



***DF Power Systems Private Limited***

***Eighth Annual Report - 2015***

## Corporate Information

**CIN:** U51505KA2007PTC041717

**Website:** [www.dfps.in](http://www.dfps.in)

**E mail:** [dfps@dfps.in](mailto:dfps@dfps.in)

### Registered office

# 27, 28 & 29, KIADB Industrial Area  
Dabaspeta, Nelamangala Taluk  
Bengaluru Rural District  
Bengaluru – 562 111, India  
Tel + 91-80-22995700/66337700  
Fax + 91-80-7734439/22995718

### City office

RMJ Mandoth Towers  
3<sup>rd</sup> Floor, No. 37, 7th Cross, Vasanthnagar  
Bangalore - 560 052  
Phone: +091-080-22017800  
Fax: +91 80 22017850

### Bankers

Bank of Baroda  
Standard Chartered Bank  
ICICI Bank Limited

### Auditors

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

### Board of Directors

#### Chairman

Mohib N. Khericha

#### Managing Director

Nikhil Kumar

#### Directors

Hitoshi Matsuo  
(up to 21.02.2015)  
Nitin Bagamane  
Ravi Kanth Mantha  
(From 12.08.2014)  
K. G. Prabhakar  
(From 20.05.2015)

#### Chief Executive Officer

G. S. Raju  
(up to 30.09.2014)  
B. C. Harish  
(From 01.10.2014)

#### Company Secretary

N. Srivatsa  
(From 05.11.2014)

# DF Power Systems Private Limited

Regd. Off: Plot Nos.27, 28 & 29, KIADB Industrial Area, Dabaspet, Nelamangala Taluk, Bangalore– 562111  
CIN: U51505KA2007PTC041717, Tel No: 080-22017800; Fax: 080-22017850/851, Website: www.dfps.in



## DIRECTORS' REPORT

Dear Members,

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

### WORKING RESULTS:

The Company's working has resulted in:-

Particulars	Year ended March 31, 2015 (Rs. in lakhs)	Year ended March 31, 2014 (Rs. in lakhs)
<b>Gross Profit/(Loss) amounting to</b>	<b>(1706.83)</b>	<b>(636.62)</b>
Less/(Add)		
Depreciation	(66.60)	(31.55)
Provision for Taxation	0.00	(0.11)
Add		
Deferred Tax (Net)	(1.40)	0.26
<b>Net Profit /(Loss) for the Year</b>	<b>(1774.83)</b>	<b>(668.02)</b>
Add		
Surplus brought forward from the Previous Year	3395.30	4063.32
Less		
Depreciation on opening balance	10.00	0.00
Available for appropriation	1610.47	3395.30
<b>Appropriations:</b>		
Provision for Dividends and Tax thereon	0.00	0.00
Transfer to General Reserves	0.00	0.00
<b>Surplus carried to Balance Sheet</b>	<b>1610.47</b>	<b>3395.30</b>

## OPERATIONS

Your Company's operations for the year ended March 31, 2015 resulted in a net loss of Rs. 1774.83 lakhs as compared to a net loss of Rs. 668.02 lakhs in the previous year March 31, 2014. The revenue from operations increased by 29.42% at Rs. 15,765.64 lakhs for the year as against Rs. 12,182.00 Lakhs for the year ended March 31, 2014.

During the year ended March 31, 2015, the weakness in order inflow both BTG / EPC projects continued to impact the performance of the Company. The overall market and orders finalized for coal based Thermal Power Market in -15MW-150MW rating size, the company's mainstay was dismal in the year. Most Thermal Power Private EPC Companies reflected stress in domestic market and certain large players accepted stray 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 a potential business option also cooled off due to lower fuel costs and longer payback periods due to prevailing weakness in Cement industry. Competition was intense in rare enquiries, since all competitors experienced lack of orders forcing some of them to undercut in pricing. Thus, the overall market scenario for thermal power projects in 15 MW- 150MW 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 order book as of close of Fiscal 2014 was Rs. 12,380 lacs, 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.

The Company is in the process of downsizing its operations, due to cost overruns, losses incurred during the year and the previous year accentuated by lack of orders due to an unfavorable investment climate and the continuing lack of clarity on new coal based power projects in 15MW-150MW which also impacted Company's business in the year ended March 31, 2015. Considering the uncertain market situation, the company's ability to operate viably and profitably, a decision was taken 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.

## 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 Directors' Report.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year ended March 31, 2015, four (4) 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 one hundred and twenty days.

## DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3)(C) OF THE COMPANIES ACT, 2013

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; and
- (e) 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.

#### **DECLARATION BY AN INDEPENDENT DIRECTOR**

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

#### **NOMINATION & REMUNERATION POLICY**

Based on the recommendation of the Nomination & Remuneration Committee, the Board has adopted the Nomination & Remuneration Policy of the holding company - TD Power Systems Limited to ensure uniformity. The policy provides a framework on the appointment and remuneration of directors and key managerial personnel. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Policy of the Company.

#### **AUDITORS**

The Statutory Auditors, M/s. B. K. Ramadhyani & Co. LLP., Chartered Accountants, Bangalore, hold office up to the conclusion of the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. A certificate has been received from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section of the Companies Act, 2013.

The Auditors report does not contain any qualification, reservation or adverse remark.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

There were no loans, guarantees and investments by the Company under Section 186 of the Companies Act, 2013 during the Financial Year 2014-15

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

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 2** to the Directors' Report.

## DIVIDEND

Due to operating losses, your Directors have not recommended payment of Dividend for the Financial Year 2014-15.

## MATERIAL CHANGES AND COMMITMENTS

The company continues to incur cost overrun losses during the current financial year. In line with the decision to scale down business operations, no enquiries are being followed and overall manpower is being reduced significantly.

Excepting the above, 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.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### Conservation of Energy and Technology Absorption

As the Company renders Engineering, Procurement and Construction (EPC) Services, Conservation of energy and Technology absorption are not applicable.

### Foreign Exchange

Particulars	2014-15 (Rs. in lakhs)
- Earnings in foreign Exchange [Value of Exports on FOB basis]	Nil
- Foreign Exchange outgo	10.11

## RISK MANAGEMENT

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.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

As recommended by the CSR committee, the Company shall adopt the CSR policy adopted by the holding company TD Power systems Limited (TDPS). The annual report on CSR is annexed as **Annexure 4** to the Boards' Report.

