

**TD POWER SYSTEMS PRIVATE LIMITED,
BANGALORE - 562 111.**

10th

ANNUAL REPORT

Balance Sheet and Profit and loss account for the year ended 31st March 2009

TD POWER SYSTEMS PRIVATE LIMITED
BANGALORE – 562 111

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

SECRETARY : K G Prabhakar

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

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

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

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

NOTICE

For Members only

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of the company will be held on 06th July 2009 at 11:00 AM at the Registered Office of the Company at #27,28 & 29, KIADB Industrial Area, Dobuspet, Bangalore Rural, Bangalore -562 111, to transact the following business: -

ORDINARY BUSINESS

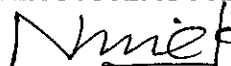
1. To consider and adopt the Director's Report, the Audited Balance Sheet as at 31st March 2009, the Profit and Loss Account for the period ended 31st March 2009 and the report of the Auditors thereon.
2. To consider and adopt the Consolidated Financial Statements as at 31st March 2009, along with subsidiary company.
3. To declare dividend on Equity Shares.
4. To appoint M/s B.K. Ramadhyani & Co., Chartered Accountants, Bangalore as auditors of the company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass with or without modification (s) the following as a Special Resolution.

RESOLVED that, pursuant to the provisions Section 314(1) of the Companies Act, 1956 and subject to such consents, approvals, permissions as may be required, the approval be and is hereby accorded to the appointment of Mr. Mohib N. Khericha, Director to hold an office or place of profit under the company, as consultant on a monthly fee of Rs. 25,000/- w.e.f 1st April 2009 upto 30th September 2010.

By Order of the Board
For TD POWER SYSTEMS PRIVATE LIMITED



NIKHIL KUMAR
JT. MANAGING DIRECTOR



Place: Bangalore
Date: 15th June 2009

Note:

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

**T D POWER SYSTEMS PRIVATE LIMITED
ANNEXURE TO THE NOTICE**

Explanatory statement pursuant to Section 173 of the Companies Act 1956

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice of the Annual General meeting of the Company.

Item No. 4

Mr. Mohib N. Khericha is a Chartered Accountant by qualification. His experience and expertise in financial management and other key areas would benefit the company in its formative years. Accordingly, Mr. Mohib N. Khericha has been appointed as consultant to the company w.e.f. 01.04.2009 for a period of 12 months at a fee of Rs. 25,000/- per month.

Mr. Mohib N. Khericha is also a director of the company and accordingly, his appointment, as consultant would amount to holding an office or place of profit under the company in terms of Section 314 of the Companies Act, 1956 requiring the approval of the shareholders.

The resolution is therefore recommended for your approval.

**By Order of the Board
For TD POWER SYSTEMS PRIVATE LTD**



**NIKHIL KUMAR
JT. MANAGING DIRECTOR**

**Place: Bangalore
Date: 15th June 2009**

TD POWER SYSTEMS PRIVATE LIMITED

DIRECTORS REPORT TO THE SHAREHOLDERS FOR THE PERIOD ENDED 31ST MARCH 2009

To,
The Shareholders

Your Directors are pleased to present the Tenth Annual Report with the Audited Accounts for the period ended 31st March 2009.

Working Results:

The company's working has resulted in:-

	Rs. In Lakhs	
	31.03.2009	31.03.2008
Gross Profit Amounting to	5,834.94	5,657.97
Add: Provision no longer required	39.01	
Less:		
Depreciation	326.67	251.74
Loss on sale of Asset	-	54.39
Provision for Taxation	1,641.27	1,671.13
Deferred Tax (Net)	173.68	90.54
Fringe Benefit Tax	34.00	34.00
Net Profit for the year	3,698.33	3,556.17
Add: Surplus brought forward from the Previous year	4,915.66	1,876.32
Available for appropriation	8,613.99	5,432.49
APPROPRIATIONS		
Provision for dividend & tax thereon on Equity Shares	371.09	148.76
Transfer to General Reserve	382.64	368.07
Surplus carried to Balance Sheet	7,860.26	4,915.66

Operations:

Your company has achieved a total turnover of Rs. 47,871.25 Lakhs for the year ended 31st March 2009. The Gross Profit for the year is Rs. 5,834.94 Lakhs as against Rs. 5,657.97 Lakhs in the previous year. The net profit for the year is Rs. 3,698.33 Lakhs.

Your Directors recommend payment of dividend on Equity Shares at the rate of 50% on pro rata basis for the financial year 2008-09.

During the year, 245 generators of various ranges from 1.0 MW to 35 MW of the value of Rs. 22,452.62 Lakhs were manufactured adding to the turnover of the company for the year 2008 – 2009.

The company's order book continues to be encouraging and stands at Rs. 44,749.61 Lakhs as on 31st March 2009.

Current year

The Indian economy appears to be on the recovery path since the slump in the market sentiments in Oct'08, ably supported by the manufacturing sector. The prospects for the current year continue to be good in view of shortage of power both for domestic and industrial sectors.

Your Directors are happy to report that the company's order book for the current year is satisfactory. The company has a comfortable order book for the manufacture of generators at its new plant. The company has received orders for manufacture of high-end rating generators.

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

Auditors

M/s. B. K. Ramadhyani & Co., Chartered Accountants, Bangalore are the retiring Auditors, and have offered themselves for re-appointment.

Disclosure under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:

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

	Rs. In Lakhs
Earnings	4,460.60
Outgo	2,414.29

Particulars of Employees read with Companies (Particulars of Employees) Rules, 1957:

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

Directors Responsibility Statement

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

1. That in the preparation of the accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and the estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and are the profit or loss of the company for the year under review.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

4. That the directors have prepared the accounts for the financial year ended 31st March 2009 on a 'going concern' basis.

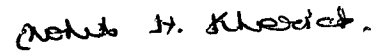
Acknowledgement

Your directors wish to thank M/s Bank of Baroda, Bangalore for their valuable support.

