance Report (contd.)

The Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive Directors with at least one Woman Director and the composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Listing Agreement and the statutory, regulatory obligations of the Company. The Board Diversity Policy is available on our website www.tdps.co.in

E. E-Voting

In compliance of the Companies Act, 2013 and Clause 35B of the Listing Agreement the Company provides e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meeting. The procedure / instructions for e-voting are included in the Notice of the ensuing Annual General Meeting of the Company.

F. Non-Mandatory Requirements

The company has complied with applicable non-mandatory requirements recommended under Clause 49 of the Listing Agreement as follows

- Separate posts of Chairman and CEO - The Chairman and Managing Director/ CEO are two separate persons.
- Reporting of Internal Auditor - The Internal Auditor reports directly to the Audit Committee.
- Audit Qualifications - The Company has unqualified financial statements during the financial year 2014-15.

G. Compliance

The certificate from Mr. Sudhir V. Hulyalkar, Practicing Company Secretary, Bangalore, confirming compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is attached

Certificate on Corporate Governance

To
The Members
TD Power Systems Limited
Bangalore

I have examined the compliance of conditions of corporate governance by TD Power Systems Limited (the Company) for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with all the mandatory conditions of Corporate Governance as stipulated in the Listing Agreement.

I state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee (reconstituted pursuant to Section 178 of the Companies Act, 2013 as Stakeholders Relationship Committee).

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Bangalore
May 20, 2015

Sudhir V. Hulyalkar
Company Secretary in Practice
Place: Bangalore
FCS No.: 6040, CP No.: 6137

Corporate Governance Report (contd.)

Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certificate as per Clause 49 of the Listing Agreement

The Board of Directors
TD Power Systems Limited
Bangalore 562 111

This is to certify that

- a. We have reviewed Financial statements and the Cash Flow statement for the year ended 31st March 2015 and that to the best of our knowledge and belief.
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee.
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Bangalore
May 20, 2015

Nikhil Kumar
Managing Director

K. G. Prabhakar
Chief Financial Officer

Declaration pursuant to Clause 49 of the Listing Agreement regarding adherence to the Code of Business Conduct and Ethics

To
The Shareholders of
TD Power Systems Limited
Bangalore

On the basis of the written declarations received from members of the board and senior management personnel in terms of the relevant provisions of Clause 49 of the Listing Agreement, it is hereby certified that, for the year ended March 31, 2015, both the members of the board and the senior management personnel of the company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company, as laid down by the board.

Bangalore
May 20, 2015

Nikhil Kumar
Managing Director

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TD POWER SYSTEMS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TD Power Systems Limited ("The Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at Japan.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of Japan branch included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs. 30,34,52,773/- as at 31st March, 2015 and total revenues of Rs. 158,652,579/- for the year ended on that date, as considered in the standalone financial statements. The financial statements of the branch has

Independent Auditors' Report (contd.)

been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Sub-Section(11) of Section 143 of the Act, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the Section 143(3) of the Act, we report that
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c. The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. On the basis of the written representations received from the directors as on March 31, 2015 taken on the record by the Board of Directors, none of the directors is disqualified as on that date from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to other matters to be included in the Auditors report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company does not have any pending litigations which would impact its financial position; - Refer Note 37(a) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 37(b) to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. – Refer Note 37(c) to the financial statements.

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

Bangalore
May 20, 2015

R. SATYANARAYANA MURTHI
Partner
Membership No. 024248

ANNEXURE TO AUDITORS' REPORT

(As referred to in paragraph 1 of Report on other legal and regulatory requirements of our report to the members of TD Power Systems Limited)

1. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed asset.
b. The management during the year has physically verified all the fixed assets. We have been informed by the management that no material discrepancies were observed and the programme of such verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets.
2. a. Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material.
3. The Company has not granted any loans from the companies covered in the register maintained under Section 189 of the Act, hence clause 3(iii) of the Order is not applicable.
4. 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, for the purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, no continuing failure to correct major weakness in the internal controls has been noticed.
5. The Company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provisions of the Act and Rules framed under. Accordingly, the provisions of clause 3(v) of the said Order are not applicable.
6. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of Sub-Section (1) of Section 148 of the Act for the products of the company. Accordingly, the provisions of clause 3(vi) of the said Order are not applicable.
7. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues applicable to it with the appropriate authorities. In terms of its books of account, no undisputed statutory dues payable in respect of provident fund, employees' state insurance, income tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other undisputed statutory dues were outstanding, as at March 31, 2015 for a period of more than six months from the date they became payable. According to the records of the Company and according to the information and explanations given to us, there were no dues outstanding on account of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess on account of dispute.

As per the records maintained by the Company, there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.

8. There are no accumulated losses of the Company at March 31, 2015. The Company has not incurred any cash losses in the current year as well as in immediately preceding financial year.
9. The Company has not taken any loans from financial institutions, banks or issued debentures, hence provisions of clause 3(ix) of the Order is not applicable.
10. In our opinion, the Company had not given any guarantees for loans taken by other companies, hence provisions of Clause 3(x) of the Order is not applicable.

Annexure to Auditors' Report (contd.)

11. No term loans were availed by the Company during the year and accordingly the provisions of clause 3(xi) of the said Order are not applicable.
12. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no frauds on or by the Company during the year has been noticed or reported.

Bangalore
May 20, 2015

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

R. SATYANARAYANA MURTHI
Partner
Membership No. 024248

INTENTIONALLY LEFT BANK

BALANCE SHEET AS AT MARCH 31, 2015

	Note	Rs.	As at 31.03.2015 Rs.	Rs.	As at 31.03.2014 Rs.
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	332,375,880		332,375,880	
Reserves and Surplus	3	4,580,437,526		4,531,947,827	
			4,912,813,406		4,864,323,707
Non-current liabilities					
Deferred tax liabilities (Net)	4	181,435,125		150,210,029	
Long term provisions	5	28,377,600		21,157,850	
			209,812,725		171,367,879
Current Liabilities					
Short term borrowings	6	573,513,883		597,961,754	
Trade payables	7	1,116,787,385		937,039,752	
Other current liabilities	8	753,355,060		780,815,815	
Short term provisions	9	130,932,801		109,289,633	
			2,574,589,129		2,425,106,954
Total			7,697,215,260		7,460,798,540
ASSETS					
Non-current assets					
Fixed Assets					
Tangible assets	10	2,644,889,874		2,162,982,152	
Intangible assets	10	49,262,289		-	
Capital work in progress	11	95,754		540,173,604	
		2,694,247,917		2,703,155,756	
Non-current investments	12	264,547,495		264,547,495	
Long term loans and advances	13	353,072,489		413,451,395	
			3,311,867,901		3,381,154,646
Current Assets					
Inventories	14	760,208,744		862,973,640	
Trade receivables	15	1,140,920,145		1,319,993,591	
Cash and Bank Balance	16	1,920,809,307		1,404,647,118	
Short term loans and advances	17	563,409,163		492,029,545	
			4,385,347,359		4,079,643,894
Total			7,697,215,260		7,460,798,540
Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of the Balance Sheet	1-37				

In Accordance with our Report attached

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

R. Satyanarayana Murthi
Partner - M. No. 024248

Bangalore
May 20, 2015

For and on behalf of Board of Directors

Mohib N. Khericha
Chairman

Nikhil Kumar
Managing Director

K. G. Prabhakar
Director & Chief Financial Officer

N. Srivatsa
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	Rs.	Year Ended 31.03.2015 Rs.	Rs.	Year Ended 31.03.2014 Rs.
INCOME					
Revenue from Operations	19		4,047,651,365		3,541,891,061
Other Income	20		171,854,404		301,997,523
Total Revenue			4,219,505,769		3,843,888,584
EXPENSES					
Cost of materials consumed	21	2,352,253,129		2,437,422,678	
Purchases for Project Business		308,359,626		186,757,188	
Changes in inventories of finished goods, work in progress and stock in trade	22	116,659,014		(237,144,003)	
			2,777,271,769		2,387,035,863
Employee benefits expense	23		490,783,397		448,653,090
Finance costs	24		37,199,505		36,048,401
Depreciation and amortization expense	25		280,060,268		145,993,822
Other expenses	26		404,155,332		371,106,014
Total Expenses			3,989,470,271		3,388,837,190
Profit before tax			230,035,498		455,051,394
Tax expense					
Current tax (MAT)		49,181,777		106,198,588	
Less: MAT Credit Entitlement		20,000,000		-	
Net Current Tax		29,181,777		106,198,588	
Deferred tax		31,225,096		8,967,721	
			60,406,873		115,166,309
Profit/(Loss) for the Year			169,628,625		339,885,085
Earning per equity share Basic & Diluted	28		5.10		10.23
Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of the Statement of Profit & Loss	1-37				

In Accordance with our Report attached

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

R. Satyanarayana Murthi
Partner - M. No. 024248

Bangalore
May 20, 2015

For and on behalf of Board of Directors

Mohib N. Khericha
Chairman

Nikhil Kumar
Managing Director

K. G. Prabhakar
Director & Chief Financial Officer

N. Srivatsa
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	Rs.	Current Year Rs.	Rs.	Previous Year Rs.
A Cash flow from operating activities				
Net Profit before tax and extraordinary items		230,035,498		455,051,394
Adjustments for				
Depreciation	267,744,692		145,993,821	
Amortisation	12,315,576		-	
(Profit) / Loss on sale of Fixed Asset	(469,677)		1,897,581	
Dividend Income	(6,000)		(18,005,994)	
Interest Income	(123,758,740)		(130,942,432)	
Interest Payments	37,199,505		36,048,401	
Provision no longer required	(35,717,451)		-	
Provision for Warranty Claims	(1,075,010)		(4,558,664)	
Provision for Gratuity & Leave Encashment	23,393,455	179,626,350	12,510,784	42,943,497
Operating profit before Working Capital Changes		409,661,848		497,994,891
Adjustments for				
Trade Receivables	179,073,446		(30,745,520)	
Other Receivables	(105,929,961)		(136,544,448)	
Inventories	102,764,896		(332,512,717)	
Trade Payables	152,286,878	328,195,259	55,679,902	(444,122,783)
Cash generated from Operations		737,857,107		53,872,108
Direct Taxes Paid	42,090,950	42,090,950	76,707,175	76,707,175
Net Cash Flow from Operating Activities		695,766,157		(22,835,067)
B Cash flow from Investing Activities				
Purchase of Fixed Assets	(225,619,156)		(706,220,318)	
Purchase of Investments	-		(54,858,000)	
Sale of Fixed Asset / Purchase of Investments	10,478,331		7,680,759	
Dividend Received	6,000		18,005,994	
Interest Received	123,758,740		130,942,432	
Net Cash used in investing activities		(91,376,085)		(604,449,133)
C Cash flow from financing activities				
Refund on Income Tax	62,858,020		-	
Unsecured Loans & Deposits	-		(186,028)	
Working Capital borrowings	(24,447,871)		328,029,354	
Interest Paid	(37,199,505)		(36,048,401)	
Dividend and Tax on Dividend paid	(89,438,527)		(74,694,500)	
Net Cash flow from financing activities		(88,227,883)		217,100,425
Net increase/decrease in cash and cash equivalents		516,162,189		(410,183,775)
Cash and cash equivalents at the beginning		1,404,647,118		1,814,830,893
Cash and cash equivalents at close		1,920,809,307		1,404,647,118
Actual Closing Cash Balance		1,920,809,307		1,404,647,118
Cash and cash equivalents at Close		1,920,809,307		1,404,647,118

Note

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

In Accordance with our Report attached

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

R. Satyanarayana Murthi
Partner - M. No. 024248

Bangalore
May 20, 2015

For and on behalf of Board of Directors

Mohib N. Khericha
Chairman

Nikhil Kumar
Managing Director

K. G. Prabhakar
Director & Chief Financial Officer

N. Srivatsa
Company Secretary

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2015

1 Significant Accounting Policies

Consequent to a Special Resolution of the Members, passed at the Company's Extra Ordinary General Meeting held on 17th January 2011, the Company is converted to a Public Limited Company by altering its Articles of Association in terms of Section 31 read with Section 44 of the Companies Act, 1956 and a fresh Certificate of Incorporation dated 04th February 2011 is issued by the Registrar of Companies, Karnataka.

The Company has subscribed to a Wholly Owned Subsidiary in United States of America under the name M/s. TD Power Systems (USA) Inc. incorporated as Delaware Corporation on 20th February 2013 located at Ohio. The Company has subscribed to 80,100 share of USD 10/- each and the same is shown as trade investments.

The Company has incorporated a Wholly Owned Subsidiary in Japan under the name M/s TD Power Systems Japan Limited on 19th March 2013 in Tokyo. The Company has subscribed to 2,000 shares of JPY 10,000/- each and the same is shown as trade investments.

1.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared under historical cost convention method, in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India and the provisions of the Companies Act, 2013. 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, disclosures of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period.

1.2 Fixed Assets

Fixed assets are stated at cost of acquisition excluding vatable duties, inclusive of freight, taxes and incidental expenses relating to the acquisition and finance cost on borrowings utilized for acquisition of qualifying assets less depreciation/impairment.

1.3 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Raw materials and bought out items are valued on first in first out basis as per Accounting Standard - 2 and includes material cost, carriage inward, insurance and purchase related expenses. Cost in respect of work in progress and finished goods are based on works cost.