## DIRECTORS & SECRETARY

The composition of the Board of Directors as on March 31, 2015 comprised of four Directors consisting of a Non- Executive Chairman, a Managing Director ("MD") and two Independent Directors including an Independent Director representing the holding company-TD Power Systems Limited.

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 the relevant provisions of the Companies Act, 2013 and Rules thereunder, Mr. Nitin Bagamane and Mr. Ravi K Mantha were appointed as Independent Directors of the Company to hold office for five consecutive years for a term up to March 31, 2019.

Mr. Hitoshi Matsuo tendered his resignation as the 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 as Additional Director and shall hold office up to the date of the ensuing Annual General meeting of the Company. Your Company has received the requisite notice proposing his appointment as a Director of the Company.

Mr. Bharat Raj Panchal resigned as Company Secretary with effect from May 23, 2014. The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their meeting held on November 05, 2014 appointed Mr. N Srivatsa, as Company Secretary in the vacancy caused by the resignation of Mr. Bharat Raj Panchal.

#### AUDIT COMMITTEE

The Audit Committee (“Committee”) consists of two Independent Directors and a non-Independent Director. Mohib N Khericha is the chairman and Mr. Nitin Bagamane and Mr. Ravi Kanth Mantha, (both Independent Directors) are the other members of the Committee. Mr. Ravi Kanth Mantha, 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.

#### 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. Company does not have subsidiary Company. However Mr. Nikhil Kumar – Managing Director received remuneration of Rs. 20,966,900 from holding Company TD Power Systems Limited.

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 complaints or cases filed pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

#### INTERNAL CONTROL SYSTEMS

Your Company maintains an adequate and effective internal control system, commensurate with its size and complexity. Your Company believes that these internal control systems provide a reasonable assurance that the Company's transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or loss.

#### CODE OF CONDUCT

The Company had adopted the Code of Conduct of its Holding Company-TD Power Systems Limited (TDPS) for all the designated employees including Senior Management and the Directors. The Code of Conduct is posted on the TDPS website. Further, all the Board members and senior management personnel have affirmed their compliance with the Code of Conduct.

#### PARTICULARS OF EMPLOYEES

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of Rs. 60 lakhs or more, or employed for part of the year and in receipt of Rs. 5 lakhs or more per month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure 3** to the Directors' Report.

#### ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the wholehearted and continued support extended by the suppliers, customers, Banks and all employees of the Company during the year under report.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Bangalore  
May 20, 2015**

**MOHIB N. KHERICHA  
CHAIRMAN**



## 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	U51505KA2007PTC041717
ii.	Registration Date	07/02/2007
iii.	Name of the Company	DF Power Systems Private Limited
iv.	Category/ Sub Category of the Company	Private Company (Limited by Shares)
v.	Address of the Registered office and contact details	Plot Nos.27, 28 & 29, KIADB Industrial Area,, Dabaspeta, Nelamangala Taluk, Bangalore Rural Dist, Dabaspeta, Karnataka-562111  <a href="mailto:svratsa.n@dfps.co.in">svratsa.n@dfps.co.in</a>  080-22017800
vi.	Whether listed Company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent	NA

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	EPC Services – Specialized construction activities	43	83.56%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Companies for which information is being filled – 1 (One)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	TD Power Systems Limited(TDPS)	L31103KA1999PLC 025071	Holding	100% (99.00 % in it's own name and 0.01% held	2(87)(ii)

					by 2 directors with beneficial interest in favor of TDPS)	
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#### 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 the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual/HUF	0	2	2	0.01	0	2	2	0.01	0
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.	0	0	0	0	0	0	0	0	0
e. Banks / FI	0	0	0	0	0	0	0	0	0
f. Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(1)</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0.01</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0.01</b>	<b>0</b>
<b>2. Foreign</b>									
a. NRIs - Individuals	0	0	0	0	0	0	0	0	0
b. Other – 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
f. Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0.01</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0.01</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									

a. Mutual Funds	0	0	0	0	0	0	0	0	0
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. FIs	0	0	0	0	0	0	0	0	0
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
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-institutions</b>									
a. Bodies Corp									
(i) Indian	0	59,99,998	59,99,998	99.99	0	59,99,998	59,99,998	99.99	0
(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	0	0	0	0	0	0	0	0	0
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
(c) Others	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2)</b>	<b>0</b>	<b>59,99,998</b>	<b>59,99,998</b>	<b>99.99</b>	<b>0</b>	<b>59,99,998</b>	<b>59,99,998</b>	<b>99.99</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>59,99,998</b>	<b>59,99,998</b>	<b>99.99</b>	<b>0</b>	<b>59,99,998</b>	<b>59,99,998</b>	<b>99.99</b>	<b>0</b>

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>60,00,000</b>	<b>60,00,000</b>	<b>100</b>	<b>0</b>	<b>60,00,000</b>	<b>60,00,000</b>	<b>100</b>	<b>0</b>

**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	Nikhil Kumar	1	0.005	0	1	0.005	0	0
2	Mohib N. Khericha	1	0.005	0	1	0.005	0	0

**iii. Change in Promoters' Shareholding**

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	<b>Nikhil Kumar</b>				
	At the beginning of the year	1	0.005	1	0.005
	Date wise Increase / Decrease in Promoters 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	1	0.005		
2	<b>Mohib N Khericha</b>				
	At the beginning of the year	1	0.005	1	0.005
	Date wise Increase / Decrease in Promoters Shareholding during the	0	0		

	year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	At the end of the year	1	0.005		

**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
<b>1</b>	<b>TD Power Systems Limited</b>				
	At the beginning of the year	59,99,998	99.99	59,99,998	99.99
	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)	59,99,998	99.99		