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

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

For and on behalf of the Board of Directors



Place: Bangalore
Date: 15th June 2009

MOHIB N KHERICHA
CHAIRMAN

ANNEXURE – 'A'
ANNEXURE TO DIRECTOR'S REPORT

Disclosure of particulars regarding conservation of Energy and Technology Absorption

A. Conservation of Energy:

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

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

B. Technology Absorption:

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

2. Benefits derived –

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

3. Expenditure on R & D

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

4. Technology Absorption, Adaptation and Innovation:

The company has acquired manufacturing technology license from M/s. Toyo Denki Seizo, K.K., Japan, for manufacture of generators. The technology absorption and adaptation is in progress.

For and on behalf of the Board of Directors

Mohib N. Khericha

Place: Bangalore
Date: 15th June 2009

MOHIB N KHERICHA
CHAIRMAN

Annexure to the Director's Report**ANNEXURE - B**

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rule 1975, and forming part of the director's report for the year ended March 31, 2009

Sl No	Name	Designation	Qualification	Age (years)	Date of Joining	Experience (Yrs)	Gross Remuneration (Rs.)	Previous Employment - Designation
Employed for Full Year								
01	Nikhil Kumar	Jt Managing Director	B.Tech	40	01-Oct-01	19	25,458,911	Kirloskar Electric Company Limited - General Manager
02	Hitoshi Matsuo	Managing Director	M.E.	63	01-Jul-02	43	28,897,366	Toyo Denki Seizo K.K. Japan - General Manager
03	Fumio Yamada	General Manager	M.E.	59	01-Feb-02	37	5,007,496	Toyo Denki Seizo K.K. Japan - General Manager
04	Tadao Miyanishi	General Manager	M.E.	60	01-Feb-02	41	6,378,240	Toyo Denki Seizo K.K. Japan - Asst. General Manager

Note :

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

For and on behalf of Board of Directors

ANAND H. KHOSLA

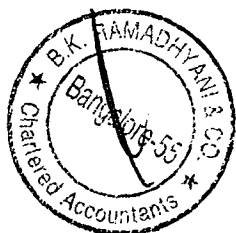
Chairman

Bangalore

Date : 15th June 2009

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

1. We have audited the attached Balance Sheet of T.D. Power Systems Private Limited, as at 31st March 2009 ,Profit and Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 2. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 3. The Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account.
 4. In our opinion the Balance sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;



5. On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. In the case of the balance sheet, of the state of affairs of the Company as at 31.3.2009; and
 - b. In the case of the profit and loss account, of the profit for the year ended on that date.
 - c. In the case of cash flow statement, of the cash flows for the year ended on that date.

For B. K. Ramadhyani & Co.,
Chartered Accountants


(R.SATYANARAYANA MURTHI)
Partner

Membership No.024248

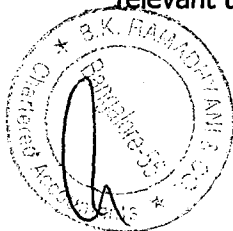
B.K.Ramadhyani & Co
Chartered Accountants
4B, Chitrapur Bhavan
8th Main, 15th Cross, Malleswaram
BANGALORE-560 055

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

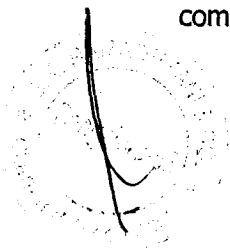
Date :15th June 2009

ANNEXURE TO AUDITORS' REPORT (AS REFERRED TO IN PARA 1 OF OUR REPORT TO THE MEMBERS T D POWER SYSTEMS PRIVATE LIMITED, BANGALORE)

1. a. The Company has maintained proper records showing full particulars including quantitative details, situation of fixed assets in the Fixed Asset Register.
b. Physical verification of fixed assets is being done on a phased manner and accordingly capitalisation of assets are to be verified during the ensuing year.
c. During the year, there has been no significant sale/disposal of fixed assets.
2. a. The inventory was physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
3. a. The Company has taken an interest free loan from the Managing Director amounting to Rs.69,64,980/-
b. In our opinion the rate of interest and other terms and conditions of the loan are prima facie are not prejudicial to the interest of the company.
c. The company has not granted any loan, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the companies Act,1956
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered.
b. According to the Company, the transactions made in pursuance of such contracts or arrangements, during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

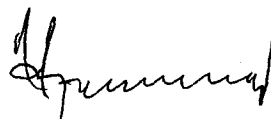


6. The company has not accepted any deposits from public, hence in our opinion the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules made thereunder are not applicable. According to the company, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. The company has an internal audit system commensurate with the size and nature of its business
8. As explained to us, the company has maintained cost records under Section 209(1)(d) of the Companies Act, 1956. However, we have not made a detailed examination of records.
9.
 - a. The company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, Excise duty, cess and other statutory dues with the appropriate authorities. There are no arrears of outstanding, statutory dues as at 31st March 2009, for a period exceeding six months. Cess payable under Section 441A of the Companies Act, 1956 has not been notified. Consequently, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same. Further, Short /non deduction of withholding tax has not been reckoned for this purpose.
 - b. There are no outstanding disputed amounts payable on account of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess.
10. The company has no accumulated losses as on 31st March 2009. The company has not incurred cash losses during the current year or during the previous year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank. The company has not taken any loan from the Financial Institutions and also it has not issued any debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



15. According to the information and explanation given to the company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company had obtained term loans during the year from the Company's bankers and the same was applied for the purpose for which it was obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes. No long-term funds have been used to finance short-term assets except permanent working capital.
18. According to the information and explanations given to us, the issue of shares to parties covered in the Register maintained under Section 301 of the Act during the year and the price charged therefore are not prejudicial to the interests of the company.
19. According to the information and explanations given to us, there are no debentures issued by the company and hence provisions of clause 4(xix) regarding creation of securities are not applicable.
20. There was no public issue of capital, debenture, etc during the year and hence provisions of paragraph 4(xx) regarding end use of money are not applicable.
21. According to the information and explanations given to us, no fraud on or by the company during the year has been noticed or reported during the course of our audit.