1.4 Depreciation

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for Accounting period commencing after 1 April 2014, the Company has re-worked Depreciation with reference to the estimated useful lives of the fixed assets prescribed by Schedule II to the Act or actual useful life of Asset, whichever is lower. In case of any Asset whose life has completed as above, the carrying value, as at 01st April 2014 has been adjusted to the Retained Earnings to the tune of Rs. 1.52 Crores and in other cases the carrying value has been depreciated over the remaining of the revised life of the Assets and recognised in the statement of Profit and Loss. As a result the change for depreciation is higher by Rs. 7.63 Crores for the year ended 31st March, 2015

1.5 Revenue Recognition

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

Sale of goods in case of project business is recognised on shipment to customers.

Erection and commissioning income is recognised as and when the services are performed/completed.

Interest income is recognised based on time proportion basis.

Dividend income is recognised when the right to receive the dividend is established.

1.6 Foreign currency transactions

a. Foreign currency transactions are translated into Indian rupees at the exchange rate prevailing on the date of the transaction.

b. Monetary foreign currency assets and liabilities outstanding at the end of the year are restated at the exchange rates prevailing on the reporting date. All exchange differences are accounted for in the Statement of Profit and Loss.

c. Non monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

d. In respect of overseas branches, which are integral foreign operations, financial statements are translated as if the transactions are those of the Company itself.

1.7 Taxes on Income

Provision for tax is made in terms of Accounting Standard 22 for both current and deferred tax. Provision for current

Summary of Accounting Policies and Other Explanatory Information (contd.)

income tax if arises is made at the current tax rates based on assessable income. Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961, is recognised as current tax in the statement of Profit & Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the period for which MAT Credit can be carried forward for set-off against the normal tax liability. MAT Credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.8 Borrowing Cost

Interest and other borrowing cost on 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 Statement of Profit & Loss.

1.9 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.

1.10 Employees Benefits

Long Term Employee Benefits

a. Defined Contribution Plans

The Company has contributed to provident fund, which is defined contribution plan. The contribution paid/payable under the scheme is recognised during the year in which an employee renders the related service.

b. Defined Benefit Plans

Employees gratuity and leave encashment are defined benefit plans. The present value of the obligations under such plan is determined based on actuarial valuation using the Projected Unit Credit Method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognised immediately in the Statement of Profit & Loss as income or expense. Obligation is measured at present value of estimated future cash flows using a discounted rate that is determined by reference to market yields available on government bonds at the Balance Sheet date with the term that matches to the liabilities.

1.11 Impairment of Assets

At each balance sheet date, the management reviews the carrying amount of its assets to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Reversal of impairment loss, if any, is recognised immediately in the Statement of Profit and Loss.

1.12 Accounting for Lease

i. Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

ii. Finance Lease and Hire purchase transactions

Lease rentals are charged to Statement of Profit and Loss over the period of Lease. Depreciation is provided on the primary period of the lease.

1.13 Amortisation of Technical Know-how Fee / Licence Fee.

Technical Know-how Fees will be amortised over a period of 60 months.

1.14 Investment

Non-current investments are stated at cost. Provision for diminution if any, in the value of investments is made, to recognise a decline, other than temporary. Current investments are valued at lower of cost or market value.

Summary of Accounting Policies and Other Explanatory Information (contd.)

1.15 Research & Development

Expenditure on Research & Development activity undertaken is charged to the Statement of Profit & Loss as and when incurred during the year, to their natural head of accounts. The expenditure incurred includes cost of materials, salaries & wages and other revenue expenditure.

Capital Expenditure is categorised and disclosed separately as Research & Development, Fixed Asset and depreciation is charged as prescribed under Companies Act, 2013 discussed in para 1.4 above.

Notes on Financial Statement for the year ended March 31, 2015

2. SHARE CAPITAL

Authorized

Equity shares of Rs.10/- each

	As at 31.03.2015		As at 31.03.2014	
	Number	Rs.	Number	Rs.
Equity shares of Rs.10/- each	35,000,000	350,000,000	35,000,000	350,000,000
		<u>350,000,000</u>		<u>350,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of Rs.10/- each - fully paid up				
At the beginning of the year	33,237,588	332,375,880	33,237,588	332,375,880
Issued during the year	-	-	-	-
At the close of the year	33,237,588	332,375,880	33,237,588	332,375,880

Other Information

I The Company has only one class of equity shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

For the period ended 31 March 2015 (31 March 2014, Rs. 2.30), a dividend per share of Rs. 2.645 has been provided for payment to shareholders subject to approval at the Annual General Meeting of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

II Equity shares include

- Shares allotted pursuant to a contract without consideration being received in cash.
Issued to the shareholder of subsidiary company, DF Power Systems Private Limited, in exchange of 1,700,000 fully paid up equity shares of Rs. 10/- each on 19th October 2010.
- Shares allotted by way of bonus shares.
On Capitalisation out of Reserves to an extent of 16,246,934 Equity Shares of Rs. 10/- each on 11th January 2011.

III Particulars of equity share holders holding more than 5% of the total paid-up equity share capital

	As at 31.03.2015		As at 31.03.2014	
	Percentage	No. of shares	Percentage	No. of shares
Saphire Finman Services Private Limited	15.12%	5,026,433	18.13%	6,026,433
Nikhil Kumar	13.96%	4,638,664	15.46%	5,138,664
Hitoshi Matsuo	9.73%	3,235,254	12.74%	4,235,254
Sofia M. Khericha	6.27%	2,084,100	6.27%	2,084,100
Mohib N. Khericha	5.56%	1,846,860	5.56%	1,846,860

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
3. RESERVES AND SURPLUS		
Securities Premium		
As at the beginning of the year	2,207,588,239	2,207,588,239
As at the end of the year (A)	2,207,588,239	2,207,588,239
General Reserve		
As at the beginning of the year	261,601,186	226,715,906
Add		
Transferred from Statement of Profit and Loss	20,085,372	34,885,280
As at the end of the year (B)	281,686,558	261,601,186
Surplus i.e. balance in Statement of Profit & Loss		
As at the beginning of the year	2,062,758,402	1,847,197,126
Add		
Transferred from Statement of Profit and Loss	169,628,625	339,885,083
Less		
Depreciation on Opening Balance	15,225,523	-
Transferred to General Reserve	20,085,372	34,885,280
Proposed dividend	87,913,420	76,446,452
Provision towards dividend distribution tax	17,999,983	12,992,075
As at the end of the year (C)	2,091,162,729	2,062,758,402
Total (A to C)	4,580,437,526	4,531,947,827
4. DEFERRED TAX LIABILITY		
Deferred tax liability		
On account of depreciation on fixed assets	192,754,645	158,463,586
Deferred tax asset		
On account of timing differences in recognition of expenditure	11,319,520	8,253,557
Net Deferred tax liability/(asset)	181,435,125	150,210,029
5. LONG TERM PROVISIONS		
Provisions for employee benefits - Leave Encashment	28,377,600	21,157,850
Total	28,377,600	21,157,850
6. SHORT TERM BORROWINGS		
Secured Loans		
Loans repayable on demand - from banks	573,513,883	597,961,754
Total	573,513,883	597,961,754

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Short Term Borrowings (contd.)		
Additional Information		
Details of security for secured loans		
Balance of Working Capital Loan from M/s. Bank of Baroda as on 31st March – Secured by Hypothecation of Raw Materials, Goods-in-process, Finished Goods and Book Debts and a charge on Fixed assets of the Company.	573,513,883	597,961,754
Loans repayable on demand		
Terms of repayment of secured loans - from banks	573,513,883	597,961,754
Interest at 2% over base rate (floating)		
7. TRADE PAYABLES		
To Micro, Small and Medium Enterprises	8,058,479	30,281,723
Others	1,108,728,906	906,758,029
Total	1,116,787,385	937,039,752
Additional Information		
The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under		
1. Principal amount due and remaining unpaid	8,058,479	30,281,723
2. Interest due on (1) above and the unpaid interest	-	665,041
3. Interest paid on all delayed payments under the MSMED Act	-	-
4. Payment made beyond the appointed day during the year	72,096,756	66,548,293
5. Interest due and payable for the period of delay other than (3) above	3,590,341	2,738,368
6. Interest accrued and remaining unpaid	3,590,341	3,403,409
7. Amount of further interest remaining due and payable in succeeding years	22,193,426	18,603,085
8. OTHER CURRENT LIABILITIES		
Unclaimed Dividends	8,226	19,032
Outstanding Liabilities	230,506,382	437,414,082
Duties and taxes payable	20,403,108	6,475,832
Trade advance received from customers	470,985,040	314,100,198
Earnest Money Deposit	215,000	215,000
Other liabilities	31,237,304	22,591,671
Total	753,355,060	780,815,815

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

9. SHORT TERM PROVISIONS

Provision for warranties
Provisions for employee benefits - Leave Encashment
Proposed dividend (including dividend distribution tax)
Total

As at 31.03.2015	As at 31.03.2014
Rs.	Rs.
20,094,498	16,726,646
4,924,900	3,124,460
105,913,403	89,438,527
130,932,801	109,289,633

10. FIXED ASSETS

(Amt in Rs.)

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at 01.04.2014	Additions during the year	Deductions during the year	As at 31.03.2015	As at 01.04.2014	For the year	Deductions during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Free Hold Land	249,262,167	15,187,225	-	264,449,392	-	-	-	-	264,449,392	249,262,167
Lease Hold Land	-	-	-	-	-	-	-	-	-	-
Buildings	802,840,018	303,965,966	-	1,106,805,984	80,542,069	44,690,766	-	125,232,835	981,573,149	722,297,949
Plant & Machinery (*)	1,384,438,035	432,027,361	-	1,816,465,396	415,276,907	194,105,758	-	609,382,665	1,207,082,731	969,161,128
Office Equipments	27,225,797	3,125,116	1,230,020	29,120,893	4,536,932	10,257,131	1,168,517	13,625,546	15,495,347	22,688,865
Furniture & Fixtures	32,809,677	3,052,216	158,359	35,703,535	10,455,580	4,186,530	142,542	14,499,568	21,203,967	22,354,097
Computers	45,285,391	5,249,527	1,390,157	49,144,761	32,307,286	7,240,835	1,388,784	38,159,338	10,985,423	12,978,104
Communication Equipments	1,936,912	48,396	-	1,985,308	847,354	793,062	-	1,640,416	344,892	1,089,558
Motor Vehicles	44,280,416	3,041,199	7,230,119	40,091,496	20,252,749	5,770,733	6,489,743	19,533,739	20,557,757	24,027,667
Total	2,588,078,413	765,697,006	10,008,655	3,343,766,765	564,218,877	267,044,814	9,189,586	822,074,106	2,521,692,659	2,023,859,536
Previous Year	2,267,962,454	327,796,718	7,680,759	2,588,078,413	434,902,863	134,115,020	4,799,006	564,218,877	2,023,859,536	
Note	(*) Accumulated depreciation as on 01st April 2004 under Owned Assets includes accumulated depreciation of leased asset also.									

FIXED ASSETS - RESEARCH & DEVELOPMENT

(Amt in Rs.)

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at 01.04.2014	Additions during the year	Deductions during the year	As at 31.03.2015	As at 01.04.2014	For the year	Deductions during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Plant & Machinery	160,091,717	-	-	160,091,717	20,969,101	15,925,401	-	36,894,502	123,197,215	139,122,616
Total	160,091,717	-	-	160,091,717	20,969,101	15,925,401	-	36,894,502	123,197,215	139,122,616
Previous Year	160,091,717	-	-	160,091,717	9,090,300	11,878,801	-	20,969,101	139,122,616	

FIXED ASSETS - TECHNICAL KNOW - HOW

(Amt in Rs.)