**v. Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Shareholders' 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
<b>1.</b>	<b>Nikhil Kumar</b>				
	At the beginning of the year	1	0.005 (held in beneficiary interest by TD Power Systems Limited- holding company)	1	0.005
	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	1	0.005		
<b>2.</b>	<b>Mohib N Khericha</b>	<b>No. of shares</b>	<b>% of total shares of the Company</b>	<b>No. of shares</b>	<b>% of total shares of the Company</b>
	At the beginning of the year	1	0.005 (held in beneficiary interest by TD Power Systems Limited- holding company)	1	0.005
	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	1	0.005		
<b>3.</b>	<b>Nitin Bagamane</b>	<b>No. of shares</b>	<b>% of total shares of the Company</b>	<b>No. of shares</b>	<b>% of total shares of the Company</b>
	At the beginning of the year	0	0	0	0
	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	0	0		
<b>4.</b>	<b>Ravi K Mantha</b>	<b>No. of shares</b>	<b>% of total shares of the Company</b>	<b>No. of shares</b>	<b>% of total shares of the Company</b>
	At the beginning of the year	0	0	0	0
	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	0	0		
<b>5</b>	<b>K G Prabhakar</b>	<b>No. of shares</b>	<b>% of total shares of the Company</b>	<b>No. of shares</b>	<b>% of total shares of the Company</b>
	At the beginning of the year	0	0	0	0

	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	0	0
	At the end of the year	0	0	0	0

#### V. INDEBTEDNESS

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

Sl. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>A</b>	<b>Indebtedness at the beginning</b> of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due Total	NIL			
<b>B</b>	<b>Change in Indebtedness during</b> the financial year • Addition • Reduction Net Change				
<b>C</b>	<b>Indebtedness at the end of the financial year</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due Total				

For and on behalf of the Board of Directors

Bangalore  
May 20, 2015

Mohib N Khericha  
Chairman

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director - Mr. Nikhil Kumar

Sl. no.	Particulars of Remuneration	Amount (Rs.)
1.	Gross salary	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	#18,51,500
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	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	-
	<b>Total (A)</b>	<b>18,51,500</b>
	Ceiling as per the Act	Rs. 23,003,550 being 10% of net profits in terms of Section 198 of the Companies Act 2013 from the company and the holding company TD Power Systems Limited.

# Remuneration paid from April 2014 to August 2014.

### B. Remuneration to other directors

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
		Nitin Bagamane (Rs.)	Ravi Kanth Mantha (Rs.)	
1.	Independent Directors			
	• Fee for attending board / committee meetings	1,80,000	60,000	2,40,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	<b>Total (1)</b>	<b>1,80,000</b>	<b>60,000</b>	<b>2,40,000</b>
		Mohib N. Khericha (Rs.)	Hitoshi Matsuo (Rs.)	
2.	Other Non-Executive Directors			
	• Fee for attending board /committee meetings	1,60,000	1,20,000	2,80,000
		-	-	-



	<ul style="list-style-type: none"> <li>Commission</li> <li>Others, please specify</li> </ul>	-	-	-
	<b>Total (2)</b>	<b>1,60,000</b>	<b>1,20,000</b>	<b>2,80,000</b>
	<b>Total (B)=(1+2)</b>	<b>3,40,000</b>	<b>1,80,000</b>	<b>5,20,000</b>
	<b>Overall Ceiling as per the Act</b>			<b>Not applicable</b>
	<b>Total Managerial Remuneration (A+B)</b>			<b>23,71,500</b>

C.Remuneration to Key Managerial Personnel other than MD/Manager/WTD – Not Applicable

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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)
<b>A. Company</b> Penalty Punishment Compounding <b>B. Directors</b> Penalty Punishment Compounding <b>C. Other Officers in Default</b> Penalty Punishment Compounding			NIL		

For and on behalf of the Board of Directors

Bangalore  
May 20, 2015

Mohib N Khericha  
Chairman

**ANNEXURE 2**  
**AOC – 2**

[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 arm's length transactions under third proviso thereto

**1 Details of contracts or arrangements or transactions not 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

**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) 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 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 No. 25 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**

**Bangalore**  
**May 20, 2015**

**Mohib N Khericha**  
**Chairman**

### ANNEXURE 3

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

<b>Employee Name</b>	G. S. Raju*	B. C. Harish **
<b>Designation</b>	CEO	CEO
<b>Remuneration</b>	Rs. 7,259,100	Rs. 3,750,000
<b>Nature of Employment</b>	Contract	Contract
<b>Qualifications &amp; Experience</b>	Bachelor of Engineering & General Management Programme from IIM  26 years of Experience	Bachelor of Engineering (Mechanical) & <b>PGCBM</b> Post Graduate Certificate in Business Management  25 years of Experience
<b>Date of commencement of Employment</b>	01-10- 2008	01.12.2008
<b>Age</b>	47	48
<b>Previous Employment and Designation</b>	TD Power Systems Limited  General Manager-Projects	TD Power Systems Limited  <b>General Manager</b>
<b>Percentage of Equity Shares held (as on March 31, 2015)</b>	Nil	Nil
<b>Relative of any Director or Manager of the Company</b>	No	No

\* Up to September 30, 2014

\*\* From October 1, 2015

**For and on behalf of the Board of Directors**

**Bangalore  
May 20, 2015**

**Mohib N Khericha  
Chairman**

## ANNEXURE 4

### 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
Nikhil Kumar	Managing Director	Member
Mohib N. Khericha	Non-Executive Chairman	Member
Nitin Bagamane	Independent 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 Company has adopted CSR policy followed by its holding company TD Power Systems Limited.

#### 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.43, 62,069/-

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

Prescribed CSR expenditure is Rs. 87,241 (2% of Rs. 43, 62,069)

#### 5. Details of CSR spent during the financial year

- Total amount to be spent for the financial year: Rs. 87,241/-
- Amount unspent, if any: Rs.
- Manner in which the amount spent during the financial year: No amount spent.

#### 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 gross amount to be spent on CSR by the company for the FY 2014-15 is Rs 87241 which the CSR committee has resolved to contribute to the CSR activity (relating to integrated water & sanitation management in Tymagondalu Village, Nelamangala Tq, Bangalore Rural District) being undertaken by the holding company TD Power Systems Limited (TDPS). The said amount will be disbursed as and when requisitioned by TDPS.

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)**

**Nitin Bagamane**  
**(Chairperson CSR Committee)**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF DF POWER SYSTEMS PRIVATE LIMITED**

**Report on the Financial Statements:**

We have audited the accompanying financial statements of DF Power Systems Private 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 Hong Kong.

**Management's Responsibility for the 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 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 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 financial statements.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 losses and its cash flows for the year ended on that date.