For B. K. Ramadhyani & Co.,
Chartered Accountants



(R.SATYANARAYANA MURTHI)

Partner

(Membership no. 024248)

B.K.Ramadhyani & Co
Chartered Accountants
4B, Chitrapur Bhavan
8th Main, 15th Cross, Malleswaram
BANGALORE-560 055

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

Date : 15th June 2009

TD POWER SYSTEMS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	In Rs.	As at 31st March 2008 In Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
a) Capital	A	63,435,670	63,435,670
b) Reserves & Surplus	B	884,391,627	551,666,593
		947,827,297	615,102,263
LOAN FUNDS			
a) Secured Loans	C	287,163,043	222,401,772
b) Unsecured Loans	D	-	6,964,980
		287,163,043	229,366,752
TOTAL		1,234,990,340	844,469,015
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block	E	620,104,244	460,284,014
b) Less : Depreciation		101,430,759	69,220,099
c) Net Block		518,673,485	391,063,915
d) Capital Work in progress (At cost)		8,575,905	37,347,972
		527,249,390	428,411,887
INVESTMENT	F	3,550,000	50,000
CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	G	325,375,106	150,267,220
b) Sundry Debtors		894,655,364	1,303,740,928
c) Cash & Bank Balances		678,191,056	455,847,923
d) Loans & Advances		731,483,808	522,858,340
		2,629,705,334	2,432,714,411
Less : CURRENT LIABILITIES & PROVISIONS	H		
a) Current Liabilities		1,463,034,435	1,627,774,782
b) Provisions		423,783,877	367,604,211
		1,886,818,312	1,995,378,993
NET CURRENT ASSETS		742,887,022	437,335,418
DEFERRED TAX LIABILITY (NET)		38,696,072	21,328,290
TOTAL		1,234,990,340	844,469,015
NOTES ON ACCOUNTS	M		

FOOT NOTE : Schedules referred to above and the Notes attached form an integral part of the Balance Sheet

As per our report of even date

For B.K. RAMADHYANI & CO.
Chartered Accountants

R SATYANARAYANA MURTHI
Partner - M.No.200/24248

Bangalore
Date : 15th June 2009

For and on behalf of Board of Directors

Mohib N. Khericha

Mohib N Khericha
Chairman

Hitoshi Matsuo
Hitoshi Matsuo
Managing Director

K G Prabhakar
K G Prabhakar
VP - Finance & Secretary

B.K. RAMADHYANI & COMPANY
CHARTERED ACCOUNTANTS
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TD POWER SYSTEMS PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

Schedule	Current Year In Rs.	Previous Year In Rs.
INCOME		
Gross Sales	4,999,017,064	5,656,076,178
Less : Excise Duty Paid	<u>211,891,947</u>	<u>330,471,898</u>
Net Sales	4,787,125,117	5,325,604,281
Other Income (including dividend income Rs. 6,000/-)	I 71,399,517	43,044,444
TOTAL	<u>4,858,524,634</u>	<u>5,368,648,725</u>
EXPENDITURE		
Consumption of Raw Materials, Stores, Spares parts & Components	J 1,602,040,627	1,610,597,018
Purchases for Trading	2,109,445,853	2,725,881,099
Operating and Other Expenses	K 537,496,633	451,536,004
Interest and Finance Charges		
On Fixed Loans	18,030,298	9,341,920
On Other Accounts	<u>8,016,764</u>	<u>5,495,866</u>
Loss on Sale of Fixed Asset	26,047,062	14,837,786
Depreciation	L 32,666,830	5,438,999
	<u>4,307,697,005</u>	<u>4,833,464,751</u>
PROFIT BEFORE TAXATION	550,827,629	535,183,974
Add : Provision no longer required	3,900,835	-
Less : Provision for Taxation (net)	164,127,366	167,113,161
Less : Deferred Tax (net)	17,367,782	9,054,387
Less : Fringe Benefit Tax	<u>3,400,000</u>	<u>3,400,000</u>
PROFIT AFTER TAX	369,833,315	355,616,426
Balance of Profit brought forward from previous year	491,565,545	187,632,177
AMOUNT AVAILABLE FOR APPROPRIATION		
Appropriations:		
Less : Provision for Dividend on Equity Shares (including Tax on Dividend of Rs. 5,390,446/- (Previous Year Rs. 2,160,924/-))	37,108,281	14,875,976
Less : Transfer to General Reserve	<u>38,264,207</u>	<u>36,807,081</u>
Balance of Profit Carried to Balance Sheet	<u>786,026,373</u>	<u>491,565,546</u>
EPS - Basic (on Re. 10/- per share)	46.42	56.22
EPS - Diluted (on Re. 10/- per share)	46.42	56.22

NOTES ON ACCOUNTS

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

As per our report of even date

For B.K. RAMADHYANI & CO.
Chartered Accountants

R SATYANARAYANA MURTHI
Partner - M.No.200/24248

Bangalore
Date : 15th June 2009

For and on behalf of Board of Directors

Mohib N Khericha
Mohib N Khericha
Chairman

Hitoshi Matsuo
Hitoshi Matsuo
Managing Director

K G Prabhakar
K G Prabhakar
VP - Finance & Secretary

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

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2009

In Rs. As at 31st
March 2008
In Rs.