Particulars	Gross Block (At Cost)				Amortisation				Net Block	
	As at 01.04.2014	Additions during the year	Deductions during the year	As at 31.03.2015	As at 01.04.2014	For the year	Deductions during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Intangible Assets										
Technical Know-how	-	61,577,865	-	61,577,865	-	12,315,576	-	12,315,576	49,262,289	-
Total	-	61,577,865	-	61,577,865	-	12,315,576	-	12,315,576	49,262,289	-
Previous Year	-	-	-	-	-	-	-	-	-	-

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
11. CAPITAL WORK-IN-PROGRESS		
Plant and Machinery	-	349,650,113
Building under Construction	32,754	128,416,426
Land	63,000	529,200
Total	95,754	478,595,739
Intangible assets under development		
Technical Know-how	-	61,577,865
Total	95,754	540,173,604

12. NON CURRENT INVESTMENTS

Details of Investments	Name of the Company	No. of Shares	Face Value	Currency	As at 31.03.2015	As at 31.03.2014
					Rs.	Rs.
Trade Investments (Unquoted)						
Investments in Equity Instruments						
Subsidiaries						
Fully paid up	DF Power Systems Private Limited	5,999,998	10	INR	204,075,000	204,075,000
Fully Paid up	TD Power Systems (USA) Inc.	80,100	10	USD	48,178,495	48,178,495
Fully Paid up	TD Power Systems Japan Limited	2,000	10,000	JPY	12,244,000	12,244,000
Non - Trade Investments (Un quoted)						
Investments in Equity Instruments						
Others						
Fully paid up	M/s. The Shamrao Vithal Co-operative Bank Limited	2,000	25	INR	50,000	50,000
Total					264,547,495	264,547,495
Additional Information						
Aggregate value of unquoted investments at Cost					264,547,495	264,547,495

13. LONG TERM LOANS AND ADVANCES

Capital advances	160,720,665	252,141,000
Security Deposit	24,847,220	7,882,500
Loans and advances to related parties	41,770,000	-
MAT Credit Entitlement	20,000,000	-
Advance payment of Tax (net of Provisions)	105,734,604	153,427,895
Total	353,072,489	413,451,395
Additional information		
Breakup of above		
Unsecured, considered good	353,072,489	413,451,395
Total	353,072,489	413,451,395

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
14. INVENTORIES		
Raw materials	343,757,722	340,478,080
Work in progress	368,985,660	502,714,353
Finished goods	35,019,368	17,949,689
Stock in trade	4,702,681	357,689
Goods in transit: Raw materials	7,743,313	1,473,829
Total	760,208,744	862,973,640
15. TRADE RECEIVABLES		
Trade receivables exceeding six months	107,354,656	142,867,402
Others	1,033,565,489	1,177,126,189
Total	1,140,920,145	1,319,993,591
Additional information		
Breakup of above		
Secured, considered good	345,683,031	264,919,929
Unsecured, considered good	795,237,114	1,055,073,662
Total	1,140,920,145	1,319,993,591
16. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
on current accounts	288,691,813	146,099,216
in deposit accounts less than 3 months maturity	10,000,000	270,000,000
Cash on hand	439,255	373,402
Other bank balances		
Balances with banks		
in margin money	71,500,000	71,500,000
in deposit accounts exceeding 12 months maturity	250,000,000	-
in deposit accounts exceeding 3 months but not exceeding 12 months	1,300,178,239	916,674,500
Total	1,920,809,307	1,404,647,118
17. SHORT TERM LOANS AND ADVANCES		
Rent Deposit	1,375,225	2,111,755
Balance with Statutory/ Govt authorities	347,229,152	374,920,724
Prepaid Expenses	12,879,223	9,623,777
Trade Advance	163,872,025	58,813,307
Interest accrued on term deposits	33,714,803	25,670,651
Others	4,338,735	20,889,331
Total	563,409,163	492,029,545
Additional information		
Breakup of above		
Unsecured, considered good	563,409,163	492,029,545
Total	563,409,163	492,029,545

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
18. CONTINGENT LIABILITIES AND COMMITMENTS		
(to the extent not provided for)		
Contingent Liabilities		
Claims against the Company not acknowledged as debts	-	-
Guarantees	592,944,983	715,518,533
Letters of credit	279,059,745	175,303,155
The management believes, based on internal assessment and/or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.		
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	89,393,155	93,300,798
Corporate Guarantee issued to the bankers of the subsidiary company (DFPS)	1,420,000,000	5,540,000,000
Corporate Guarantee issued on behalf of subsidiary company (Japan WOS)	17,506,701	182,270,682
Outstanding Bills discounted under Letter of Credit	-	-

Department of Income Tax (TDS Circle) have issued demand notice under section 201(1)/201(1a) of the Income Tax act, based on tax payer's data reflected in the computer system of the department for Short deduction / Short payments and interest thereon, for the financial years 2006-07, 2007-08, 2008-09, 2009-2010, 2010-2011 amounting to Rs. 754,934/- including Rs. 322,946/- towards interest on such short deduction/payment under Forms 27EQ, 26Q & 24Q. The Company has pursued the matter with the department and the same is under appeal for such short deduction/late payment.

The Company has obtained EPCG licence No. 073001256 dt. 10.07.2013 to the extent of Rs. 6.95 Crores for importation of capital goods without payment of custom duties. Under the licence the company will have to fulfill the export obligation of Rs. 41.71 Crores.

The Company has obtained EPCG licence No. 0730014370 dt.31.03.2015 to the extent of Rs. 1.92 Crores for importation of capital goods without payment of custom duties. Under the licence the company will have to fulfill the export obligation of Rs. 11.574 Crores.

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
19. REVENUE FROM OPERATIONS		
Sale of Goods		
AC Generators	3,461,167,032	3,172,486,377
AC Motors	-	-
AC Generator Spares	298,859,700	299,045,411
Power Project Business Inland	235,848,797	98,245,646
Power Project Business Overseas Branch	158,652,578	313,028,356
Total	4,154,528,107	3,882,805,790
Sale of services	137,448,710	75,451,729
Other operating revenues	51,421,455	43,874,041
Total	4,343,398,272	4,002,131,560
Less		
Intersegmental sales	78,404,308	174,979,478
Excise duty	217,342,599	285,261,021
Total	4,047,651,365	3,541,891,061

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
20. OTHER INCOME		
Interest income on Bank Deposits	123,758,740	130,942,432
Dividend Income: Long term investments	6,000	18,005,994
Profit on sale of fixed assets (Net)	469,677	-
Provision no longer required withdrawn	35,717,451	-
Rental Income	9,010,749	8,580,990
Other non operating income (Net of expenses directly attributable to such income)	2,891,787	144,468,107
Total	171,854,404	301,997,523
21. COST OF MATERIALS CONSUMED		
Consumption of raw materials	2,314,196,709	2,412,981,328
Consumption of stores and spare parts	38,056,420	24,441,350
Total	2,352,253,129	2,437,422,678
Consumption of major raw materials		
Copper (wires, strips, rods, sheet etc.)	400,749,595	405,341,078
Steel / Laminations	370,655,308	324,523,011
Shaft Forgings	133,360,485	132,239,080
Others	1,409,431,321	1,550,878,159
Total	2,314,196,709	2,412,981,328
Purchases for Projects Business	308,359,626	186,757,188
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS		
Stocks at the end of the year		
Work in progress: A C Generators	368,985,660	502,714,353
Finished goods: A C Generators	35,019,368	17,949,689
	404,005,028	520,664,042
Less: Stocks at the beginning of the year		
Work in progress: A C Generators	502,714,353	269,820,563
Finished goods: A C Generators	17,949,689	13,699,476
	520,664,042	283,520,039
Net (Increase) / Decrease in Stock	116,659,014	(237,144,003)
23. EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	336,594,296	314,614,035
Contribution to provident and other funds	39,808,676	26,891,303
Remuneration to whole time directors including contributions	20,966,900	33,842,570
Staff welfare expenses	93,413,525	73,305,182
Total	490,783,397	448,653,090

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
24. FINANCE COSTS		
Interest expense	37,199,505	36,048,401
Total	37,199,505	36,048,401
25. DEPRECIATION AND AMORTIZATION		
Depreciation	267,744,692	145,993,822
Amortization of intangible assets	12,315,576	-
Total	280,060,268	145,993,822
26. OTHER EXPENSES		
Power and fuel	60,735,033	65,987,383
Rent	13,986,741	15,337,415
Repairs and maintenance		
Buildings	12,784,830	6,158,941
Machinery	21,262,332	12,790,472
Others	10,525,111	8,363,847
Insurance	12,136,836	10,640,564
Rates and taxes	1,088,184	1,380,302
Payment to the auditors		
as auditor	1,690,000	1,425,000
for taxation matters	615,000	475,000
for other services	522,444	237,617
Selling expenses	60,318,928	46,110,431
Loss on sale of fixed asset (net)	-	1,897,581
Donations	763,991	754,000
Legal and professional charges	41,336,217	33,264,880
Directors sitting fees	720,000	720,000
Travelling and Conveyance	91,154,516	99,838,196
Bank Charges	14,197,009	13,783,377
Foreign Exchange Fluctuation	-	-
Postage, Telegrams and Telephones	6,997,194	8,684,311
Royalty	6,422,197	1,582,808
Software Expenses on ERP	16,964,156	16,372,685
Manufacturing Expenses	14,425,453	11,066,256
Vehicle Maintenance	5,864,613	4,751,894
Advertisement	2,282,469	2,965,817
Printing & Stationary	6,142,733	5,197,137
Subscription to Technical Associations, Journals & Magazines	1,219,345	1,320,102
Total	404,155,332	371,106,014

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.		
27. ADDITIONAL INFORMATION				
Value of Imports calculated on CIF basis				
Raw Materials	490,417,866	605,053,755		
Capital goods	13,690,613	274,530,378		
Expenditure in foreign currency excluding expenditure at branch office: (net of withholding tax)				
Others	86,690,848	26,650,351		
Capital Equipment Purchased	31,544,012	136,454,137		
	Amount (Rs.)	% to total	Amount (Rs.)	% to total
Value of imported raw materials, spare parts and components consumed	492,684,179	19.96%	381,261,870	17.33%
Value of indigenous raw materials, spare parts and components consumed	1,976,227,964	80.04%	1,819,016,805	82.67%
Total	2,468,912,143	100.00%	2,200,278,675	100.00%
Details of non-resident shareholdings				
Number of non-resident shareholders	65		39	
Number of shares held by non-resident shareholders	8,183,185		12,078,065	
Earnings in foreign exchange				
Export of goods calculated on FOB basis	1,440,949,582		1,301,063,308	
Royalty, Know-how, professional and consultancy fees	8,561,260		-	
Other Income	1,054,622		-	
28. EARNINGS PER SHARE				
Profit for the year after tax expense	169,628,625		339,885,085	
Weighted average number of equity shares	33,237,588		33,237,588	
Earning per share	5.10		10.23	
29. DISCLOSURES AS PER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS"				
Defined Contribution Plan				
Employer's Contribution to Provident Fund & Pension Scheme	17,705,221		17,231,719	
Defined Benefit Plan				
The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.				

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

	Current Year (Rs.)		Previous Year (Rs.)	
	Gratuity (Funded)	Leave (Unfunded)	Gratuity (Funded)	Leave (Unfunded)
Disclosures as per Accounting Standard 15 "Employee Benefits" (contd.)				
Defined Benefit obligation at beginning of the reporting period	28,144,735	24,282,310	21,830,874	21,362,280
Current Service Cost	3,981,570	6,928,440	3,184,991	6,613,430
Interest Cost	2,251,579	2,246,110	1,746,470	1,751,710
Acquisition adjustment	-	-	-	-
Actuarial (gain)/ loss	1,195,599	(154,360)	3,182,797	(5,445,110)
Benefits Paid	(1,922,471)	-	(1,800,397)	-
Defined Benefit obligation at end of the reporting period	33,651,012	33,302,500	28,144,735	24,282,310
<i>Obligations at end of the period - Current</i>	3,981,570	4,924,900	3,184,991	3,124,460
<i>Obligations at end of the period - Non -Current</i>	29,669,442	28,377,600	24,959,744	21,157,850
Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at beginning of the reporting period	38,365,702	-	29,572,159	-
Acquisition adjustment	-	-	-	-
Expected return on plan assets	3,620,926	-	2,605,138	-
Employer Contribution	6,780,874	-	7,988,802	-
Benefits paid	(1,922,471)	-	(1,800,397)	-
Actuarial gain/(loss)	-	-	-	-
Fair value of plan assets at reporting period	46,845,031	-	38,365,702	-
Reconciliation of fair value of assets and obligations				
Fair value of plan assets	46,845,031	-	38,365,702	-
Present value of obligation	(33,651,012)	-	(28,144,735)	-
Funded assets in excess of obligation of prior years	(13,194,019)	-	(10,220,967)	-
Amount recognised in Balance Sheet under liabilities	-	-	-	-
Expense recognised during the year				
Current Service Cost	6,954,622	6,928,440	5,664,673	6,613,430
Interest Cost	2,251,579	2,246,110	1,746,470	1,751,710
Expected return on plan assets	(3,620,926)	-	(2,605,138)	-
Actuarial (gain)/ loss	1,195,599	(154,360)	3,182,797	(5,445,110)
Net Cost	6,780,874	9,020,190	7,988,802	2,920,030
Actuarial assumptions				
Mortality Table	1994 - 96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (modified) ULT	1994 - 96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (modified) ULT
Discount rate (per annum)	8.00%	7.80%	8.00%	9.25%
Expected rate of return on plan assets (per annum)	8.00%	NA	8.00%	NA
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%
The estimates of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.				

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

30. SEGMENT REPORTING

The Company's operation comprises of Manufacturing business & Project Business. Primary segmental reporting comprises of Manufacturing Business & Project Business Segments. Secondary Segmental reporting is based on geographical location of Activities. Under primary segment revenue and direct expenses, which relate to a particular segment and which are identifiable are reported under that segment.

Certain expenses, which are not allocable to any specific segment, are separately disclosed at the enterprise level. Cash and bank balances in India are reported at the enterprise level as the company operates common bank accounts. 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 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	Current Year (Amt in Rs.)			
	Manufacturing	Project Business	Common	Total
Segment Revenues				
External Revenues	3,639,315,992	486,739,680	-	4,126,055,673
Intersegment revenues	(78,404,308)	-	-	(78,404,308)
Total Revenues	3,560,911,684	486,739,680	-	4,047,651,365
Segment Results				
Profit Before Taxation, Interest & Depreciation	404,541,571	8,569,646	(37,670,350)	375,440,867
Less: Interest	37,184,477	15,028	-	37,199,505
Less: Depreciation & Amortizations	279,510,004	257,937	292,327	280,060,268
Total	87,847,090	8,296,681	(37,962,677)	58,181,094
Unallocable & Other Income (including Extraordinary items)				
Less: Tax	79,916,483	19,619,258	72,318,663	171,854,404
	60,406,873	-	-	60,406,873
Total Profit	107,356,700	27,915,939	34,355,986	169,628,625

PRIMARY SEGMENT	Previous Year (Amt in Rs.)			
	Manufacturing	Project Business	Common	Total
Segment Revenues				
External Revenues	3,258,585,376	458,285,163	-	3,716,870,538
Intersegment revenues	(174,979,478)	-	-	(174,979,478)
Total Revenues	3,083,605,898	458,285,163	-	3,541,891,061
Segment Results				
Profit Before Taxation, Interest & Depreciation	407,085,212	(38,856,260)	(33,132,864)	335,096,088
Less: Interest	36,046,742	1,210	450	36,048,402
Less: Depreciation & Amortizations	144,979,020	722,474	292,327	145,993,821
Total	226,059,450	(39,579,943)	(33,425,641)	153,053,866
Unallocable & Other Income (including Extraordinary items)				
Less: Tax	131,145,083	106,775,470	64,076,974	301,997,527
	115,166,309	-	-	115,166,309
Total Profit	242,038,224	67,195,527	30,651,333	339,885,083

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

Segment Reporting (contd.)