**Other Matter:**

We did not audit the financial statements of Hong Kong branch included in the financial statements of the Company whose financial statements reflect total assets of Rs.25,74,39,424/- as at 31st March, 2015 and total revenues of Rs.6,75,61,739/-for the year ended on that date, as considered in the financial statements. The financial statements of the branch has 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 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 31 (a) to the financial statements
  - ii. The Company has made provision, as required under the accounting standards, for material foreseeable losses, on long term contracts. The Company did not have any derivative contracts for which there were any material foreseeable losses – Refer Note 31 (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 31(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**

**B.K.RAMADHYANI & CO LLP**  
**Chartered Accountants**

**4B, Chitrapur Bhavan,**  
**8<sup>th</sup> Main, 15<sup>th</sup> Cross,**  
**Malleswaram**  
**Bangalore-560 055**  
**Date: May 20, 2015**

**B K RAMADHYANI & CO. LLP**  
**CHARTERED ACCOUNTANTS**  
**No. 63, # 4-B, Chitrapur Bhavan,**  
**8th Main, 15th Cross, Malleswaram,**  
**BANGALORE - 560 055.**



**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF DF POWER SYSTEMS PRIVATE 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. The company does not hold any inventory and accordingly provisions contained in Clauses 3 (ii)(a), (ii)(b) and (ii)(c) of the Order is not applicable.
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, 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, 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 however incurred cash losses in the current year to the extent of Rs.17,06,82,668/- as well as in immediately preceding financial year amounting to Rs.6,36,61,196/-.
9. The Company has not taken any loans from financial institutions, except working capital facility from banks not reckoned here, or issued debentures, hence provisions of clause 3(ix) of the Order is not applicable.
10. In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions and accordingly provisions of Clause 3(x) of the Order is not applicable.
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.

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

  
**(R.SATYANARAYANA MURTHI)**  
**Partner**  
**Membership No. 024248**

**B.K.RAMADHYANI & CO LLP**  
**Chartered Accountants**  
**4B, Chitrapur Bhavan,**  
**8<sup>th</sup> Main Road, 15<sup>th</sup> Cross,**  
**Malleshwaram**  
**Bangalore-560 055**  
**Date: May 20, 2015**

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

**DF POWER SYSTEMS PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31ST , 2015**


Particulars	Note No.	As at 31.03.2015		As at 31.03.2014	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	2	60,000,000		60,000,000	
(b) Reserves and Surplus	3	<u>206,450,180</u>		<u>384,932,994</u>	
			266,450,180		444,932,994
<b>(2) Non - current liabilities</b>					
(a) Long term provisions	4	<u>15,677,212</u>		<u>15,620,374</u>	
			15,677,212		15,620,374
<b>(3) Current Liabilities</b>					
(a) Trade payables	5	589,843,124		737,400,518	
(b) Other current liabilities	6	154,655,663		660,833,937	
(c) Short term provisions	7	<u>225,032,612</u>		<u>489,928,724</u>	
			969,531,399		1,888,163,179
<b>TOTAL</b>			<u>1,251,658,791</u>		<u>2,348,716,547</u>
<b>II. ASSETS</b>					
<b>(1) Non - current assets</b>					
(a) Fixed Assets					
(i) Tangible assets	8	17,652,392		26,207,846	
(b) Deferred tax assets (Net)	9	4,247,620		4,387,706	
(c) Long term loans and advances	10	<u>36,041,228</u>		<u>18,552,719</u>	
			57,941,240		49,148,271
<b>(2) Current Assets</b>					
(a) Trade receivables	11	471,720,013		860,573,598	
(b) Cash and cash equivalents	12	649,625,786		971,626,143	
(c) Short term loans and advances	13	<u>72,371,752</u>		<u>467,368,535</u>	
			1,193,717,551		2,299,568,276
<b>TOTAL</b>			<u>1,251,658,791</u>		<u>2,348,716,547</u>

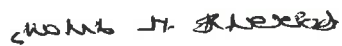
Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of the Balance Sheet 1-31

In Accordance with our Report attached

For and on behalf of Board of Directors

For B.K. RAMADHYANI & CO LLP.  
Chartered Accountants  
Firm Registration No. 0028785/5200021

  
R SATYANARAYANA MURTHI  
Partner - M/No. 024248

  
Mohib N. Khericha  
Director

Nikhil Kumar  
Managing Director



Place :Bangalore  
Date : 20th May 2015

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

**DF POWER SYSTEMS PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST , 2015**

Particulars	Note No.	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	15		1,576,563,904		1,218,200,924
II Other Income	16		71,435,053		85,270,361
<b>III Total revenue (I + II)</b>			<u>1,647,998,957</u>		<u>1,303,471,285</u>
IV Expenses					
Purchases for Project Business	17		1,517,339,587		1,137,908,540
Employee benefits expense	18		88,574,164		118,292,478
Finance costs	19		1,669,299		91,739
Depreciation and amortization expense	20		6,660,143		3,155,131
Other expenses	21		211,098,575		110,839,724
<b>Total Expenses</b>			<u>1,825,341,768</u>		<u>1,370,287,612</u>
V Profit before tax (III-IV)			(177,342,811)		(66,816,327)
VI Tax expense:					
(1) Current tax			-		11,235
(2) Deferred tax / (Income/Expense)			<u>140,086</u>		<u>(25,668)</u>
VII Profit/(Loss) for the period from continuing operations (V-VI)			140,086		(14,433)
VIII Earning per equity share:	22				
(1) Basic & Diluted			(29.58)		(11.13)
Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of the Statement of Profit & Loss	1-31				