SCHEDULE "A"

Authorised :

10,000,000 (10,000,000) Equity Shares of Rs. 10/- each	100,000,000	10,000,000
TOTAL	100,000,000	10,000,000

Issued, Subscribed and Paid-up :

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

NOTES : Equity Shares include :

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

SCHEDULE "B"

RESERVES AND SURPLUS

Share Premium Account

Opening Balance	8,517,516	8,517,516
Balance Carried Forward	8,517,516	8,517,516

General Reserve Account

Opening Balance	51,583,531	14,776,450
Add : Additions during the year	38,264,207	36,807,081
Balance Carried Forward	89,847,738	51,583,531

Profit & Loss Account

Balance in P & L Account	786,026,373	491,565,546
Balance Carried Forward	786,026,373	491,565,546
	884,391,627	551,666,593

SCHEDULE "C"

SECURED LOANS

a) Loans and Advances from Banks		
1. Term Loan from Bank of Baroda	148,532,818	141,030,807
2. Working Capital	119,182,283	61,319,250
3. Loan from Bank of Tokyo Mitsubishi UFJ Limited, Japan	18,644,950	17,642,737
b) Other Loans		
For Assets purchased under Hire Purchase	802,992	2,408,978
	287,163,043	222,401,772

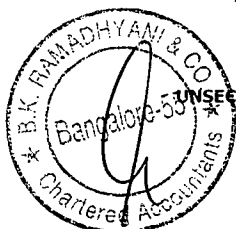
Notes:

i.	Balance of Term Loan from M/s Bank of Baroda as on 31 st March. Secured by the First charge on Land, Building, Specific Plant & Machinery, Furniture and Office Equipment, First Charge on all Current Assets of the company and Personal Guarantee of two Directors - Mr. Nikhil Kumar & Mr. Hitoshi Matsuo.	148,532,818	141,030,807
ii.	Balance of Working Capital Loan from M/s Bank of Baroda as on 31 st March - Secured by Hypothecation of Raw Materials, Goods-in-process, Finished Goods and Book Debts and a charge on Fixed assets of the company and secured by Personal Guarantee of two Directors - Mr. Nikhil Kumar & Mr. Hitoshi Matsuo.	119,182,283	61,319,250
iii.	a.) A temporary borrowing from M/s Bank of Tokyo Mitsubishi UFJ Limited, Tokyo, Japan secured by refund receivable on account of Expenditure Tax from the Government of Japan.	-	-
	b.) From Bank of Tokyo Mitsubishi UFJ Limited, Tokyo, Japan secured by goods pending shipment.	18,644,950	17,642,737
iv.	b.) From ICICI Bank / ABN Amro Bank - Secured by specific Motor Vehicles.	802,992	2,408,978

SCHEDULE "D"

UNSECURED LOANS

Loan from Director	-	6,964,980
	-	6,964,980



SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2009

SCHEDULE "E"

FIXED ASSETS - OWNED

(In Rs.)

	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1st April 2008	Additions	Deletions	As at 31st March 2009	As at 1st April 2008	Additions	Withdrawals during the period	As at 31st March 2009	As at 31st March 2008	
Free Hold Land	5,003,108	76,497,270	-	81,500,378	-	-	-	-	5,003,108	
Lease Hold Land (*)	2,315,184	-	-	2,315,184	-	-	-	2,315,184	2,315,184	
Buildings	164,019,137	2,790,537	-	166,809,674	10,838,081	5,159,574	-	15,997,655	153,181,056	
Plant & Machinery (**)	238,199,142	69,853,519	-	308,052,661	40,698,390	21,479,572	62,177,962	245,874,699	197,500,752	
Office Equipments	6,704,630	3,163,879	-	9,868,509	858,763	390,286	1,249,049	8,619,460	5,845,867	
Furniture & Fixtures	8,721,848	2,657,944	-	11,379,792	2,571,369	1,359,554	3,930,923	7,448,869	6,150,479	
Computers	18,952,073	3,086,874	456,170	21,582,777	9,469,773	2,573,584	456,170	9,995,591	9,482,300	
Communication Equipments	1,030,207	321,161	-	1,351,368	400,353	111,341	511,694	839,675	629,854	
Motor Vehicles (***)	15,338,685	1,905,216	-	17,243,901	4,383,370	1,592,920	5,976,290	11,267,611	10,955,315	
TOTAL	460,284,014	160,276,400	456,170	620,104,244	69,220,099	32,666,830	456,170	101,430,759	391,063,915	
Previous Year	267,116,366	206,032,954	12,865,306	460,284,014	49,489,672	25,173,846	5,443,419	69,220,099	391,063,915	

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

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

(***) Dues w.r.t Motor Vehicles under Hire Purchase Scheme from ICICI & ABN Amro amounts to Rs. 802,992 (Previous Year Rs. 2,408,978)



SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2009

	Nos	Face Value Rs.	In Rs	As at 31st March 2008 In Rs.
SCHEDULE "F"				
INVESTMENTS LONG TERM - UNQUOTED NON-TRADE (AT COST)				
2,000 Share of M/s The Shamrao Vithal Co-operative Bank limited @ Rs. 25/- each	2,000	25	50,000	50,000
3,50,000 Shares in Subsidiary Co-M/s D F Power Systems Private Limited @ Rs. 10/- each	350,000	10	<u>3,50,000</u>	<u>-</u>
			<u>3,550,000</u>	<u>50,000</u>

Note :

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

SCHEDULE "G"

CURRENT ASSETS, LOANS & ADVANCES

A. Current Assets

1. Inventories

i. Raw Material		154,521,226	49,340,370	
ii. Process Stock		161,095,365	85,705,871	
iii. Finished Goods		9,390,416	5,287,696	
iv. Material Pending at Port		-	3,058,247	
v. Stock of Trading Goods		<u>368,099</u>	<u>6,875,036</u>	
			325,375,106	150,267,220