(Amt in Rs.)

	Manufacturing	Project Business	Common	Total
Segment Assets - Current Year	5,102,792,038	499,970,575	2,094,452,646	7,697,215,260
Previous Year (2013-2014)	5,380,131,362	458,110,525	1,622,556,653	7,460,798,540
Segment Liabilities - Current Year	1,533,362,426	390,177,017	-	1,923,539,443
Previous Year (2013-2014)	1,568,782,474	279,520,577	-	1,848,303,050
Capital Expenditure (Net of disposal) - Current Year	817,266,215	-	-	817,266,215
Previous Year (2013-2014)	320,115,959	-	-	320,115,959

GEOGRAPHICAL SEGMENT

	Segment revenue by Geographical Market	
	Current Year (Rs.)	Previous Year (Rs.)
Sales of India	3,967,403,095	3,403,842,183
Sales of overseas	158,652,578	313,028,356
Less: Inter-segmental sales	(78,404,308)	(174,979,478)
Total	4,047,651,365	3,541,891,061

Carrying amounts of geographical assets & additions to tangible & intangible fixed assets

	Carrying amounts of segment assets (Amt in Rupees)		Additions to fixed assets & Intangible assets (Amt in Rupees)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Located in India	7,393,762,488	7,165,128,010	817,266,215	320,115,959
Located outside India	303,452,772	295,670,530	-	-
Total	7,697,215,260	7,460,798,540	817,266,215	320,115,959

31. RELATED PARTIES DISCLOSURE

Name of the Related Party	Relationship
DF Power Systems Private Limited	Subsidiary
TD Power Systems (USA) Inc.	Subsidiary
TD Power Systems Japan Limited	Subsidiary
Nikhil Kumar	Key Managerial Personnel
Hitoshi Matsuo	Key Managerial Personnel
Tadao Kuwashima	Key Managerial Personnel
Mohib N. Khericha	Key Managerial Personnel

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

Related Parties Disclosure (contd.)					(Amt in Rs.)
Nature of transactions	Subsidiary		Key Managerial Personnel		Enterprises over which key Managerial Personnel are able to exercise significant influence
	2015	2014	2015	2014	
Directors Remuneration and Commission Nikhil Kumar	-	-	20,966,900	19,485,254	-
Hitoshi Matsuo	-	-	-	4,008,516	-
Directors Remuneration Tadao Kuwashima	-	-	-	10,348,800	-
Directors Sitting fees Mohib N. Khericha	-	-	160,000	180,000	-
Lease Rent Paid Mohib N. Khericha	-	-	2,700,000	2,700,000	-
DF Power Systems Private Limited					
Rent received (including service tax)	10,124,479	9,641,610	-	-	-
Management Services from	32,461,428	24,820,296	-	-	-
Amount due to Company from	2,600,000	2,600,000	-	-	-
Amount due from Company to	43,177,391	-	-	-	-
Sale of Generators & Spares to (including taxes & duties)	1,972,703	33,449,572	-	-	-
Purchases of Material from (including taxes & duties)	42,957,835	-	-	-	-
TD Power Systems (USA) Inc					
Sale of Generators & Spares to (including taxes & duties)	26,820,030	-	-	-	-
Purchases from (including taxes & duties)	1,013,284	-	-	-	-
Amount due to Company from	20,026,164	-	-	-	-
Amount due from Company to	1,017,538	-	-	-	-
TD Power Systems Japan Limited					
Sale of Generators & Services to (including taxes & duties)	253,749,340	86,938,487	-	-	-
Purchases from (including taxes & duties)	1,805,155	-	-	-	-
Amount due to Company from	21,966,016	32,640,908	-	-	-

32. OPERATING LEASE

The Company has various operating leases for office facilities, guesthouse and residential premises of employees that are renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are Rs. 13,986,741/- (Previous year Rs. 15,337,415/-).

Notes on Financial Statement for the year ended March 31, 2015 (contd.)

33. WARRANTY CLAIMS

Provision for warranties are made on estimated basis

	As at 31.03.2015 (Rs.)
	Warranty claims
Balance outstanding at the beginning of the reporting period	16,726,646
Provision for the reporting period	3,367,852
Utilized during the reporting period	-
Withdrawn and credited to Statement of Profit and Loss	-
Balance outstanding at the end of the reporting period	20,094,498

34. FOREIGN CURRENCY EXPOSURES**Hedged**

	As at 31.03.2015		As at 31.03.2014	
	In USD	In Rupees	In USD	In Rupees
Sell Contracts USD (Hedge of expected future sales)	1,657,390.40	108,285,119	-	-

Unhedged

Assets (Receivables)	282,969,615	387,799,156
Liabilities (payables)	378,805,954	199,968,851

35. RESEARCH & DEVELOPMENT

Following expenses have been incurred by the company towards Research & Development activities

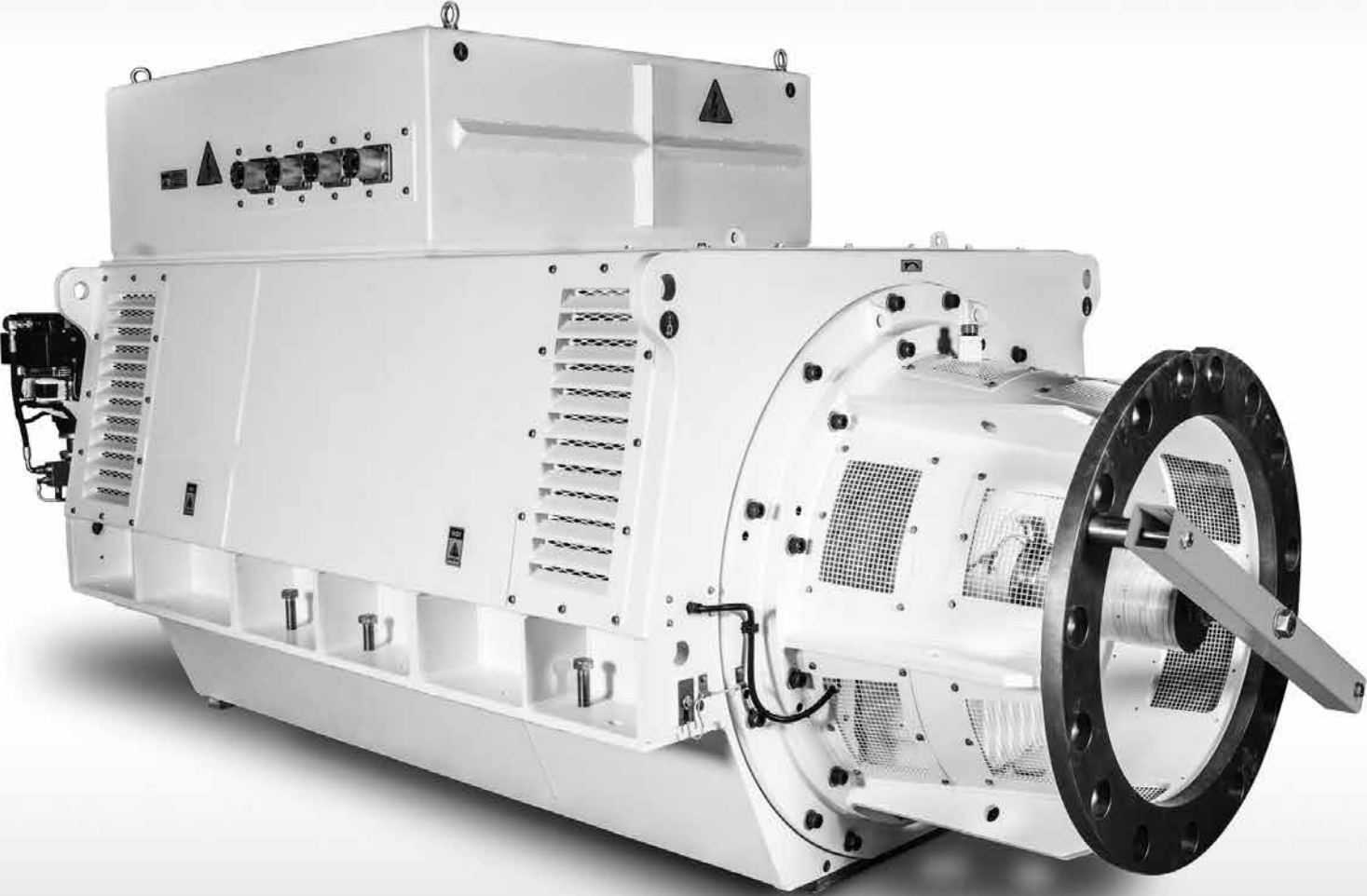
Nature	2014 - 2015 (Rs.)	2013-2014 (Rs.)
Capital Expenditure	-	-
Revenue Expenditure	62,856,393	70,080,669

36. CORPORATE SOCIAL RESPONSIBILITY

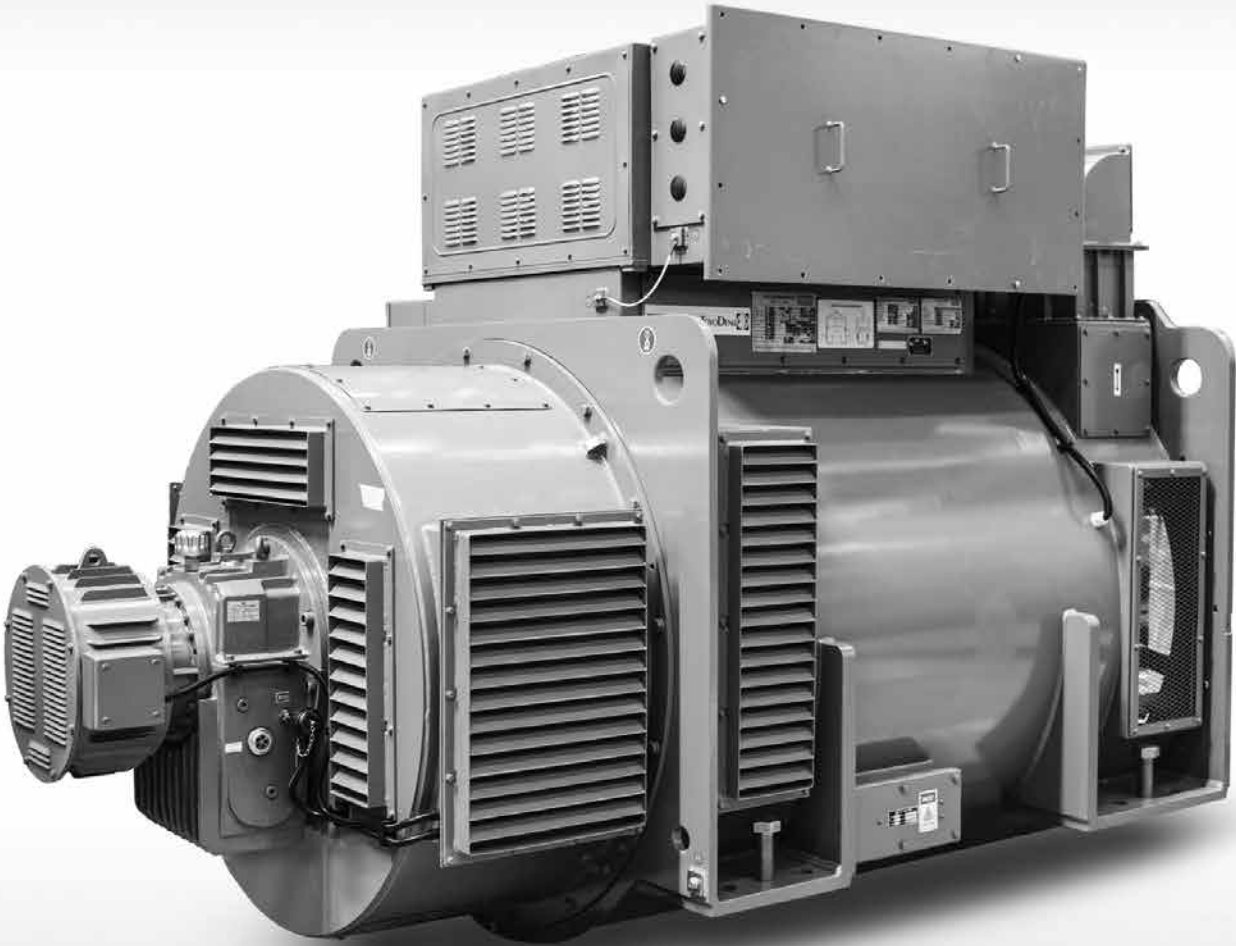
- Gross amount required to be spent by the company during the year - Rs. 6,370,499/-
- Amount spent during the year on

Sl. Towards No.	(Amt in Rs.)		
	Spent	To be spent	Total
1. "Construction/acquisition of any asset"	-	-	-
2. On purposes other than (1) above	393,260	5,977,239	6,370,499

- The company does not have any pending litigations which would impact its financial position as on the reporting date.
- The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company as on the reporting date.
- Previous reporting year figures have been regrouped wherever required in conformity with the presentation for the current reporting year.