In Accordance with our Report attached

For and on behalf of Board of Directors

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

Mohib N. Khericha  
Director

R SATYANARAYANA MURTHI  
Partner - M.No. 024248

Nikhil Kumar  
Managing Director

Place : Bangalore  
Date : 20th May 2015

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

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

	Current Year - In Rs.		Previous Year - In Rs.	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and extraordinary items		(177,342,811)		(66,816,327)
Adjustments for				
Depreciation	6,660,143		3,155,131	
Interest Income	(64,071,729)		(84,333,552)	
Interest Payments	590,635		-	
Loss on Sale of Asset	278,668		-	
Provision for Gratuity & Leave Encashment	(2,458,589)		2,024,663	
		(59,000,872)		(79,153,758)
<b>Operating profit before Working Capital Changes</b>		<b>(236,343,683)</b>		<b>(145,970,085)</b>
<b>Adjustments for</b>				
Trade Receivables	388,853,586		(371,454,592)	
Other Receivables	394,996,787		(254,268,407)	
Future Contract	(262,380,685)		(128,979,908)	
Other Payables	(506,178,274)		88,221,078	
Trade Payables	(147,557,394)	(132,265,980)	650,707,133	(15,774,696)
<b>Cash generated from Operations</b>		<b>(368,609,663)</b>		<b>(161,744,782)</b>
Direct Taxes Paid	(17,488,513)	(17,488,513)	(11,235)	(11,235)
<b>Net Cash Flow from Operating Activities</b>		<b>(386,098,176)</b>		<b>(161,756,017)</b>
<b>B Cash flow from Investing Activities</b>				
Purchase of Fixed Assets	(191,710)		(15,541,465)	
Sale of Fixed Asset / Purchase of Investments	808,435		-	
Interest Received	64,071,729		84,333,552	
<b>Net Cash used in investing activities</b>		<b>64,688,454</b>		<b>68,792,087</b>
<b>C Cash flow from financing activities</b>				
Interest Paid	(590,635)		-	
Dividend and Tax on Dividend paid	-		(21,059,100)	
<b>Net Cash flow from financing activities</b>		<b>(590,635)</b>		<b>(21,059,100)</b>
Net increase/decrease in cash and cash equivalents		(322,000,357)		(114,023,030)
Cash and cash equivalents at the beginning		971,626,143		1,085,649,172
Cash and cash equivalents at close		649,625,786		971,626,143
Actual Closing Cash Balance		649,625,786		971,626,142
Cash and cash equivalents at Close		649,625,786		971,626,142

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


As per our report of even date  
For B.K. RAMADHYANI & CO LLP.  
Chartered Accountants  
Firm Registration No. 002878S/S200021

  
R SATYANARAYANA MURTHI  
Partner - M/No.024248

Bangalore  
Date : 20th May 2015

For and on behalf of Board of Directors

Mohib N Khericha  
Director



Nikhil Kumar  
Managing Director



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

**DF POWER SYSTEMS PRIVATE LTD**  
**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31ST ,**  
**2015**

**1 SIGNIFICANT ACCOUNTING POLICIES.**

**1.1 Company overviews:**

DF Power Systems Private Limited (the Company) is a wholly owned subsidiary of TD Power Systems Limited, engaged in the business of executing power plants and providing engineering, procurement and construction services (EPC).

**1.2 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 date of the financial statements, and the reported amounts of revenue and expenses during the reported period.

**1.3 Revenue Recognition:**

(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) Interest income is recognised based on time proportion basis.

**1.4 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

**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 1 April 2014 has been adjusted to the Retained Earnings to the tune of Rs. 10 lakhs 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. 32.53 Lakhs for the year ended 31st March 2015

**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 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.

**1.8 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.

**1.9 Employees Benefits:**

**i. Short Term Employee Benefits:**

Employee benefits payable wholly within twelve months of rendering the service are classified as short term. Benefits such as salaries, bonus, leave travel allowance etc. are recognized in the period in which an employee renders the related service.





**ii. 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 of government bonds at the Balance Sheet date with the term that matches to the liabilities.

**1.10 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.

**1.11 Accounting for lease:**

**i. Operating Lease:**

Leases 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.



**DF POWER SYSTEMS PRIVATE LTD**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

**2 SHARE CAPITAL:**

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number	Rs in	Number	Rs in
<b>Authorized:</b>				
Equity shares of Rs.10/- each	7,500,000	<u>75,000,000</u>	7,500,000	<u>75,000,000</u>
		<u>75,000,000</u>		<u>75,000,000</u>
<b>Issued, subscribed and fully paid up:</b>				
<i>Equity shares of Rs.10/- each</i>				
At the beginning of the reporting period	6,000,000	60,000,000	6,000,000	60,000,000
Issued during the reporting period	-	-	-	-
At the close of the reporting period	6,000,000	<u>60,000,000</u>	6,000,000	<u>60,000,000</u>
<b>Total</b>		<b><u>60,000,000</u></b>		<b><u>60,000,000</u></b>

**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.

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	Particulars of equity share holders holding more than 5% of the total number of equity share capital:	Percentage	No of shares	Percentage	No of shares
a.	TD Power Systems Limited (Holding Company) (including beneficial Interest relating to 2 equity shares of Rs.10/- each being 0.01% of capital held by 2 directors of the company)	100.00%	6,000,000	100.00%	6,000,000





**DF POWER SYSTEMS PRIVATE LTD**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

**3 RESERVES AND SURPLUS:**

Particulars	As at	As at
	31.03.2015	31.03.2014
	Rs	Rs
<b>General Reserve</b>		
As per beginning of reporting period	45,402,506	45,402,506
As per the end of the reporting period	45,402,506	45,402,506
<b>Surplus i.e. balance in Statement of Profit &amp; Loss</b>		
As per beginning of reporting period	339,530,488	406,332,382
Add:		
Transferred from Profit and Loss Account	(177,482,897)	(66,801,894)
Less:		
Depreciation on Opening Balance	999,917	-
As per the end of the reporting period	161,047,674	339,530,488
<b>Total</b>	<b>206,450,180</b>	<b>384,932,994</b>



**DF POWER SYSTEMS PRIVATE LTD**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	As at 31.03.2015	As at 31.3.2014
	Rs.	Rs.
<b>4 LONG TERM PROVISIONS</b>		
Provisions for employee benefits - Leave		
a) Encashment	15,677,212	15,620,374
<b>TOTAL</b>	<u>15,677,212</u>	<u>15,620,374</u>



**DF POWER SYSTEMS PRIVATE LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.

**5 TRADE PAYABLES**

a) To Micro, Small and Medium Enterprises	36,329,445	31,549,773
b) Others	553,513,679	705,850,745
	<b>589,843,124</b>	<b>737,400,518</b>

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:

SI No.	Particulars	As at 31.03.2015	As at 31.03.2014
		Rs.	Rs.
1	Principal amount due and remaining unpaid	36,329,445	31,549,773
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	4,004,390
5	Interest due and payable for the period of delay other than (3) above	1,078,664	73,162
6	Interest accrued and remaining unpaid	1,078,664	73,162
7	Amount of further interest remaining due and payable in succeeding years	1,762,400	683,736