2. Sundry Debtors - Unsecured, Considered good unless and otherwise stated

i. Debts outstanding for a period exceeding six months		198,363,426	214,125,346	
ii. Other Debts		<u>696,291,938</u>	<u>1,091,425,457</u>	
			894,655,364	1,305,550,803
Less : Provision for warranty claims			<u>894,655,364</u>	<u>1,305,550,803</u>
Less : Provision for Bad & Doubtful Debts		-	-	<u>1,809,875</u>
			<u>894,655,364</u>	<u>1,303,740,928</u>

3. Cash and Bank Balances

a. Cash on Hand		129,772	256,866	
b. Cheques in hand		623,327	24,999,131	
c. Other accounts				
- On Current Account (Refer Note No. 09 of Schedule "M")		55,578,939	12,278,169	
- On Short Term Deposit & Margins		<u>621,859,018</u>	<u>418,313,757</u>	
			678,191,056	455,847,923

B. Loans and Advances - Unsecured, Considered good

a. Sundry Advances		347,086,364	206,482,311	
b. Central Excise Deposits		15,057,621	9,839,894	
c. Advance payment of tax (net)		<u>369,339,823</u>	<u>306,536,135</u>	
			731,483,808	522,858,340

2,629,705,334

2,432,714,411

SCHEDULE "H"

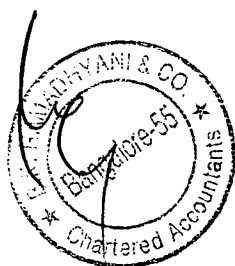
CURRENT LIABILITIES & PROVISIONS

A. Current Liabilities

Sundry Creditors	659,385,358	878,267,779	
Trade Advances	230,785,324	244,579,230	
Other liabilities	<u>572,863,753</u>	<u>504,927,773</u>	
		1,463,034,435	1,627,774,782

B. Provisions for

Taxation	351,178,160	318,664,682	
Warranty Claims	23,415,781	26,207,486	
Gratuity	634,613	520,529	
Leave Encashment	11,447,042	7,335,538	
Equity Dividend	<u>37,108,281</u>	<u>14,875,976</u>	
		423,783,877	367,604,211
		<u>1,886,818,312</u>	<u>1,995,378,993</u>



SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Current Year In Rs.	Previous Year In Rs.
SCHEDULE "I"		
SALES		
Sale of Goods - Inland - Manufacturing	2,245,262,090	2,230,373,399
Sale of Goods - Inland - Trading	1,089,290,912	1,453,672,625
Sale of Goods - Overseas Branch	<u>1,430,332,911</u>	<u>1,637,370,965</u>
	4,764,885,913	5,321,416,989
Miscellaneous Services	<u>22,239,204</u>	<u>8,981,374</u>
	22,239,204	8,981,374
TOTAL	<u>4,787,125,117</u>	<u>5,330,398,363</u>
Less : Provision for Warranty Claims (Net)	-	4,794,082
NET SALES	<u>4,787,125,117</u>	<u>5,325,604,281</u>

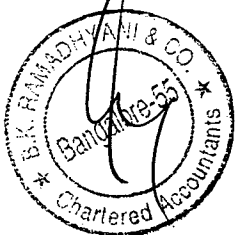
OTHER INCOME

Interest from Banks on deposits (at gross, TDS Rs. 7,837,589/-) (Previous Year 4,621,961/-)	42,623,458	23,964,812
Miscellaneous Income	28,776,059	1,080,976
Technology Transfer Fee	-	17,998,656
	<u>71,399,517</u>	<u>43,044,444</u>

SCHEDULE "J"

CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS & COMPONENTS

Raw material and Components			
Stores, Spare Parts, etc	<u>1,681,532,841</u>	1,681,532,841	<u>1,600,198,607</u>
			1,600,198,607
Add/(Deduct) : Decrease / (Increase) in Stocks			
Stock at Close			
Process Stock	161,095,365		85,705,871
Finished Goods	<u>9,390,416</u>		<u>5,287,696</u>
	170,485,781		90,993,567
Less : Stock at commencement			
Process Stock	85,705,871		96,017,010
Finished Goods	<u>5,287,696</u>		<u>5,374,968</u>
	90,993,567		101,391,978
Net Increase / (Decrease) in Stock		(79,492,214)	10,398,411
		<u>1,602,040,627</u>	<u>1,610,597,018</u>



SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

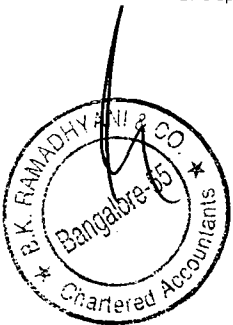
	Current Year In Rs.	Previous Year In Rs.
SCHEDULE "K"		
OPERATING & OTHER EXPENSES		
Power & Fuel	34,370,794	29,667,696
Expenses relating to Employees :		
Salaries, Wages & Bonuses	121,661,673	99,909,738
Contribution to Employees PF, FPF	5,841,245	4,762,612
Workmen and Staff Welfare Expenses (includes contribution to employees' State Insurance & PF Admn Charges)	28,151,331	19,339,735
Gratuity, Leave Encashment as per Actuarial Valuation	<u>6,856,195</u>	<u>6,871,989</u>
	162,510,444	130,884,074
Rent	13,978,649	5,063,276
Repairs		
Buildings	4,560,699	910,890
Machinery	26,059,166	11,920,021
Others	<u>26,410,303</u>	<u>2,744,245</u>
	57,030,168	15,575,156
Selling Expenses	58,043,925	66,694,152
Maintenance of Vehicles	1,763,114	1,394,877
Insurance	1,873,512	2,904,241
Rates and Taxes	907,901	400,431
Advertisement	795,281	1,611,558
Printing & Stationery	3,985,563	2,871,798
Travelling Expenses	62,452,803	48,927,677
Postage, Telegrams and Telephones	5,098,351	4,653,600
Auditors Remuneration	575,000	700,250
Tech. Consultancy & Professional Charges	30,218,420	28,063,166
Bank Charges	34,118,466	38,659,815
Subscription to Technical Associations, Journals and Magazines	1,181,793	2,755,841
Manufacturing expenses and sundries	1,399,171	594,496
Royalty	2,273,911	1,716,688
Direction Charges including other expenses	64,919,367	64,237,637
Exchange Fluctuation	-	4,159,575
	<u><u>537,496,633</u></u>	<u><u>451,536,004</u></u>

SCHEDULE "L"

DEPRECIATION, AMORTISATION

1. Depreciation

32,666,830	25,173,845
<u><u>32,666,830</u></u>	<u><u>25,173,845</u></u>



**TD POWER SYSTEMS PRIVATE LIMITED
BANGALORE – 562 111**

SCHEDULE " M "

Notes attached to and forming part of Balance Sheet and Profit and Loss Account for the year ending 31st March 2009.

