



REF.BKR:2017-18/025

Auditors' Certificate

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

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

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

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

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

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

R Satyanarayana Murthi
Partner

Membership No. 024248

Place: Bangalore

Date: June 5, 2017

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
Reg. No. 002878S / S200021
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleshwaram,
BANGALORE - 560 055.

TD POWER SYSTEMS USA INC
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No	As at 31.03.2017 USD	As at 31.03.2016 USD
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	801,100.00	801,100.00
(b) Reserves and Surplus	2	(1,564,425.12)	(1,419,939.66)
		(763,325.12)	(618,839.66)
(2) Non - current liabilities			
(a) Other long term liabilities	3	800,000.00	700,000.00
(3) Current Liabilities			
(a) Trade payables	4	2,684,608.01	382,330.73
(b) Other current liabilities	5	250,000.00	250,000.00
		2,934,608.01	632,330.73
TOTAL		2,971,282.89	713,491.07
II. ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment			
(i) Tangible assets	6	1,231.21	-
(2) Current Assets			
(a) Trade receivables	7	2,682,585.82	702,665.82
(b) Cash and Bank Balance	8	36,465.86	9,208.75
(c) Short term loans and advances	9	251,000.00	1,616.50
		2,970,051.68	713,491.07
TOTAL		2,971,282.89	713,491.07

Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of 1-17 the Balance Sheet

In Accordance with our Report attached

For and on behalf of Board of Directors

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


Nikhil Kumar
Director


R SATYANARAYANA MURTHI
Partner - M.No. 024248


N Srivatsa
Secretary

Place : Bangalore
Date : 18th May 2017

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

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

Particulars	Note No	Current Year USD	Previous Year USD
I. Revenue from Operations	10	2,832,027.70	697,439.00
II. Other Income	11	-	233.50
III Total revenue (I + II)		<u>2,832,027.70</u>	<u>697,672.50</u>
IV Expenses			
Purchases	12	2,783,644.20	875,525.00
Employee benefits expense	13	106,697.94	109,907.18
Finance costs	14	30,821.31	22,814.92
Depreciation and amortization expense	15	307.68	3,598.21
Other expenses	16	55,042.03	181,044.51
Total Expenses		<u>2,976,513.16</u>	<u>1,192,889.82</u>
V Profit/(Loss) before extraordinary items and tax (III-IV)		(144,485.46)	(495,217.32)
VI Profit before tax		(144,485.46)	(495,217.32)
VII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VIII Profit/(Loss) for the year		<u>(144,485.46)</u>	<u>(495,217.32)</u>

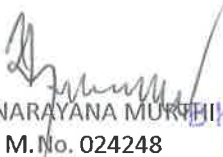
Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of the 1-17 Statement of Profit & Loss

In Accordance with our Report attached


For and on behalf of Board of Directors

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


Nikhil Kumar
Director


R SATYANARAYANA MURTHY
Partner - M.No. 024248

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


N Srivatsa
Secretary

Place : Bangalore
Date : 18th May 2017

TD POWER SYSTEMS USA INC
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Current Year - In USD	Previous Year - In USD
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	(144,485.46)	(495,217.32)
Adjustments for		
Depreciation	307.68	3,598.21
(Profit) / Loss on sale of Property, plant and equipments	-	60,882.92
Interest Payments	30,821.31	22,814.92
Operating profit before Working Capital Changes	(113,356.47)	(407,921.27)
Adjustments for		
Trade Receivables	(1,979,920.00)	(280,783.72)
Other Receivables	(249,383.50)	8,568.61
Trade Payables	2,302,277.28	48,579.27
Other liabilities	-	250,000.00
Cash generated from Operations	(40,382.69)	(381,557.11)
Net Cash Flow from Operating Activities	(40,382.69)	(381,557.11)
B Cash flow from Investing Activities		
Purchase of property, plant and equipments	(1,538.89)	-
Net Cash used in investing activities	(1,538.89)	-
C Cash flow from financing activities		
Long term borrowings	100,000.00	300,000.00
Interest Paid	(30,821.31)	(22,814.92)
Net Cash flow from financing activities	69,178.69	277,185.08
Net increase/decrease in cash and cash equivalents	27,257.11	(104,372.03)
Cash and cash equivalents at the beginning	9,208.75	113,580.78
Cash and cash equivalents at close	36,465.86	9,208.75


NOTES : Cashflows are reported using the indirect method.

In Accordance with our Report attached

For and on behalf of Board of Directors

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


Nikhil Kumar
Director


R SATYANARAYANA MURTHI
Partner - M.No. 024248
Place : Bangalore
Date : 18th May 2017

N Srivatsa
Secretary


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

TD POWER SYSTEMS USA INC.,
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

1 SHARE CAPITAL

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	in USD	Number	in USD
Authorized:				
Preference Shares of Rs. /- each	-	-	-	-
Equity shares of USD. 10/- each	1,000,000	<u>10,000,000</u>	1,000,000	<u>10,000,000</u>
		10,000,000		10,000,000
Issued, subscribed and fully paid up:	Number	in USD	Number	in USD
<i>Equity shares of USD.10/- each</i>				
At the beginning of the year	80,100	801,100	80,100	801,100
Issued during the year	-	-	-	-
At the close of the year	<u>80,100</u>	<u>801,100</u>	<u>80,100</u>	<u>801,100</u>
Total		801,100		801,100