**6 OTHER CURRENT LIABILITIES:**

a) Outstanding Liabilities	102,195,442	105,871,604
b) Duties and taxes payable	3,278,914	3,627,775
c) Trade advance received from customers	49,001,369	551,292,787
d) Other liabilities	179,938	41,771
	<b>154,655,663</b>	<b>660,833,937</b>

**7 SHORT TERM PROVISIONS:**

a) Reserve for Future Contract	225,032,612	487,413,297
b) Employee benefits	-	2,515,427
	<b>225,032,612</b>	<b>489,928,724</b>



**D F POWER SYSTEMS PRIVATE LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

**8 FIXED ASSETS**

Particulars	GROSS BLOCK ( AT COST )				DEPRECIATION				NET BLOCK		
	As at 01.04.2014	Additions	Deletions	As at 31.03.2015	As at 01.04.2014	Trans to P & L under reserves	Depr for the Year	Depn written back	As at 31.03.2015	As at 31.03.2015	As at 01.04.2014
Computers & Printers	5,227,376	132,689	146,808	<b>5,213,257</b>	3,359,154	815,919	661,304	113,504	<b>4,722,873</b>	490,384	4,903,119
Software	3,880,075	-	-	<b>3,880,075</b>	845,178	13,814	1,497,561	-	<b>2,356,553</b>	1,523,522	542,894
Furniture & Fixtures	1,059,953	-	-	<b>1,059,953</b>	517,059	-	83,869	-	<b>600,929</b>	459,024	542,894
Motor Vehicles	6,523,378	-	1,476,280	<b>5,047,098</b>	1,846,399	-	784,135	741,305	<b>1,889,228</b>	3,157,870	4,576,979
Office Equipments	5,546,171	26,199	432,848	<b>5,139,522</b>	961,083	170,184	2,670,731	114,023	<b>3,687,976</b>	1,451,546	4,585,088
Plant & Machinery	12,580,018	32,822	-	<b>12,612,840</b>	1,080,252	-	962,543	-	<b>2,042,795</b>	10,570,045	11,499,766
<b>Total</b>	<b>34,816,971</b>	<b>191,710</b>	<b>2,055,936</b>	<b>32,952,745</b>	<b>8,609,125</b>	<b>999,917</b>	<b>6,660,143</b>	<b>968,832</b>	<b>15,300,354</b>	<b>17,652,392</b>	<b>26,207,846</b>
Previous Year	19,275,506	15,541,465	-	<b>34,816,971</b>	5,453,994	-	3,155,131	-	8,609,125	26,207,846	



**DF POWER SYSTEMS PRIVATE LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	As at 31.03.15	As at 31.3.2014
	Rs.	Rs.
<b>9 NET DEFERRED TAX LIABILITY/(ASSET)</b>		
<b>i) Deferred tax liability:</b>		
a) On account of depreciation on fixed assets	596,639	2,082,562
Total	596,639	2,082,562
<b>ii) Deferred tax asset:</b>		
a) On account of timing differences in recognition of expenditure (On leave encashment and estimated contract losses)	4,844,259	6,470,268
	4,844,259	6,470,268
	<b>(4,247,620)</b>	<b>(4,387,706)</b>



**DF POWER SYSTEMS PRIVATE LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
<b>10 LONG TERM LOANS AND ADVANCES:</b>		
a) Advance Tax (net of provision)	36,041,228	18,552,719
	<b>36,041,228</b>	<b>18,552,719</b>
 Additional information: Breakup of above:		
a) Unsecured, considered good	36,041,228	18,552,719
Total	<b>36,041,228</b>	<b>18,552,719</b>



**DF POWER SYSTEMS PRIVATE LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	As at 31.03.2015	As at
	Rs.	31.03.2014
	Rs.	Rs.
<b>11 TRADE RECEIVABLES:</b>		
a) Trade receivables exceeding six months	422,602,239	353,056,757
b) others	202,004,016	507,516,841
	<b>624,606,255</b>	<b>860,573,598</b>
Less: Provision for doubtful debts	152,886,242	-
	<b>471,720,013</b>	<b>860,573,598</b>
Additional information:		
1) Breakup of above:		
a) Secured, considered good	33,299,673	415,096,640
b) Unsecured, considered good	438,420,340	445,476,958
Total	<b>471,720,013</b>	<b>860,573,598</b>
<b>12 CASH AND BANK BALANCES:</b>		
<b>a) Cash and cash equivalents:</b>		
a) Balances with banks		
- on current accounts	34,474,313	40,257,019
b) Cash on hand	300,886	103,878
<b>b) Other bank balances:</b>		
a) Balances with banks		
- in margin money	987,271	12,460,500
- in deposit accounts exceeding 12 months maturity	304,007,000	429,525,000
- in deposit accounts exceeding 3 month but not exceeding 12 months	309,856,316	489,279,745
	<b>649,625,786</b>	<b>971,626,142</b>
<b>13 SHORT TERM LOANS AND ADVANCES:</b>		
a) Rent Deposit	867,640	1,241,500
b) Balance with Statutory/ Govt authorities	26,487,124	15,827,167
c) Prepaid Expenses	449,578	158,918
d) Trade Advance	26,637,886	424,071,307
e) Interest accrued on term deposits	16,915,114	24,108,718
f) Others	1,014,410	1,960,925
	<b>72,371,752</b>	<b>467,368,535</b>
Additional information:		
1) Breakup of above:		
a) Secured, considered good		
b) Unsecured, considered good	72,371,752	467,368,535
Total	<b>72,371,752</b>	<b>467,368,535</b>



**DF POWER SYSTEMS PRIVATE LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.

**14 CONTINGENT LIABILITIES AND COMMITMENTS:**

(to the extent not provided for)

a) Contingent Liabilities:		
i) Guarantees	166,355,718	798,109,629
ii) Letters of credit	17,692,205	

Based on internal assessment the management believes that the probabilities of crystallisation of the guarantees is improbable and accordingly no provision for the same is considered necessary.