1. Significant Accounting Policies.

1.1 Accrual System of Accounting:

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

1.2 Fixed Assets:

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

1.3 Inventories:

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

1.4 Depreciation:

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

1.5 Construction Contracts:

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

1.6 Revenue Recognition:

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

1.7 Foreign currency translation on overseas branch:

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

1.8 Amortisation of Technical Know-how Fees:

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

1.9 Provision for taxation:

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

1.10 Borrowing Cost:

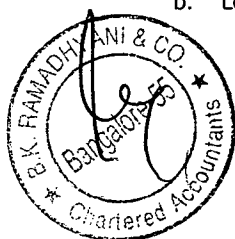
Interest and other borrowing cost on specific borrowings relatable to qualifying assets are capitalized up to the date such assets are ready for use. Other interest and borrowing cost are charged to Profit & Loss Account.

1.11 Contingent Liabilities:

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

1.12 Retirement benefits to Employees:

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



Rs. Previous Year Rs

2. Contingent Liabilities etc.:

i. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	340,017,451	13,796,333
ii. Guarantees, Counter Guarantees given on Imports and Sale Contract etc. (net of margins held by bank)	987,678,191	850,175,475
iii. Corporate Guarantees towards advances / performance against sale orders	34,256,500	66,073,795
iv. Corporate Guarantee issued on behalf of subsidiary company.	450,010,508	-

3. Operational Lease

The Company has various operating lease for transit houses and residential premises for employees that are renewable on a periodic basis, and cancelable at its option. Rental expenses for operating lease included in the Income Statement for the year is Rs. 2,231,457/- (Previous Year Rs. 2,103,659/-).

4. Segment Reporting

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

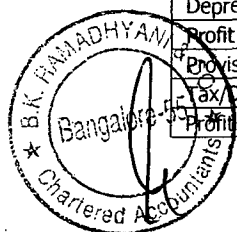
Certain expenses, which are not allocable to any specific segment, are separately disclosed at the enterprise level. Cash and bank balances in India are reported at the enterprise level as the company operates common bank accounts. Fixed assets, Liabilities, Current assets and Current liabilities relating to specific business segments are identified and reported. Those that are not identifiable are reported as common items.

Secondary segment is reported based on the geographical location of branch offices of the company, viz., India and Japan. Revenues in the secondary segment are based on the sales made by the branch office. Inter-segmental purchases & sales are separately identified and reported. Fixed assets, Current Assets including Cash and Bank accounts, and Current Liabilities are identified based on the branch office to which they relate and are reported accordingly.

Primary Segment Reporting – Profit & Loss Account

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

Particulars	PREVIOUS YEAR			
	Manufacturing	Trading	Common	Total
Revenue	2,193,165,364	3,097,195,897	-	5,290,361,261
Inter-segmental Sale	35,243,020			35,243,020
Segment Cost	1,811,922,892	2,915,286,283	31,000,925	4,758,210,100
Inter-Segmental Purchase		35,243,020		35,243,020
Operating Profit	416,485,492	146,666,594	(31,000,925)	532,151,161
Other Income	1,061,471	2,359	41,980,614	43,044,444
Profit before Interest, Depreciation	417,546,963	146,668,953	10,979,689	575,195,605
Interest	-	-	14,837,786	14,837,786
Depreciation & Amortization	21,866,991	2,991,324	315,530	25,173,845
Profit before Tax	395,679,972	143,677,629	(4,173,627)	535,183,974
Provision no longer required			-	-
Tax/Deferred Tax/Fringe Benefit Tax	179,567,548			179,567,548
Profit after Tax	216,112,424	143,677,629	(4,173,627)	355,616,426



Primary Segment Reporting – Assets & Liabilities

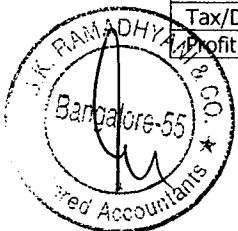
Particulars	CURRENT YEAR			
	Manufacturing	Trading	Common	Total
Fixed Assets				
Gross Block				
Less : Depreciation	519,149,882	19,453,984	81,500,378	620,104,244
Net Block	91,311,576	10,119,182	-	101,430,759
	427,838,306	9,334,802	81,500,378	518,673,485
Current Assets Loans & Advances				
Inventories				
Sundry Debtors	325,007,007	368,099	-	325,375,106
Cash and Bank Balance	392,772,238	501,883,127	-	894,655,364
Loans and Advances	-	8,246,958	669,944,098	678,191,056
	208,267,554	135,513,769	387,702,485	731,483,808
Less : Current Liabilities				
	795,726,628	701,574,428	389,517,256	1,886,818,312
Net Current Assets				
	130,320,171	(55,562,476)	668,129,327	742,887,022
Capital expenditure during the period				
Depreciation and Non Cash Amortisations during the year	155,157,434	5,118,966		160,276,400