CONSOLIDATED FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TD POWER SYSTEMS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TD Power Systems Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries DF Power Systems Private Limited, TD Power Systems (USA) Inc, TD Power Systems Japan Ltd. (the Holding Company and its subsidiaries together referred to as “the Group”) comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of Japan branch included in the standalone financial statements of the Holding Company whose financial statements reflect total assets of Rs. 303,452,773/- as at 31st March, 2015 and total revenues of Rs. 158,652,579/- for the year ended on that date and the financial statements of Hong Kong branch included in the financial

Independent Auditors' Report (contd.)

statements of the Indian wholly owned subsidiary DF Power Systems Private Limited whose financial statements reflect total assets of Rs. 257,439,424/- as at 31st March, 2015 and total revenues of Rs. 67,561,739/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements of the branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branches, is based solely on the reports of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by the Section 143(3) of the Act, we report to the extent applicable that
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the above said consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept in so far as it appears from our examination of those books and the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c. The reports on the accounts of the branch offices of the Group audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - e. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on the record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on that date from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to other matters to be included in the Auditors report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us,
 - i. There were no pending litigations which would impact the consolidated financial position of the Group.- Refer Note 37(a) to the financial statements.
 - ii. The Group has made provision, as required under the accounting standards, for material foreseeable losses, on long term contracts in respect of its wholly owned Indian subsidiary. The Group did not have any derivative contracts for which there were any material foreseeable losses – Refer Note 37(b) to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group. - Refer Note 37(c) to the financial statements.

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

R. SATYANARAYANA MURTHI
Partner
Membership No. 024248

ANNEXURE TO AUDITORS' REPORT

(As referred to in paragraph 1 of Report on other legal and regulatory requirements of our report to the members of TD Power Systems Limited)

1. a. The Group is maintaining proper records showing full particulars, including quantitative details and situation of fixed asset.
- b. The management during the year has physically verified all the fixed assets. We have been informed by the management that no material discrepancies were observed and the programme of such verification which, in our opinion, is reasonable having regard to the size of the Group and the nature of its fixed assets.
2. a. Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Group and the nature of its business.
- c. The Group is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material.
3. The Group has not granted any loans from the companies covered in the register maintained under Section 189 of the Act, hence clause 3(iii) of the Order is not applicable.
4. 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 Group and the nature of its business, for the purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, no continuing failure to correct major weakness in the internal controls has been noticed.
5. The Group has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provisions of the Act and Rules framed under. Accordingly, the provisions of clause 3(v) of the said Order are not applicable.
6. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of Sub-Section (1) of Section 148 of the Act for the products of the Group. Accordingly, the provisions of clause 3(vi) of the said Order are not applicable.
7. According to the records of the Group, the Group is regular in depositing undisputed statutory dues applicable to it with the appropriate authorities. In terms of its books of account, no undisputed statutory dues payable in respect of provident fund, employees' state insurance, income tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other undisputed statutory dues were outstanding, as at March 31, 2015 for a period of more than six months from the date they became payable. According to the records of the Group and according to the information and explanations given to us, there were no dues outstanding on account of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess on account of dispute.

As per the records maintained by the Group, there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.
8. There are no accumulated losses of the Group at March 31, 2015. The Group has not incurred any cash losses in the current year as well as in immediately preceding financial year. However, the Group's Indian subsidiary DF Power Systems Private Limited has incurred cash losses in the current year to the extent of Rs. 170,682,668/- as well as in immediately preceding financial year amounting to Rs. 63,661,196/-.
9. The Group has not taken any loans from financial institutions, banks or issued debentures, hence provisions of clause 3(ix) of the Order is not applicable.
10. In our opinion, the Group had not given any guarantees for loans taken by other companies, hence provisions of Clause 3(x) of the Order is not applicable.
11. No term loans were availed by the Group during the year and accordingly the provisions of clause 3(xi) of the said Order are not applicable.
12. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no frauds on or by the Group during the year has been noticed or reported.

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

R. SATYANARAYANA MURTHI
Partner
Membership No. 024248

Bangalore
May 20, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Note	Rs.	As at 31.03.2015 Rs.	Rs.	As at 31.03.2014 Rs.
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	332,375,880		332,375,880	
Reserves and Surplus	3	4,608,022,530		4,743,139,408	
			4,940,398,410		5,075,515,288
Non-current liabilities					
Deferred tax liabilities (Net)	4	177,187,506		145,822,323	
Long term provisions	5	44,054,812		36,778,224	
			221,242,318		182,600,547
Current Liabilities					
Short term borrowings	6	573,513,883		629,881,154	
Trade payables	7	1,671,958,573		1,688,051,045	
Other current liabilities	8	1,198,116,790		1,504,751,515	
Short term provisions	9	355,965,413		599,218,357	
			3,799,554,659		4,421,902,071
Total			8,961,195,387		9,680,017,906
ASSETS					
Non-current assets					
Fixed Assets					
Tangible assets	10	2,666,917,499		2,193,823,154	
Intangible assets	10	49,262,289		-	
Capital work in progress	11	95,754		540,173,604	
		2,716,275,542		2,733,996,758	
Non-current investments	12	50,000		50,000	
Long term loans and advances	13	344,754,156		420,700,745	
			3,061,079,698		3,154,747,503
Current Assets					
Inventories	14	760,208,744		862,973,640	
Trade receivables	15	1,551,490,883		2,218,309,200	
Cash and Bank Balance	16	2,721,133,688		2,403,668,563	
Short term loans and advances	17	867,282,374		1,040,319,000	
			5,900,115,689		6,525,270,403
Total			8,961,195,387		9,680,017,906
Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of the Balance Sheet 1-37					

In Accordance with our Report attached

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

R. Satyanarayana Murthi
Partner - M. No. 024248

Bangalore
May 20, 2015

For and on behalf of Board of Directors

Mohib N. Khericha
Chairman

Nikhil Kumar
Managing Director

K. G. Prabhakar
Director & Chief Financial Officer

N. Srivatsa
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

			Year Ended 31.03.2015		Year Ended 31.03.2014
	Note	Rs.	Rs.	Rs.	Rs.
INCOME					
Revenue from Operations	19		5,974,419,195		4,802,297,923
Other Income	20		245,015,224		340,980,281
Total Revenue			6,219,434,419		5,143,278,204
EXPENSES					
Cost of materials consumed	21	2,414,114,029		2,437,422,678	
Purchases for Project Business		2,001,843,924		1,316,193,410	
Changes in inventories of finished goods, work in progress and stock in trade	22	116,659,014		(237,144,003)	
			4,532,616,967		3,516,472,085
Employee benefits expense	23		652,327,171		606,631,383
Finance costs	24		38,868,804		36,140,140
Depreciation and amortization expense	25		287,629,046		149,519,120
Other expenses	26		648,418,805		480,979,074
Total Expenses			6,159,860,793		4,789,741,801
Profit before tax			59,573,626		353,536,403
Tax expense					
Current tax (MAT)		56,492,258		117,513,192	
Less: MAT Credit Entitlement		20,000,000		-	
Net Current Tax		36,492,258		117,513,192	
Deferred Tax		31,365,182		8,942,053	
			67,857,440		126,455,245
Profit/(Loss) for the year			(8,283,814)		227,081,158
Less: Prior Period Adjustment			-		3,059,100
Profit/(Loss) for the year			(8,283,814)		224,022,058
Earning per equity share	28				
Basic & Diluted			(0.25)		6.74
Summary of Accounting Policies, other explanatory information & Notes attached 1-37 form an integral part of the Statement of Profit & Loss					

In Accordance with our Report attached

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

R. Satyanarayana Murthi
Partner - M. No. 024248

Bangalore
May 20, 2015

For and on behalf of Board of Directors

Mohib N. Khericha
Chairman

Nikhil Kumar
Managing Director

K. G. Prabhakar
Director & Chief Financial Officer

N. Srivatsa
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	Rs.	Current Year Rs.	Rs.	Previous Year Rs.
A Cash flow from operating activities				
Net Profit before tax and extraordinary items		59,573,626		353,536,403
Adjustments for				
Depreciation	275,313,472		149,519,120	
Amortisation	12,315,576		-	
(Profit) / Loss on sale of Fixed Asset	(191,009)		1,897,581	
Dividend Income	(6,000)		(6,000)	
Interest Income	(188,078,527)		(215,275,984)	
Interest Payments	38,868,804		36,140,140	
Provision for Warranty Claims	3,367,852		(4,558,664)	
Exchange Fluctuation Deficit	-		-	
Provision for Gratuity & Leave Encashment	26,417,045	168,007,213	20,764,561	(11,519,246)
Operating profit before Working Capital Changes		227,580,839		342,017,157
Adjustments for				
Trade Receivables	666,818,317		(440,286,571)	
Other Receivables	(167,221,411)		(609,894,017)	
Inventories	102,764,896		(332,512,717)	
Future Contracts	-		-	
Trade Payables	(322,727,198)	279,634,604	871,309,425	(511,383,880)
Cash generated from Operations		507,215,443		(169,366,723)
Payment of Fringe Benefit Tax	-		-	
Payment of Gratuity	-		-	
Direct Taxes Paid	42,090,950	42,090,950	76,707,175	76,707,175
Net Cash Flow from Operating Activities		465,124,493		(246,073,898)
B Cash flow from Investing Activities				
Purchase of Fixed Assets	(226,461,581)		(726,765,109)	
Purchase of Investments	-		-	
Sale of Fixed Asset / Purchase of Investments	12,534,268		7,680,759	
Dividend Received	6,000		6,000	
Interest Received	188,078,527		215,275,984	
Net Cash used in investing activities		(25,842,786)		(503,802,366)
C Cash flow from financing activities				
Proceeds from issuance of Share Capital	-		-	
Share Premium	-		-	
Refund on Income Tax	62,858,020		-	
Long term borrowings	-		-	
Temporary Borrowing	(31,919,400)		31,919,400	
Unsecured Loans & Deposits	-		(186,028)	
Working Capital borrowings	(24,447,871)		328,029,343	
Interest Paid	(38,868,804)		(36,140,140)	
Dividend and Tax on Dividend paid	(89,438,527)		(74,694,500)	
Net Cash flow from financing activities		(121,816,582)		248,928,075
Net increase/decrease in cash and cash equivalents		317,465,125		(500,948,189)
Cash and cash equivalents at the beginning		2,403,668,563		2,904,616,752
Cash and cash equivalents at close		2,721,133,688		2,403,668,563
Actual Closing Cash Balance		2,721,133,688		2,403,668,563
Add: Non-Cash Equivalents				
Cash and cash equivalents at Close		2,721,133,688		2,403,668,563
Note: Cashflows are reported using the indirect method. Cash and cash equivalents is after adjusting translation gain/loss.				

In Accordance with our Report attached

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

R. Satyanarayana Murthi
Partner - M.No. 024248

Bangalore
May 20, 2015

For and on behalf of Board of Directors

Mohib N. Khericha
Chairman

Nikhil Kumar
Managing Director

K. G. Prabhakar
Director & Chief Financial Officer

N. Srivatsa
Company Secretary

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2015

1 Significant Accounting Policies

Consequent to a Special Resolution of the Members, passed at the Company's Extra Ordinary General Meeting held on 17th January 2011, the Company is converted to a Public Limited Company by altering its Articles of Association in terms of Section 31 read with Section 44 of the Companies Act, 1956 and a fresh Certificate of Incorporation dated 04th February 2011, is issued by the Registrar of Companies, Karnataka.

DF Power Systems Private Limited (Subsidiary Company), a company incorporated under Companies Act, 1956 is the wholly owned subsidiary of the company, w.e.f. October 1, 2010.

The company has subscribed to a Wholly Owned Subsidiary in United States of America under the name M/s. TD Power Systems (USA) Inc. incorporated as Delaware Corporation on 20th February 2013 located at Ohio. The transactions since incorporation is consolidated in terms of AS 21.

The company has incorporated a Wholly Owned Subsidiary in Japan under the name M/s. TD Power Systems Japan Limited on 19th March 2013 in Tokyo. The transactions since incorporation is consolidated in terms of AS 21.

1.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared under historical cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India and the provisions of the Companies Act, 2013. 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, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period.

1.2 Principles of Consolidation

The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company.

- a) The financial statement of the Company and its subsidiary company has been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been fully eliminated.
- b) The share of equity in the subsidiary company as on the date of investment in excess of cost of investment of the Group it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

1.3 Fixed Assets

Fixed assets are stated at cost of acquisition excluding vatable duties, inclusive of freight, taxes and incidental expenses relating to the acquisition and finance cost on borrowings utilized for acquisition of qualifying assets less depreciation/impairment.