**DF POWER SYSTEMS PRIVATE LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	Current Year Rs.	Previous Year Rs.
<b>15 REVENUE FROM OPERATIONS:</b>		
i) Sale of Goods		
- Gross sales EPC Business	1,314,183,219	1,089,221,016
Reserv for Future Contract - Add / ( Less )	262,380,685	128,979,908
	<b>1,576,563,904</b>	<b>1,218,200,924</b>
<b>16 OTHER INCOME:</b>		
a) Interest income on Bank Deposits	64,071,729	83,658,772
b) Provision no longer required withdrawn	2,915,834	936,809
c) Other non operating income (net of expenses directly attributable to such income)	1,263,228	674,780
d) Exchange Flucutation (Net)	3,184,262	-
	<b>71,435,053</b>	<b>85,270,361</b>
<b>17 Cost of materials consumed:</b>		
Purchases for Projects Business	<b>1,517,339,587</b>	<b>1,137,908,540</b>
<b>18 EMPLOYEE BENEFIT EXPENSES:</b>		
a) Salaries and wages	70,187,996	91,422,396
b) Contribution to provident and other funds	8,967,912	15,205,166
c) Remuneration to whole time directors	1,851,500	5,104,850
d) Staff welfare expenses	7,566,756	6,560,066
	<b>88,574,164</b>	<b>118,292,478</b>
<b>19 Finance Costs:</b>		
a) Interest expense	1,669,299	91,739
	<b>1,669,299</b>	<b>91,739</b>
<b>20 DEPRECIATION AND AMORTIZATION:</b>		
a) Depreciation	6,660,143	3,155,131
	<b>6,660,143</b>	<b>3,155,131</b>
<b>21 OTHER EXPENSES:</b>		
a) Power and fuel	831,660	1,498,459
b) Rent	12,121,671	14,003,782
c) Repairs and maintenance		
- Machinery	1,057,512	786,617
- Others	363,801	486,693
d) Insurance	477,266	843,007
e) Rates and taxes	1,078,272	569,656
f) Payment to the auditors		
- as Statutory auditor	375,000	375,000
- for taxation matters	225,000	225,000
- for other services - Ltd review	300,000	300,000
g) Selling expenses	54,597	84,579
h) Provision for doubtful trade receivables	152,886,242	-
i) Loss on sale of fixed asset (net)	278,668	-
j) Donations	-	50,000
k) Legal and professional charges	14,144,061	30,206,080
l) Directors sitting fees	606,744	584,272
m) Travelling and Conveyance	15,945,888	26,705,789
n) Bank Charges	6,100,125	8,478,505
o) Postage, Telegrams and Telephones	1,681,600	2,141,548
p) Vehicle Maintenance	2,051,892	1,757,726
q) Printing & Stationary	458,566	725,874
r) Subscription to Technical Associations, Journals & Magazines	60,010	93,301
s) Exchange Flucutation (Net)	-	20,923,836
	<b>211,098,575</b>	<b>110,839,724</b>

**ADDITIONAL INFORMATION**

Expenditure in foreign currency excluding expenditure at branch office: (net of withholding tax)

Others - On Payment Basis	1,011,070	4,139,049
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**DF POWER SYSTEMS PRIVATE LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	As at 31.03.2015	As at 31.3.2014
	Rs.	Rs.
<b>22 EARNINGS PER SHARE</b>		
<i>After extraordinary item:</i>		
Profit / Loss for the year after tax expense	<u>(177,482,897)</u>	<u>(66,801,894)</u>
	<u>(177,482,897)</u>	<u>(66,801,894)</u>
Weighted average number of equity shares	6,000,000	6,000,000
Earning per share	(29.58)	(11.13)



DF POWER SYSTEMS PRIVATE LIMITED  
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars		Current Year Rs.	Previous Year Rs.
23	<b>DISCLOSURES AS PER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS":</b>		
	<b>Defined Contribution Plan:</b> Employer's Contribution to Provident Fund & Pension Scheme	5,944,322	7,427,489
	<b>Defined Benefit Plan:</b> 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.		
1.	Defined Benefit obligation at beginning of the reporting period	Gratuity (Funded)	Gratuity (Funded)
	Current Service Cost	8,478,108	7,656,879
	Interest Cost	1,490,429	14,723,000
	Acquisition adjustment	697,166	1,578,707
	Actuarial (gain)/ loss	-	627,864
	Benefits Paid	885,551	(1,385,342)
	Defined Benefit obligation at end of the reporting period	(1,882,346)	(3,377,259)
	Obligations at end of the period - Current	9,668,908	15,676,559
	Obligations at end of the period - Non -Current	9,668,908	2,011,240
		14,388,402	13,665,319
2.	Reconciliation of opening and closing balance of fair value of plan assets: Fair value of plan assets at beginning of the reporting period *	13,394,028	9,818,355
	Acquisition adjustment	-	-
	Expected return on plan assets	1,058,493	950,983
	Employer Contribution	-	2,739,356
	Benefits paid	(1,882,346)	-
	Actuarial gain/(loss)	122,226	(114,666)
	Fair value of plan assets at reporting period	12,692,401	13,394,028
3.	Reconciliation of fair value of assets and obligations: Fair value of plan assets	12,692,401	13,394,028
	Present value of obligation	(9,668,908)	(8,478,108)
	Funded assets in excess of obligation of prior years	(3,023,493)	(4,915,920)
	Amount recognised in Balance Sheet under liabilities:	-	-
4.	Expense recognised during the year: Current Service Cost	1,490,429	1,578,707
	Interest Cost	697,166	627,864
	Expected return on plan assets	(1,058,493)	(950,983)
	Actuarial (gain)/ loss	763,325	(1,270,676)
	Net Cost	1,892,427	(15,088)
5.	Actuarial assumptions:		
	Mortality Table	1994 - 96 (Ultimate)	Indian Assured Lives Mortality (2006-08) (modified) ULT
	Discount rate (per annum)	7.80%	7.80%
	Expected rate of return on plan assets (per annum)	NA	9.25%
	Rate of escalation in salary (per annum)	7.00%	8.50%
	Attribution Rate	3.00%	7.00%
			3.00%
	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.		



**24 SEGMENT REPORTING:**

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.

- (i) Secondary segment is reported based on the geographical location of the company, viz., India and Hongkong. Revenues in the secondary segment are based on the sales made by the branch office. Fixed assets, Current Assets including Cash and Bank accounts, and Current liabilities are identified to the branch office to which they relate and are reported accordingly.