PREVIOUS YEAR

Particulars	PREVIOUS YEAR			
	Manufacturing	Trading	Common	Total
Fixed Assets				
Gross Block	438,630,704	14,335,018	7,318,292	460,284,014
Less: Depreciation	60,362,190	8,857,909	-	69,220,099
Net Block	378,268,514	5,477,109	7,318,292	391,063,915
Current Assets Loans & Advances				
Inventories	140,333,937	9,933,283	-	150,267,220
Sundry Debtors	552,525,991	751,214,937	-	1,303,740,928
Cash and Bank Balance	-	7,747,531	448,100,392	455,847,923
Loans and Advances	62,553,889	128,249,181	332,055,270	522,858,340
Less: Current Liabilities	605,396,622	1,043,452,850	346,529,521	1,995,378,993
Net Current Assets	150,017,195	(146,307,918)	433,626,141	437,335,418
Capital expenditure during the period	204,600,103	1,432,851		206,032,954
Depreciation and Non Cash Amortizations during the year	22,182,521	2,991,324		25,173,845

Secondary Segment Reporting – Profit & Loss Account

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



PREVIOUS YEAR

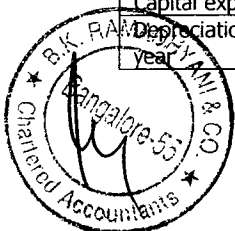
Particulars	India	Japan	Total
Revenue	3,654,931,403	1,635,429,858	5,290,361,261
Inter-Segmental Sale	35,243,020		35,243,020
Segment Cost	3,188,169,591	1,570,040,509	4,758,210,100
Inter-Segmental Purchase		35,243,020	35,243,020
Operating Profit	502,004,832	30,146,329	532,151,161
Other Income	42,556,846	487,598	43,044,444
Profit before Interest, Depreciation and Tax	544,561,678	30,633,927	575,195,605
Interest	14,837,786	-	14,837,786
Depreciation & Amortization	25,043,838	130,007	25,173,845
Profit before tax	504,680,054	30,503,920	535,183,974
Provision no longer required			-
Tax/Deferred Tax/Fringe Benefit Tax	178,867,548		178,867,548
Profit after Tax	325,812,506	30,503,920	356,316,426

Secondary Segment Reporting – Assets & Liabilities**CURRENT YEAR**

Particulars	India	Japan	Total
<i>Fixed Assets</i>			
Gross Block	618,237,902	1,866,342	620,104,244
Less: Depreciation	100,091,537	1,339,221	101,430,759
Net Block	518,146,365	527,121	518,673,486
			-
<i>Current Assets Loans & Advances</i>			
Inventories	325,375,106	-	325,375,106
Sundry Debtors	716,225,413	178,429,951	894,655,364
Cash and Bank Balance	669,944,098	8,246,958	678,191,056
Loans and Advances	641,943,314	89,540,495	731,483,808
			-
Less: Current Liabilities	1,706,409,284	180,409,028	1,886,818,312
			-
Net Current Assets	647,078,646	95,808,376	742,887,021
			-
Capital expenditure during the period	159,946,134	330,266	160,276,400
Depreciation and Non Cash Amortizations during the year	32,520,715	146,115	32,666,830

PREVIOUS YEAR

Particulars	India	Japan	Total
<i>Fixed Assets</i>			
Gross Block	458,747,938	1,536,076	460,284,014
Less: Depreciation	68,019,495	1,200,604	69,220,099
Net Block	390,728,443	335,472	391,063,915
			-
<i>Current Assets Loans & Advances</i>			
Inventories	150,267,220	-	150,267,220
Sundry Debtors	1,002,199,326	301,541,602	1,303,740,928
Cash and Bank Balance	448,100,392	7,747,531	455,847,923
Loans and Advances	438,340,071	84,518,269	522,858,340
			-
Less: Current Liabilities	1,695,195,971	300,183,022	1,995,378,993
			-
Net Current Assets	343,711,038	93,624,380	437,335,418
			-
Capital expenditure during the period	205,820,554	212,400	206,032,954
Depreciation and Non Cash Amortizations during the year	25,043,838	130,007	25,173,845



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

	As at 31.03.09	As at 31.03.08
On account of timing difference		
i. Liability		
a. Depreciation on fixed Assets	43,873,277	33,886,991
b. Technical Know-how	(297,748)	(396,997)
TOTAL	43,575,529	33,489,994
ii. Asset		
a. Disallowance under Section 43 B and other sections	4,879,457	12,161,704
iii. NET DIFFERENCE	38,696,072	21,328,290

6. Related Party Disclosure

Transaction with key management personnel and their relatives:

Sl No	Name of the Key Personnel	Nature of Transaction	As at 31.03.09	As at 31.03.08
01	Nikhil Kumar	Directors Remuneration and Commission	25,458,911	24,054,208
02	Hitoshi Matsuo	Directors Remuneration and Commission	28,897,366	27,444,145
03	Tadao Kuwashima	Directors Remuneration	6,378,240	6,552,840
04	Mohib Khericha	Sitting Fee	10,000	12,000
05	Mohib Khericha	Lease Rent	1,800,000	1,800,000
06	Mohib Khericha	Consultation Charges	336,565	337,080

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

	As at 31.03.09	As at 31.03.08
i. BASIC AND DILUTED EPS		
a. Profit After Tax (excluding Extra-Ordinary Items of Technology Transfer Fee)	294,460,828	285,934,713
b. No of shares of Rs. 10/- each at the end of the year	6,343,567	6,343,567
c. No of Shares of Rs. 10/- each – Equivalent	6,343,567	6,343,567
c. Basic EPS	46.42	56.22

A right issue of 2,000,000 shares was allotted during the year out of which 1,907,910 shares were allotted on 14th November 2007 and 92,090 shares were allotted on 21st January 2008.