1.4 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Raw materials and bought out items are valued on first in first out basis as per Accounting Standard -2 and includes material cost, carriage inward, insurance and purchase related expenses. Cost in respect of work in progress and finished goods are based on works cost.

1.5 Depreciation

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for Accounting period commencing after 1 April 2014, the Company has re-worked Depreciation with reference to the estimated useful lives of the fixed assets prescribed by Schedule II to the Act or actual useful life of Asset, whichever is lower. In case of any Asset whose life has completed as above, the carrying value, as at 01st April 2014 has been adjusted to the Retained Earnings to the tune of Rs. 1.62 Crores and in other cases the carrying value has been depreciated over the remaining of the revised life of the Assets and recognised in the Statement of Profit and Loss. As a result the change for depreciation is higher by Rs. 7.96 Crores for the year ended 31st March 2015.

Summary of Accounting Policies and Other Explanatory Information (contd.)

1.6 Revenue Recognition

Company

- a. Sale of manufactured goods is recognized on shipment to customers, and exclusive of excise duty and sales tax.
- b. Sale of goods in case of project business is recognised on shipment to customers.
- c. Erection and commissioning income is recognised as and when the services are performed/completed.
- d. Interest income is recognised based on time proportion basis.
- e. Dividend income is recognised when the right to receive the dividend is established.

Subsidiaries

- a. Sales are recorded based on significant risks and rewards of ownership being transferred in favour of the customer. Sales include goods dispatched to customers by partial shipment.
- b. Income from erection and project management services is recognized on work done based on percentage completion or the intrinsic value, reckoned at 97.5% of contract value, the balance 2.5% is recognized as income when the contract is completed
- c. Income from engineering services rendered is recognized at realizable value based on percentage of work completed.
- d. Liquidated damages in terms of the contract is recognised on crystalization.

1.7 Foreign Currency Transactions

- a. Foreign currency transactions are translated into Indian rupees at the exchange rate prevailing on the date of the transaction.
- b. Monetary foreign currency assets and liabilities outstanding at the end of the year are restated at the exchange rates prevailing on the reporting date. All exchange differences are accounted for in the statement of profit and loss.
- c. Non monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.
- d. In respect of overseas branches, which are integral foreign operations, financial statements are translated as if the transactions are those of the Company itself.
- e. In respect of integral foreign operations, being the wholly owned subsidiary at United States of America, financial statements are translated as if the transactions are those of the Company itself.
- f. In respect of non-integral foreign operations, being the wholly owned subsidiary at Japan, financial statements are translated as under assets and liabilities, both monetary and non-monetary at the closing rate, income and expenses at the transaction exchange rate and resulting exchange differences, accumulated in foreign currency translation reserves.

1.8 Taxes on Income

Provision for tax is made in terms of AS 22 for both current and deferred tax. Provision for current income tax if arises is made at the current tax rates based on assessable income. Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961, is recognised as current tax in the statement of Profit & Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the period for which MAT Credit can be carried forward for set-off against the normal tax liability. MAT Credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.9 Borrowing Cost

Interest and other borrowing cost on 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 statement of Profit & Loss.

Summary of Accounting Policies and Other Explanatory Information (contd.)

1.10 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.

1.11 Employees Benefits

Long Term Employee Benefits

a. Defined Contribution Plans

The Company has contributed to provident funds, which is defined contribution plan. The contribution paid/payable under the scheme is recognised during the year in which an employee renders the related service.

b. Defined Benefit Plans

Employees gratuity and leave encashment are defined benefit plans. The present value of the obligations under such plan is determined based on actuarial valuation using the Projected Unit Credit Method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognised immediately in the Statement of Profit & Loss as income or expense. Obligation is measured at present value of estimated future cash flows using a discounted rate that is determined by reference to market yields available on government bonds at the balance sheet date with the term that matches to the liabilities.

1.12 Impairment of Assets

At each balance sheet date, the management reviews the carrying amount of its asset to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Reversal of impairment loss, if any, is recognised immediately in the Statement of Profit and Loss.

1.13 Accounting for lease

a. Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

b. Finance Lease and Hire purchase transactions

Lease rentals are charged to Statement Profit and Loss over the period of Lease. Depreciation is provided on primary period of the lease.

1.14 Amortisation of Technical Know-how Fee/Licence Fee.

Technical Know-how Fees will be amortised over a period of 60 months.

1.15 Investment

Non-current investments are stated at cost. Provision for diminution if any, in the value of investments is made, to recognise a decline, other than temporary. Current investments are valued at lower of cost or market value.

1.16 Research & Development

Expenditure on Research & Development activity undertaken is charged to the Statement of Profit & Loss as and when incurred during the year to their natural head of accounts. The expenditure incurred includes cost of materials, salaries & wages and other revenue expenditure.

Capital Expenditure is categorised and disclosed separately as Research & Development, Fixed Asset and depreciation is charged as prescribed under Companies Act, 2013 discussed in para 1.5 above.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015		As at 31.03.2014	
	Number	Rs.	Number	Rs.
2. SHARE CAPITAL				
Authorized				
Equity shares of Rs.10/- each	35,000,000	350,000,000	35,000,000	350,000,000
		<u>350,000,000</u>		<u>350,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of Rs.10/- each - fully paid up				
At the beginning of the year	33,237,588	332,375,880	33,237,588	332,375,880
Issued during the year	-	-	-	-
At the close of the year	33,237,588	332,375,880	33,237,588	332,375,880

Other Information

I The Company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

For the period ended 31 March 2015 (31 March 2014, Rs. 2.30), a dividend per share of Rs. 2.645 has been provided for payment to shareholders subject to approval at the Annual General Meeting of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

II Equity shares include

- a Shares allotted pursuant to a contract without consideration being received in cash.
Issued to the shareholder of subsidiary company in exchange of 1,700,000 fully paid up equity shares of Rs. 10/- each on 19th October 2010
- b Shares allotted by way of bonus shares.
On Capitalisation out of Reserves to an extent of 16,246,934 Equity Shares of Rs. 10/- each on 11th January 2011.

III Particulars of equity share holders holding more than 5% of the total paid-up equity share capital

	As at 31.03.2015		As at 31.03.2014	
	Percentage	No. of shares	Percentage	No. of shares
Saphire Finman Services Private Limited	15.12%	5,026,433	18.13%	6,026,433
Nikhil Kumar	13.96%	4,638,664	15.46%	5,138,664
Hitoshi Matsuo	9.73%	3,235,254	12.74%	4,235,254
Sofia M. Khericha	6.27%	2,084,100	6.27%	2,084,100
Mohib N. Khericha	5.56%	1,846,860	5.56%	1,846,860

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
3. RESERVES AND SURPLUS		
Capital Reserve		
As at the beginning of the year	71,829,215	71,829,215
As at the end of the year (A)	71,829,215	71,829,215
Securities Premium		
As at the beginning of the year	2,050,763,239	2,050,763,239
As at the end of the year (B)	2,050,763,239	2,050,763,239
General Reserve		
As at the beginning of the year	304,629,488	269,744,208
Add		
Transferred from Statement of Profit and Loss	20,085,372	34,885,280
As at the end of the year (C)	324,714,860	304,629,488
Foreign Currency Translation Reserves		
As at the beginning of the year	107,875	-
Add		
During the period (Refer Note 1.7 f)	(4,694,221)	107,875
As at the end of the year (D)	(4,586,346)	107,875
Surplus i.e. balance in Statement of Profit & Loss		
As at the beginning of the year	2,315,809,591	2,216,111,340
Add		
Transferred from Statement of Profit and Loss	(8,283,814)	224,022,058
Less		
Depreciation on OB	16,225,440	-
Transferred to General Reserve	20,085,372	34,885,280
Proposed dividend	87,913,420	76,446,452
Provision towards dividend distribution tax	17,999,983	12,992,075
As at the end of the year (E)	2,165,301,562	2,315,809,591
Total (A to E)	4,608,022,530	4,743,139,408
4. DEFERRED TAX LIABILITY		
Deferred tax liability		
On account of depreciation on fixed assets	193,351,284	160,546,148
Deferred tax asset		
On account of timing differences in recognition of expenditure	16,163,778	14,723,825
Net Deferred tax liability/(asset)	177,187,506	145,822,323

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
5. LONG TERM PROVISIONS		
Provisions for employee benefits - Leave Encashment	44,054,812	36,778,224
Total	44,054,812	36,778,224
6. SHORT TERM BORROWINGS		
Secured Loans		
Loans repayable on demand- from banks	573,513,883	629,881,154
Total	573,513,883	629,881,154
Additional Information		
Details of security for secured loans		
Balance of Working Capital Loan from M/s. Bank of Baroda as on 31st March – Secured by Hypothecation of Raw Materials, Goods-in-process, Finished Goods and Book Debts and a charge on Fixed assets of the Company.	573,513,883	629,881,154
Loans repayable on demand		
Terms of repayment of secured loans - from banks	573,513,883	629,881,154
Interest at 2% over base rate (floating)		
7. TRADE PAYABLES		
To Micro, Small and Medium Enterprises	44,387,924	61,831,496
Others	1,627,570,649	1,626,219,549
Total	1,671,958,573	1,688,051,045
Additional Information		
The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under		
1. Principal amount due and remaining unpaid	44,387,924	61,831,496
2. Interest due on (1) above and the unpaid interest	-	665,041
3. Interest paid on all delayed payments under the MSMED Act	-	-
4. Payment made beyond the appointed day during the year	72,096,756	70,552,683
5. Interest due and payable for the period of delay other than (3) above	4,669,005	2,811,530
6. Interest accrued and remaining unpaid	4,669,005	3,476,571
7. Amount of further interest remaining due and payable in succeeding years	23,955,826	19,286,821

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

8. OTHER CURRENT LIABILITIES

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Unclaimed dividends	8,226	19,032
Outstanding Liabilities	332,701,824	543,285,686
Duties and taxes payable	23,682,022	10,103,607
Trade advance received from customers	809,122,922	925,464,379
Earnest Money Deposit	215,000	215,000
Other liabilities	32,386,796	25,663,811
Total	1,198,116,790	1,504,751,515

9. SHORT TERM PROVISIONS

Reserve for Future Contract	225,032,612	487,413,297
Provision for warranties	20,094,498	16,726,646
Provisions for employee benefits - Leave Encashment	4,924,900	5,639,887
Proposed dividend (including dividend distribution tax)	105,913,403	89,438,527
Total	355,965,413	599,218,357

10. FIXED ASSETS

(Amt in Rs.)

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at 01.04.2014	Additions during the year	Deductions during the year	As at 31.03.2015	As at 01.04.2014	For the year	Deductions during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Free Hold Land	249,262,167	15,187,225	-	264,449,392	-	-	-	-	264,449,392	249,262,167
Buildings	802,840,018	303,965,966	-	1,106,805,984	80,542,069	44,690,766	-	125,232,835	981,573,149	722,297,949
Plant & Machinery (*)	1,397,018,053	432,060,183	-	1,829,078,236	416,357,158	195,068,301	-	611,425,459	1,217,652,777	980,660,895
Office Equipments	32,771,968	3,151,315	1,662,868	34,260,415	5,498,016	13,098,046	1,282,540	17,313,522	16,946,893	27,273,951
Furniture & Fixtures	36,106,207	3,702,930	158,359	39,650,778	11,124,889	4,487,154	142,542	15,469,501	24,181,277	24,981,318
Computers	55,240,760	5,382,216	1,536,965	59,086,011	36,595,456	10,576,474	1,502,288	45,669,642	13,416,369	18,645,304
Communication Equipment	3,855,741	48,396	-	3,904,137	981,434	1,137,903	-	2,119,337	1,784,800	2,874,307
Motor Vehicles	50,803,794	3,041,199	8,706,399	45,138,594	22,099,147	6,554,868	7,231,048	21,422,967	23,715,627	28,704,647
Total	2,627,898,708	766,539,430	12,064,591	3,382,373,547	573,198,169	275,613,512	10,158,418	838,653,263	2,543,720,284	2,054,700,538
Previous Year	2,287,237,960	348,341,507	7,680,759	2,627,898,708	440,356,857	137,640,319	4,799,006	573,198,170	2,054,700,538	
Note	(*) Accumulated depreciation as on 1st April 2004 under Owned Assets includes accumulated depreciation of leased asset also.									

FIXED ASSETS - RESEARCH & DEVELOPMENT

(Amt in Rs.)

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at 01.04.2014	Additions during the year	Deductions during the year	As at 31.03.2015	As at 01.04.2014	For the year	Deductions during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Plant & Machinery	160,091,717	-	-	160,091,717	20,969,101	15,925,401	-	36,894,502	123,197,215	139,122,616
Total	160,091,717	-	-	160,091,717	20,969,101	15,925,401	-	36,894,502	123,197,215	139,122,616
Previous Year	160,091,717	-	-	160,091,717	9,090,300	11,878,801	-	20,969,101	139,122,616	

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

FIXED ASSETS - TECHNICAL KNOW-HOW

(Amt in Rs.)