TD POWER SYSTEMS USA INC.,
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Note No.	Particulars	As at 31.03.2017	As at 31.03.2016
		USD	USD
2	RESERVES AND SURPLUS:		
	Surplus i.e. balance in Statement of Profit & Loss		
	As at the beginning of the year	(1,419,939.66)	(924,722.34)
	Add:		
	Transferred from Statement of Profit and Loss	(144,485.46)	(495,217.32)
	As at the end of the year	(1,564,425.12)	(1,419,939.66)
3	LONG TERM BORROWINGS		
	Secured Loans:		
	Loans and advances from Holding Company	800,000.00	700,000.00
	Less: Current maturities of Long Term loans	-	-
	Net Total long term borrowings	800,000.00	700,000.00
4	TRADE PAYABLES		
	To Micro, Small and Medium Enterprises	-	-
	Others	2,684,608.01	382,330.73
		2,684,608.01	382,330.73
5	OTHER CURRENT LIABILITIES:		
	Outstanding Liabilities	250,000.00	250,000.00
		250,000.00	250,000.00



TD POWER SYSTEMS USA INC.,
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

6 PROPERTY, PLANT AND EQUIPMENTS

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 01.04.2016	Additions for the Period	Deductions	As at 31.03.2017	As at 01.04.2016	For the period	Deductions	As at 31.03.2017	As at 31.03.2016
Tangible Assets									
Own assets									
Buildings	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	-	-	-	-	-	-	-	-	-
Computers	-	1,538.89	-	1,538.89	-	307.68	-	307.68	1,231.21
Communication Equipments	-	-	-	-	-	-	-	-	-
Motor Vehicles	-	-	-	-	-	-	-	-	-
TOTAL	91,200.65	1,538.89	-	1,538.89	20,592.99	307.68	24,191.20	1,231.21	-
<i>Previous Year</i>									



TD POWER SYSTEMS USA INC.,
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Note No.	Particulars	As at 31.03.2017 USD	As at 31.03.2016 USD
7	TRADE RECEIVABLES:		
	a) Trade receivables exceeding six months	-	-
	b) others	2,682,585.82	702,665.82
		<u>2,682,585.82</u>	<u>702,665.82</u>
	Less: Allowance for bad and doubtful debts	-	-
		<u>2,682,585.82</u>	<u>702,665.82</u>
	Additional information:		
	1. Breakup of above:		
	a) Secured, considered good	-	-
	b) Unsecured, considered good		
	Doubtful	2,682,585.82	702,665.82
		<u>2,682,585.82</u>	<u>702,665.82</u>
	Less: Provision for doubtful debts	-	-
		<u>2,682,585.82</u>	<u>702,665.82</u>
8	CASH AND BANK BALANCES:		
	<i>Cash and cash equivalents:</i>		
	a) Balances with banks		
	- on current accounts	36,465.86	9,208.75
		<u>36,465.86</u>	<u>9,208.75</u>
9	SHORT TERM LOANS AND ADVANCES:		
	Trade Advance	250,000.00	-
	Prepaid Expenses	500.00	-
	Others	500.00	1,616.50
		<u>251,000.00</u>	<u>1,616.50</u>



TD POWER SYSTEMS USA INC.,
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Note No.	Particulars	Current Year USD	Previous Year USD
10	REVENUE FROM OPERATIONS:		
	Sale of services	2,832,027.70	697,439.00
		2,832,027.70	697,439.00
11	OTHER INCOME:		
	Other non operating income (net of expenses directly attributable to such income)	-	233.50
		-	233.50
12	PURCHASES:		
	Purchases for Projects & EPC Business	2,783,644.20	875,525.00
		2,783,644.20	875,525.00
13	EMPLOYEE BENEFIT EXPENSES:		
	Salaries and wages	106,697.94	106,199.36
	Staff welfare expenses	-	3,707.82
		106,697.94	109,907.18
14	FINANCE COSTS:		
	Interest expense	30,821.31	22,814.92
		30,821.31	22,814.92
15	DEPRECIATION AND AMORTIZATION:		
	Depreciation	307.68	3,598.21
		307.68	3,598.21
16	OTHER EXPENSES:		
	Rent	1,000.00	34,175.32
	Insurance	11,208.44	464.00
	Selling expenses	600.00	600.00
	Loss on sale of property, plant and equipments (net)	-	60,882.92
	Legal and professional charges	21,352.24	54,305.45
	Travelling and Conveyance	15,712.00	3,281.26
	Bank Charges	700.00	705.00
	Foreign Exchange Fluctuation	-	3,910.71
	Postage, Telegrams and Telephones	1,823.35	20,193.58
	Manufacturing Expenses	32.01	439.00
	Advertisement	-	500.00
	Printing & Stationary	667.99	1,061.27
	Subscription to Technical Associations, Journals & Magazines	1,946.00	526.00
		55,042.03	181,044.51



TD POWER SYSTEMS USA INC.,

17 Significant Accounting Policies

17.1 Basis of preparation of financial statements:

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

17.2 Depreciation:

Depreciation on tangible assets is provided using straight line method (SLM) with reference to the estimated useful life of the property, plant and equipments less its residual value as prescribed under Schedule II of The Companies Act 2013, or actual useful life of the asset, whichever is lower. Fixed assets costing below Rs. 5,000/- are depreciated fully. Depreciation is charged for complete quarter on addition / deletion.

17.3 Revenue Recognition:

Sale of goods is recognized on shipment to customers, and exclusive of excise duty and sales tax.
Sale of services is recognized on the basis of percentage of work done as per terms of contract.

17.4 Taxes on Income:

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