**Current year**

Particulars	Primary Segment		Total
	EPC	Common	
<b>1 Segment Revenues</b>			
External Revenues	1,576,563,904	-	1,576,563,904
Total Revenues	1,576,563,904	-	1,576,563,904
<b>2 Segment Results</b>			
Profit Before Taxation and Interest	(240,448,418)	-	(240,448,418)
Less: Interest	1,669,299	-	1,669,299
Less: Depreciation & Amortizations	6,660,143	-	6,660,143
TOTAL	(248,777,860)	-	(248,777,860)
<b>3 Unallocable &amp; Other Income (including Extraordinary items)</b>			
Less: Tax	-	71,435,049	71,435,049
		140,086	140,086
<b>Total Profit</b>	<b>(248,777,860)</b>	<b>71,294,963</b>	<b>(177,482,897)</b>

**Previous year**

Particulars	Primary Segment		Total
	EPC	Common	
<b>1 Segment Revenues</b>			
External Revenues	1,218,200,924	-	1,218,200,924
Total Revenues	1,218,200,924	-	1,218,200,924
<b>2 Segment Results</b>			
Profit Before Taxation and Interest	(148,839,818)	-	(148,839,818)
Less: Interest	91,739	-	91,739
Less: Depreciation & Amortizations	3,155,131	-	3,155,131
TOTAL	(152,086,688)	-	(152,086,688)
<b>3 Unallocable &amp; Other Income (including Extraordinary items)</b>			
Less: Tax	936,809	84,333,552	85,270,361
		(14,433)	(14,433)
<b>Total Profit</b>	<b>(151,149,879)</b>	<b>84,347,985</b>	<b>(66,801,894)</b>

<b>4 Unallocable Assets</b>	<b>535,257,036</b>	<b>716,401,755</b>	<b>1,251,658,791</b>
Previous Year (2013-2014)	1,338,322,814	1,010,393,733	2,348,716,547
<b>5 Unallocable Liabilities</b>	<b>969,531,399</b>	<b>15,677,212</b>	<b>985,208,611</b>
Previous Year (2013-2014)	1,885,647,752	18,135,801	1,903,783,553
<b>6 Capital Expenditure</b>	<b>191,710</b>	<b>-</b>	<b>191,710</b>
Previous Year (2013-2014)	15,541,465	-	15,541,465

**(ii) Geographical Segment:**

Particulars	Segment revenue by geographical Market (in Rs.)	
	Current reporting	Previous reporting
Sales of India	1,509,002,165	873,135,077
Sales of overseas	67,561,739	345,065,847
<b>Total</b>	<b>1,576,563,904</b>	<b>1,218,200,924</b>

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

	Carrying amounts of segment assets ( in Rupees)		Additions to fixed assets & Intangible assets ( 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	1,013,052,138	1,963,258,014	191,710	15,541,465
Located outside India	238,606,653	381,082,061	-	-
<b>Total</b>	<b>1,251,658,791</b>	<b>2,344,340,075</b>	<b>191,710</b>	<b>15,541,465</b>



**DF POWER SYSTEMS PRIVATE LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

**25 RELATED PARTIES DISCLOSURE:**

Sl. No.	Name of the related party	Relationship
1	T D POWER SYSTEMS LTD	Holding Company
2	Nikhil Kumar	Key management personnel and their Relatives.
3	Mohib Khericha	
4	G S Raju	
5	Pavan Ganapathy Raju	
6	B C Harish	

**DETAILS OF TRANSACTIONS:**

Sl. No.	Nature of transactions	Subsidiary	Key management personnel and their Relatives	Amount in Rupees Enterprises over which key management personnel and their relatives are able to exercise significant influence
1	Directors Remuneration and Commission	Nikhil Kumar	1,851,500	
2	Directors Sitting fees	Mohib Khericha	(5,104,850)	
3	Remuneration Paid	G S Raju	160,000	
4	Remuneration Paid	B C Harish	(180,000)	
5	Rent Paid (including service tax)	G S Raju	7,259,100	
6	Rent Paid (including service tax)	Pavan Ganapathy Raju	(11,847,133)	
7	Rent Paid to (including service tax)		3,750,000	
8	Management Services to			
9	Sale of Material to			
10	Amount due to Company from	TD Power Systems Limited	10,124,479	
11	Purchase of Generator from		(9,641,610)	
12	Amount Due from the company to		32,461,428	
			(24,820,295)	
			42,957,835	
			43,177,391	
			1,972,703	
			(33,449,572)	
			2,600,000	
			(2,600,000)	





**26 OPERATING LEASES:**

(a) 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. 1,21,21,671/- (Previous year Rs.1,40,03,782/-).

**27** During the reporting period, the Company has made provisions for Compensated Leave Absence, the details of the same are as under:

Particulars	Amount in Rupees Compensated Leave Absence
Balance outstanding at the beginning of the reporting period	-
Provision for the reporting period	12,88,810
Utilised during the reporting period	-
Withdrawn and credited to Profit and Loss Account	-
Balance outstanding at the end of the reporting period	12,88,810

**28** Foreign currency exposures which have not been hedged by any derivative instruments or otherwise as at end of the reporting period is as follows:

Particulars	Amount in Rupees As at end of current reporting period	Amount in Rupees As at end of preceding reporting period
Assets (Receivables)	37,49,08,279	38,10,82,061
Liabilities (payables)	13,04,38,004	28,51,03,755

**29 THE DISCLOSURE AS PER REVISED AS-7 IN RESPECT OF CONTRACT IN PROGRESS**

Sl. No.	Particulars	Amount in Rupees As at end of current reporting period	Amount in Rupees As at end of preceding reporting period
i)	Contract revenue	8,10,18,02,020	15,84,98,24,937
ii)	Cost incurred	7,65,50,03,109	13,51,18,84,009
iii)	Recognised profit ( Less recognized losses )	44,67,98,911	2,33,79,40,928
iv)	Amount of advance received	4,23,23,260	55,12,92,787
v)	Amount of retentions (Deferred debts )	38,60,50,533	32,00,69,348
vi)	In respect of dues from customer after appropriate netting off		
	a) Gross amount due from customer for contract work as an asset	23,85,55,722	54,05,04,250
	b) Gross amount due to customer for contract work as liability	-	-
vii)	Contingencies	Nil	Nil

**30 Corporate Social Responsibility**

a Gross amount required to be spent by the company during the year - Rs. 87,241/-

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

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

**b** The Company has made provision, as required under the accounting standards, for material foreseeable losses, on long term contracts. The Company did not have any derivative contracts for which there were any material foreseeable losses.

**c** There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company as on the reporting date.

**d** Previous reporting period's figures have been regrouped wherever required in conformity with the presentation for the current reporting period.