Particulars	Gross Block (At Cost)				Amortisation				Net Block	
	As at 01.04.2014	Additions during the year	Deductions during the year	As at 31.03.2015	As at 01.04.2014	For the year	Deductions during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Intangible Assets										
Technical Know-how	-	61,577,865	-	61,577,865	-	12,315,576	-	12,315,576	49,262,289	-
Total	-	61,577,865	-	61,577,865	-	12,315,576	-	12,315,576	49,262,289	-
Previous Year	-	-	-	-	-	-	-	-	-	-

11. CAPITAL WORK-IN-PROGRESS

Plant and Machinery

Building under Construction

Land

Total

Intangible assets under development

Technical Know-how

Total

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Plant and Machinery	-	349,650,113
Building under Construction	32,754	128,416,426
Land	63,000	529,200
Total	95,754	478,595,739
Intangible assets under development	-	61,577,865
Total	95,754	540,173,604

12. NON CURRENT INVESTMENTS

Details of Investments	Name of the Company	No. of Shares	Face Value	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Non - Trade Investments (Unquoted)					
Investments in Equity Instruments					
Others					
Fully paid up	M/s. The Shamrao Vithal Co-operative Bank Ltd.	2,000	25	50,000	50,000
Total				50,000	50,000
Additional Information					
Aggregate value of unquoted investments Cost				50,000	50,000

13. LONG TERM LOANS AND ADVANCES

Capital advances

Security Deposit

MAT Credit Entitlement

Advance payment of Tax (net of Provisions)

Total

Additional information

Breakup of above

Unsecured, considered good

Total

Capital advances	160,720,665	252,141,000
Security Deposit	24,847,220	7,882,500
MAT Credit Entitlement	20,000,000	-
Advance payment of Tax (net of Provisions)	139,186,271	160,677,245
Total	344,754,156	420,700,745
Additional information		
Breakup of above		
Unsecured, considered good	344,754,156	420,700,745
Total	344,754,156	420,700,745

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
14. INVENTORIES		
Raw materials	343,757,722	340,478,080
Work in progress	368,985,660	502,714,353
Finished goods	35,019,368	17,949,689
Stock in trade	4,702,681	357,689
Goods in transit: Raw materials	7,743,313	1,473,829
Total	760,208,744	862,973,640
15. TRADE RECEIVABLES		
Trade receivables exceeding six months	441,169,786	495,924,159
Others	1,263,207,339	1,722,385,041
Total	1,704,377,125	2,218,309,200
Less: Provision for bad and doubtful debts	152,886,242	-
Total	1,551,490,883	2,218,309,200
Additional information		
Breakup of above		
Secured, considered good	378,982,704	680,016,569
Unsecured, considered good	1,172,508,179	1,538,292,631
Total	1,551,490,883	2,218,309,200
16. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
on current accounts	473,864,721	213,751,538
in deposit accounts less than 3 months maturity	10,000,000	270,000,000
Cash on hand	740,141	477,280
Other bank balances		
Balances with banks		
in margin money	72,487,271	83,960,500
in deposit accounts exceeding 12 months maturity	554,007,000	429,525,000
in deposit accounts exceeding 3 months but not exceeding 12 months	1,610,034,555	1,405,954,245
Total	2,721,133,688	2,403,668,563
17. SHORT TERM LOANS AND ADVANCES		
Rent Deposit	2,498,150	3,353,255
Balance with Statutory/ Govt authorities	373,716,276	390,747,891
Prepaid Expenses	13,328,801	9,782,695
Trade Advance	421,756,085	563,805,534
Interest accrued on term deposits	50,629,917	49,779,369
Others	5,353,145	22,850,256
Total	867,282,374	1,040,319,000

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Short Term Loans and Advances (contd.)		
Additional information		
Breakup of above		
Unsecured, considered good	867,282,374	1,040,319,000
Total	867,282,374	1,040,319,000

18. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Contingent Liabilities

Guarantees	759,300,701	1,513,628,162
Letters of credit	296,751,950	175,303,155

The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	89,393,155	93,300,798
Corporate Guarantee issued to the bankers of the subsidiary company (DFPS)	1,420,000,000	5,540,000,000
Corporate Guarantee issued on behalf of subsidiary company (Japan WOS)	17,506,701	182,270,682

Department of Income Tax (TDS Circle) have issued demand notice under section 201(1)/201(1a) of the Income Tax act, based on tax payer's data reflected in the computer system of the department for Short deduction / Short payments and interest thereon, for the financial years 2006-07, 2007-08, 2008-09, 2009-2010, 2010-2011 amounting to Rs. 754,934/- including Rs. 322,946/- towards interest on such short deduction/payment under Forms 27EQ, 26Q & 24Q. The Company has pursued the matter with the department and the same is under appeal for such short deduction/late payment.

The Company has obtained EPCG licence No. 073001256 dt. 10.07.2013 to the extent of Rs. 6.95 Crores for importation of capital goods without payment of custom duties. Under the licence the Company will have to fulfill the export obligation of Rs. 41.71 Crores.

The Company has obtained EPCG licence No. 0730014370 dt.31.03.2015 to the extent of Rs. 1.92 Crores for importation of capital goods without payment of custom duties. Under the licence the Company will have to fulfill the export obligation of Rs. 11.574 Crores.

19. REVENUE FROM OPERATIONS

Sale of Goods

	Year Ended	Year Ended
	31.03.2015	31.03.2014
	Rs.	Rs.
AC Generators	3,461,167,032	3,172,486,377
AC Generator Spares	298,859,700	299,045,411
Power Business Inland	235,848,797	98,245,646
Power Business Overseas Japan Branch	158,652,578	313,028,356
Power Business Overseas Japan WOS	504,055,330	155,144,425

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
Revenue from Operations (contd.)		
Power Business Inland - EPC	1,314,183,219	1,089,221,016
Reserve for Future Contract - Add / (Less)	262,380,685	128,979,908
Total	6,235,147,341	5,256,151,139
Sale of services	265,728,674	75,451,729
Other operating revenues	51,421,455	43,874,041
Total	6,552,297,470	5,375,476,909
Less		
Intersegmental sales	78,404,308	174,979,478
Intercompany	282,131,368	112,938,487
Excise duty	217,342,599	285,261,021
Total	5,974,419,195	4,802,297,923
20. OTHER INCOME		
Interest income on Bank Deposits	186,815,299	214,601,204
Dividend Income: Long term investments	6,000	5,994
Profit on sale of fixed assets	469,677	-
Provision no longer required withdrawn	38,633,285	936,809
Other non operating income (net of expenses directly attributable to such income)	19,090,963	125,436,273
Total	245,015,224	340,980,281
21. COST OF MATERIALS CONSUMED		
Consumption of raw materials	2,376,057,609	2,412,981,328
Consumption of stores and spare parts	38,056,420	24,441,350
Total	2,414,114,029	2,437,422,678
Consumption of major raw materials		
Copper (wires, strips, rods, sheet etc.)	400,749,595	405,341,078
Steel/ Laminations	370,655,308	324,523,011
Shaft Forgings	133,360,485	132,239,080
Others	1,471,292,221	1,550,878,159
Total	2,376,057,609	2,412,981,328
Purchases for Projects & EPC Business	2,001,843,924	1,316,193,410
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS		
Stocks at the end of the year		
Work in progress: A C Generators	368,985,660	502,714,353
Finished goods: A C Generators	35,019,368	17,949,689
Total	404,005,028	520,664,042
Less: Stocks at the beginning of the year		
Work in progress: A C Generators	502,714,353	269,820,563
Finished goods: A C Generators	17,949,689	13,699,476
Total	520,664,042	283,520,039
Net (Increase) / Decrease in Stock	116,659,014	(237,144,003)

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
23. EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	469,372,366	440,110,324
Contribution to provident and other funds	48,776,588	42,096,469
Remuneration to whole time directors including contributions	32,251,834	44,559,342
Staff welfare expenses	101,926,383	79,865,248
Total	652,327,171	606,631,383
24. FINANCE COSTS		
Interest expense	38,868,804	36,140,140
Total	38,868,804	36,140,140
25. DEPRECIATION AND AMORTIZATION		
Depreciation	275,313,471	149,519,120
Amortization of intangible assets	12,315,575	-
Total	287,629,046	149,519,120
26. OTHER EXPENSES		
Power and fuel	61,566,693	67,485,842
Rent	22,291,243	23,441,330
Repairs and maintenance		
Buildings	12,784,830	6,158,941
Machinery	22,319,844	13,577,089
Others	11,138,587	10,166,222
Insurance	14,189,394	12,022,737
Rates and taxes	2,229,005	2,062,735
Payment to the auditors		
as auditor	2,065,000	1,897,500
for taxation matters	840,000	700,000
for other services	822,444	537,617
Selling expenses	60,834,396	46,195,010
Provision for doubtful trade receivables	152,886,242	-
Loss on sale of fixed asset	278,668	1,897,581
Donations	763,991	804,000
Legal and professional charges	57,489,806	67,482,871
Directors sitting fees	1,326,744	1,304,272
Travelling and Conveyance	129,435,931	137,060,520
Bank Charges	23,609,503	25,656,961
Foreign Exchange Fluctuation	-	1,699,415
Postage, Telegrams and Telephones	12,127,088	12,469,747
Royalty	6,422,197	1,582,808
Software Expenses on ERP	16,964,156	16,372,685
Manufacturing Expenses	14,707,260	11,231,924
Vehicle Maintenance	8,066,798	6,775,103

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.		
Other Expenses (contd.)				
Advertisement	3,062,189	3,095,133		
Printing & Stationary	8,499,258	7,643,746		
Subscription to Technical Associations, Journals & Magazines	1,697,538	1,657,285		
Total	648,418,805	480,979,074		
27. ADDITIONAL INFORMATION				
Value of Imports calculated on CIF basis				
Raw Materials	490,417,866	605,053,755		
Capital goods	13,690,613	274,530,378		
Expenditure in foreign currency: (net of withholding tax)				
Others - On Payment Basis	87,701,918	30,789,400		
Capital Equipment Purchased	31,544,012	136,454,137		
	Amount (Rs.)	% to total	Amount (Rs.)	% to total
Value of imported raw materials, spare parts and components consumed	492,684,179	19.96%	381,261,870	17.33%
Value of indigenous raw materials, spare parts and components consumed	1,976,227,964	80.04%	1,819,016,805	82.67%
Total	2,468,912,143	100.00%	2,200,278,675	100.00%
Details of non-resident shareholdings				
Number of non-resident shareholders	65		39	
Number of shares held by non-resident shareholders	8,183,185		12,078,065	
Earnings in foreign exchange				
Export of goods calculated on FOB basis	1,440,949,582		1,301,063,308	
Royalty, Know-how, professional and consultancy fees	8,561,260		-	
Other Income	1,054,622		-	
28. EARNINGS PER SHARE				
Profit / (Loss) for the year after tax expense	(8,283,814)		224,022,058	
Weighted average number of equity shares	33,237,588		33,237,588	
Earning per share	(0.25)		6.74	
29. DISCLOSURES AS PER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS"				
Defined Contribution Plan				
Employer's Contribution to Provident Fund & Pension Scheme	23,649,543		24,659,208	
Employer's Contribution to Superannuation Fund	-		-	
Defined Benefit Plan				
The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.				

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

	Current Year (Rs.)		Previous Year (Rs.)	
	Gratuity (Funded)	Leave (Unfunded)	Gratuity (Funded)	Leave (Unfunded)
Disclosures as per Accounting Standard 15 "Employee Benefits" (contd.)				
Defined Benefit obligation at beginning of the reporting period	36,622,843	39,958,869	29,487,753	36,085,280
Current Service Cost	5,471,999	20,053,913	4,763,698	9,062,995
Interest Cost	2,948,745	3,446,649	2,374,334	2,820,528
Acquisition adjustment	-	-	-	-
Actuarial (gain)/ loss	2,081,150	(10,373,013)	1,797,454	(4,632,675)
Benefits Paid	(3,804,817)	(5,395,516)	(1,800,397)	(3,377,259)
Defined Benefit obligation at end of the reporting period	43,319,920	47,690,902	36,622,842	39,958,869
<i>Obligations at end of the period -Current</i>	3,981,570	4,924,900	3,184,991	5,135,700
<i>Obligations at end of the period -Non -Current</i>	39,338,350	42,766,002	33,437,851	34,823,169
Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at beginning of the reporting period	51,759,730	-	39,390,514	-
Acquisition adjustment	-	-	-	-
Expected return on plan assets	4,679,419	-	3,556,121	-
Employer Contribution	6,780,874	-	10,728,158	-
Benefits paid	(3,804,817)	-	(1,800,397)	-
Actuarial gain/(loss)	122,226	-	(114,666)	-
Fair value of plan assets at reporting period	59,537,432	-	51,759,730	-
Reconciliation of fair value of assets & obligations				
Fair value of plan assets	59,537,432	-	51,759,730	-
Present value of obligation	(43,319,920)	-	(36,622,842)	-
Funded assets in excess of obligation of prior years	(16,217,512)	-	(15,136,888)	-
Amount recognised in B/S under liabilities	-	-	-	-
Expense recognised during the year				
Current Service Cost	8,445,051	20,053,913	7,243,380	9,062,995
Interest Cost	2,948,745	3,446,649	2,374,334	2,820,528
Expected return on plan assets	(4,679,419)	-	(3,556,121)	-
Actuarial (gain)/ loss	1,958,924	(10,373,013)	1,912,120	(4,632,675)
Net Cost	8,673,301	13,127,549	7,973,713	7,250,848
Actuarial assumptions				
Mortality Table	1994 -96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (modified) ULT	1994 - 96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (modified) ULT
Discount rate (per annum)	7.80%	7.80%	8.00%	8.20%
Expected rate of return on plan assets (per annum)	8.00%	NA	8.00%	NA
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%
The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.				

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

30. SEGMENT REPORTING

The Company's operation comprises of Manufacturing business & Project Business. Primary segmental reporting comprises of Manufacturing Business, Project Business & EPC 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 the Company, viz., India, Japan, USA and Hong Kong. Revenues in the secondary segment are based on the sales made by the branch office and subsidiaries. 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.

Current Year (Amt in Rs.)

PRIMARY SEGMENT	Manufacturing	Project Business	EPC	Common	Total
Segment Revenues					
External Revenues	3,767,595,957	990,795,010	1,576,563,904	-	6,334,954,871
Intersegment/Company revenues	(78,404,308)	-	-	-	(78,404,308)
Intercompany	(282,131,368)	-	-	-	(282,131,368)
Total Revenues	3,407,060,281	990,795,010	1,576,563,904	-	5,974,419,195
Segment Results					
Profit Before Taxation and Interest	401,731,990	17,443,037	(240,448,418)	(37,670,357)	141,056,252
Less: Interest	36,753,013	446,492	1,669,299	-	38,868,804
Less: Depreciation & Amortization	280,418,639	257,937	6,660,143	292,327	287,629,046
Total	84,560,338	16,738,608	(248,777,860)	(37,962,684)	(185,441,598)
Unallocable & Other Income (including Extraordinary items)					
Less: Tax	80,386,285	32,614,910	-	132,014,029	245,015,224
	60,406,873	7,310,481	-	140,086	67,857,440
Total Profit	104,539,750	42,043,037	(248,777,860)	93,911,259	(8,283,814)

Previous Year (Amt in Rs.)

Segment Revenues					
External Revenues	3,258,585,376	613,429,588	1,218,200,924	-	5,090,215,887
Intersegment revenues	(174,979,478)	-	-	-	(174,979,478)
Intercompany	(112,938,487)	-	-	-	(112,938,487)
Total Revenues	2,970,667,410	613,429,588	1,218,200,924	-	4,802,297,923
Segment Results					
Profit Before Taxation and Interest	368,526,188	(17,842,950)	(119,334,992)	(33,132,864)	198,215,382
Less: Interest	36,046,742	1,209	91,739	450	36,140,140
Less: Depreciation & Amortization	145,349,188	722,474	3,155,131	292,327	149,519,120
Total	187,130,257	(18,566,632)	(122,581,862)	(33,425,641)	12,556,122
Unallocable & Other Income (including Extraordinary items)					
Less: Tax	113,145,083	78,487,866	-	149,347,332	340,980,281
	115,166,309	11,303,369	-	(14,433)	126,455,245
Total Profit	185,109,031	48,617,865	(122,581,862)	115,936,123	227,081,158

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

Segment Reporting (contd.)

(Amt in Rs.)

	Manufacturing	Project Business	EPC	Common	Total
Segment Assets -Current Year	5,028,122,063	855,757,001	535,257,033	2,542,059,291	8,961,195,388
Previous Year (2013-2014)	5,388,912,005	588,717,904	1,338,311,576	2,364,076,421	9,680,017,906
Segment Liabilities -Current Year	1,554,107,189	624,866,370	969,531,398	15,677,212	3,164,182,169
Previous Year (2013-2014)	1,569,644,108	355,371,467	1,885,636,516	18,147,036	3,828,799,127
Capital Expenditure (Net of disposal) - Current Year	817,916,930	-	(1,864,226)	-	816,052,704
Previous Year (2013-2014)	325,119,284	-	15,541,465	-	340,660,749

GEOGRAPHICAL SEGMENT

	Segment revenue by Geographical Market	
	Current Year Rs.	Previous Year Rs.
Sales of India	5,476,405,260	4,276,977,259
Sales of overseas	858,549,611	813,238,628
Less: Inter-segmental sales	(78,404,308)	(174,979,478)
Less: Inter-company	(282,131,368)	(112,938,487)
Total	5,974,419,195	4,802,297,923

Carrying amounts of geographical assets & additions to tangible & intangible fixed assets

	Carrying amounts of segment assets (Amt in Rs.)		Additions to fixed assets & Intangible assets (Amt in Rs.)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Located in India	8,007,366,647	8,863,877,294	815,401,990	331,950,766
Located outside India	953,828,741	816,140,612	650,714	8,709,982
Total	8,961,195,388	9,680,017,906	816,052,704	340,660,749

31. RELATED PARTIES DISCLOSURE

Name of the Related Party	Relationship
Nikhil Kumar	Key Managerial Personnel
Hitoshi Matsuo	Key Managerial Personnel
Mohib N. Khericha	Key Managerial Personnel
G. S. Raju	Key Managerial Personnel
Pavan Ganapati Raju	Relative of Key Managerial Personnel
B. C. Harish	Key Managerial Personnel
Tadao Kuwashima	Key Managerial Personnel

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

Related Parties Disclosure (contd.)

(Amt in Rs.)

Nature of transactions	Key Managerial Personnel and their Relatives		Enterprises over which Key Managerial Personnel and their Relatives are able to exercise significant influence
	2015	2014	
Directors Remuneration and Commission			
Nikhil Kumar	22,818,400	24,590,104	-
Hitoshi Matsuo	3,013,487	9,620,438	-
Directors Remuneration			
Tadao Kuwashima	-	10,348,800	-
Remuneration Paid (CEO)			
G. S. Raju	7,259,100	11,847,133	-
B. C. Harish	3,750,000	-	-
Directors Sitting fees			
Mohib N. Khericha	320,000	360,000	-
Hitoshi Matsuo	40,000	200,000	-
Lease Rent Paid			
Mohib N. Khericha	2,700,000	2,700,000	-
Rent Paid (including service tax)			
G. S. Raju	198,444	189,018	-
Pavan Ganapati Raju	77,175	178,139	-

32. OPERATING LEASES

The Company has various operating leases for office facilities, guesthouse and residential premises of employees that are renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are Rs. 22,291,243/- (Previous year Rs. 23,441,330/-).

33. WARRANTY CLAIMS AND COMPENSATED LEAVE / SICK LEAVE ENCASHMENT

As at 31.03.2015
(Amt in Rs.)

Provision for warranties are made on estimated basis

	Warranty claims	Compensated leave / Sick Leave
Balance outstanding at the beginning of the year	16,726,646	-
Provision for the year	3,367,852	1,288,810
Utilized during the year	-	-
Withdrawn and credited to Statement of Profit and Loss	-	-
Balance outstanding at the end of the year	20,094,498	1,288,810

INTENTIONALLY LEFT BANK

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

	As at 31.03.2015		As at 31.03.2014	
	In USD	In Rupees	In USD	In Rupees
34. FOREIGN CURRENCY EXPOSURES				
Hedged				
Sell Contracts				
USD (Hedge of expected future sales)	1,657,390.40	108,285,119	-	-
Unhedged				
Assets (Receivables)		657,877,894		768,881,217
Liabilities (payables)		509,243,958		485,072,606

35. THE DISCLOSURE AS PER REVISED AS-7 IN RESPECT OF CONTRACT IN PROGRESS AT THE END OF YEAR

		(Amt in Rs.)
Contract revenue	8,101,802,020	15,849,824,937
Cost incurred	7,655,003,109	13,511,884,009
Recognised profit (Less recognized losses)	446,798,911	2,337,940,928
Amount of advance received	42,323,260	551,292,787
Amount of retentions (Deferred debts)	386,050,533	320,069,348
In respect of dues from customer after appropriate netting off		
Gross amount due from customer for contract work as an asset	238,555,722	540,504,250
Gross amount due to customer for contract work as liability		
Contingencies	-	-

36. CORPORATE SOCIAL RESPONSIBILITY

A 1. Gross amount required to be spent by TD Power Systems Limited during the year -
Rs. 6,370,499/-

2. Amount spent during the year on

(Amt in Rs.)

Sl. Towards No.	Spent	To be spent	Total	
1. Construction/acquisition of any asset	-	-	-	-
2. On purposes other than (1) above	393,260	5,977,239	6,370,499	-

B 1. Gross amount required to be spent by DF Power Systems Private Limited during the year -
Rs. 87,241/-

2. Amount spent during the year on

(Amt in Rs.)

Sl. Towards No.	Spent	To be spent	Total	
1. Construction/acquisition of any asset	-	-	-	-
2. On purposes other than (1) above	-	87,241	87,241	-

37. a. The Group does not have any pending litigations which would impact its financial position as on the reporting date.

b. The Group has made provision, as required under the accounting standards, for material foreseeable losses, on long term contracts in respect of its wholly owned Indian subsidiary. The Company did not have any derivative contracts for which there were any material foreseeable losses.

Notes on Consolidated Financial Statement for the year ended March 31, 2015 (contd.)

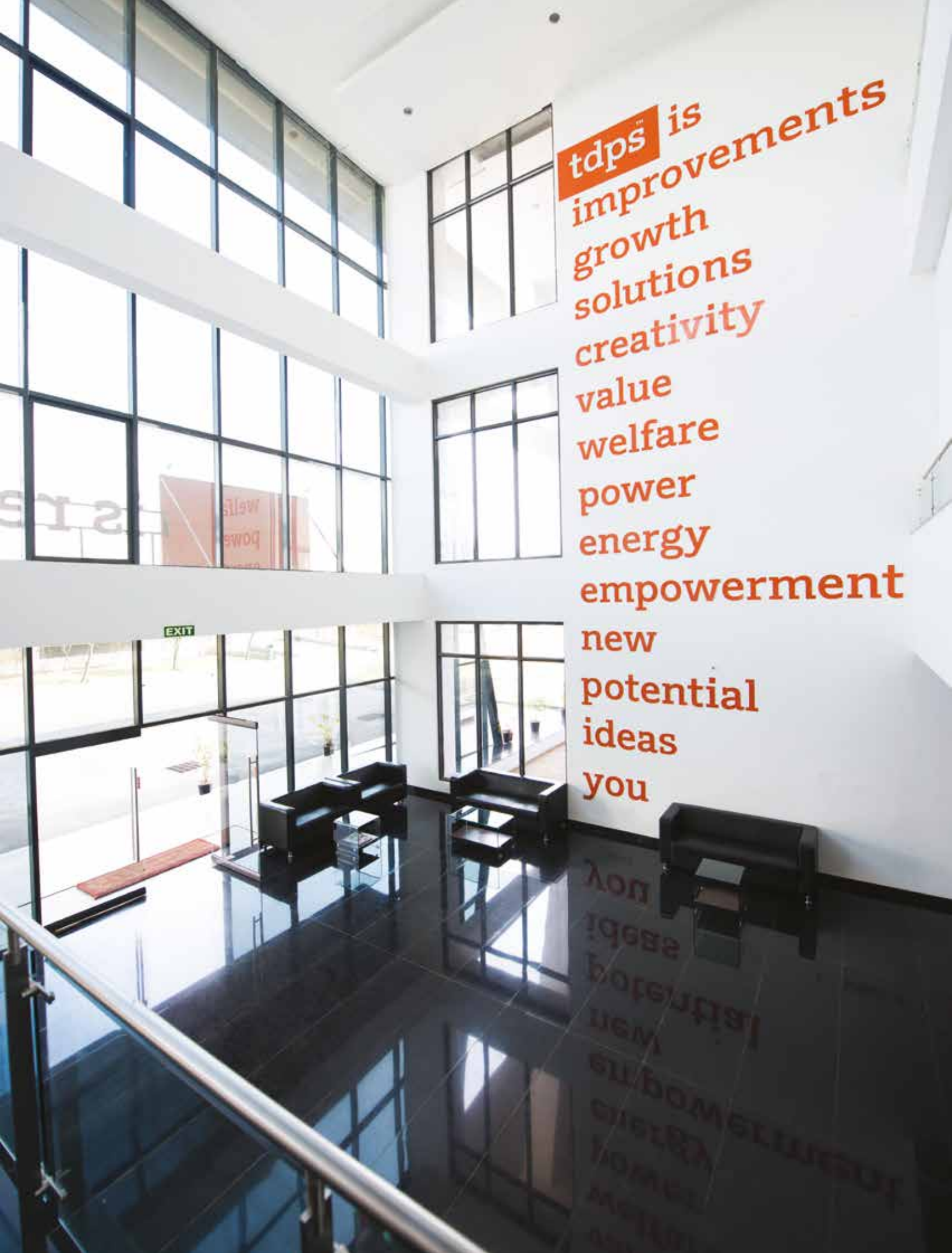
- c. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Group as on the reporting date.
- d. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the Entity in CFS	Net Assets i.e., total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount (Thousand)	As % of Consolidated profit or loss	Amount (Thousand)
Parent				
TD Power Systems Limited	94.09	4,648,315.90	(2047.71)	169,628.63
Subsidiaries				
Indian				
DF Power Systems Private Limited	5.39	266,450.18	2142.53	(177,482.89)
Foreign				
TD Power Systems (USA) Inc	(0.13)	(6,677.64)	175.72	(14,556.64)
TD Power Systems Japan Limited	0.65	32,309.97	(170.54)	14,127.09
Total	100.00	4,940,398.41	100.00	(8,283.81)

- e. Previous Year figures have been regrouped wherever required in conformity with the presentation for the current reporting period.

INTENTIONALLY LEFT BANK

tdps™ is
improvements
growth
solutions
creativity
value
welfare
power
energy
empowerment
new
potential
ideas
you



www.tdps.co.in

TD Power Systems Limited

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