8. Disclosure under AS 7 on Construction Contract

Company undertakes construction of Turbine Generator Island for power plants/projects. Plant Design, Engineering and Trading of these Equipments, Erection & Commissioning is undertaken in addition to Manufacture of AC Generator. Accounting of revenues is recognized based on delivery of traded equipments, parts and assemblies at site. Revenues in respect of erection & commissioning are recognized on completion of the activity and this method is followed consistently during the year.

i. The Amount of Construction Work In Progress – Rs.	183,190,266	455,684,733
ii. Payments received against Work In Progress – Rs.	105,252,938	156,553,649

9. Balances with Foreign Banks

i. With Bank of Tokyo Mitsubishi Limited, Tokyo			
On Current Account	- Yen	8,956,983	12,467,424
On Short Term Deposits	- Yen	5,031,240	5,021,614
On Deposits	- USD	5,891	5,762
On Deposits	- USD	100	100
ii. Maximum balance at any time during the year	- Yen	581,307,449	683,205,918

10. Earning in Foreign Exchange

i. Others	891,950	18,486,254
ii. Exports – FOB	445,168,433	87,521,642

Expenditure in Foreign Currency on Account of

Others	25,852,796	5,536,334
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Rs. Previous Year Rs

12. Value of Imports Calculated on CIF Basis

i. Raw Materials	120,294,526	93,309,732
------------------	-------------	------------

13. Remuneration to Auditors (Net of Service Tax):

i. For Audit	250,000	250,000
ii. For Taxation	200,000	200,000
iii. For Management Services	50,000	25,000
iv. Others	75,000	225,250

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

i. Value of imported raw materials, stores, spare parts and components consumed	- Value	132,953,678	115,471,999
	- Percentage	8.30	7.17
ii. Value of indigenous raw materials, stores, spare parts and components consumed	- Value	1,469,086,949	1,495,125,019
	- Percentage	91.70	92.83

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

	Unit	Quantity	Value	Quantity	Value
i Copper (Wires, strips, rods, Sheets etc)	Kgs	572,150	285,793,801	550,793	249,168,758
ii Iron and Steel	Kgs	8,055,425	446,107,458	6,189,567	347,849,802
iii Others			870,139,368		1,013,578,458

16. Capacities and Production:

Item No	Class of Goods		Licensed	Capacities Installed	Production
1.	A C Generators	Nos	360	360	245

17. Details of Sales and Purchases for Trading:

Class of Goods:

Power Generation Systems and Electrical Equipment's

Turnover	Rs.	2,519,623,823	3,091,043,590
Purchase	Rs.	2,109,445,853	2,725,881,099

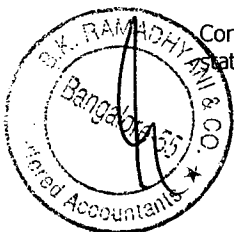
As the items are innumerable & project specific, quantity particulars of sale, turnover & purchases have not been ascertained.

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

Movement of provisions for liabilities

Particulars	Taxation	Warranty Claims	Gratuity	Leave Encashment	Others
Balance as on 01 st April 2008	318,664,682	26,207,486	520,529	7,335,538	2,837,860
Provided during the year	167,534,719	-	2,829,887	4,111,504	-
Amounts used during the year	151,664,682	-	2,715,807	-	-
Reversed during the year	16,643,441	2,791,705	-	-	-
Balance as at 31 st March 2009	351,178,160	23,415,781	634,613	11,447,042	2,837,860
Timing of outflow/uncertainties – On	Crystallization	Crystallization	Crystallization	Crystallization	Settlement

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

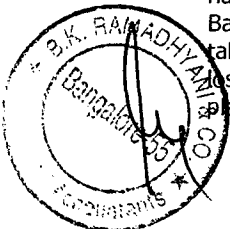


Rs. Previous Year Rs

19.	Interest and borrowing cost on specific borrowings relating to acquisition of capital assets has been capitalized as under up-to the date such assets brought to use.	384,597	659,550
	Buildings	-	135,309
	Plant & Machinery	384,597	109,014
	Furniture & Fixtures	-	-
	Capital Work-in-Progress	-	415,227
20.	Direction Charges		
	i. Director's Remuneration	20,840,394	19,433,536
	ii. Contribution to PF	2,337,693	2,127,841
	iii. Director's Sitting Fees	10,000	12,000
	iv. Commission	37,556,430	36,489,816
	v. Director's Travelling Expenses	4,174,843	6,174,444
	vi. Value of Perquisites	778,837	892,500
21.	Disclosure under The Micro, Small & Medium Enterprises Development Act, 2006 in respect of establishments considered as Micro, Small & Medium Enterprise based on the information made available by the Suppliers.		
	i. Overdue amount outstanding at the year ended	67,527,517	72,905,733
	ii. Interest payable on over due bills including paid / payable subsequently.	1,005,474	1,331,530
	iii. Total amount of interest along with the amount of the payment made during the year to the suppliers beyond appointed day	67,527,517	72,905,733
	iv. Total amount of interest along with the amount of the payment made to suppliers during the year on account of reference made by the suppliers to facilitation council	-	-
	v. Total amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	-	-
	vi. Total amount of interest accrued during the year and remaining unpaid at the end of year	1,005,474	1,331,530
	vii. Total amount of further interest remaining due and payable in succeeding years.	1,005,474	1,331,530
22.	Consequent to the announcement by the ICAI in 2005, following are the disclosures as required for the derivative instruments on hedging foreign currency exposures.		
	Foreign currency exposures hedged:		
	i. Assets (Receivables)	-	-
	ii. Liabilities (Payables)	-	-
	iii. Others	-	-
	Foreign currency exposures not hedged:		
	i. Assets (Receivables)	111,796,397	36,248,323
	ii. Liabilities (Payables)	14,533,083	14,601,422
	iii. Others	-	-

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

The company has the defined benefit plan, Every employee who has completed five years or more of service gets a gratuity on departure at 15 days (last drawn salary) for each completed years of service. Gratuity trust is created at the corporate level and is funded by the head office. The company has defined benefit plan for Provident Fund, all the employees on roll has to subscribe @ of 12% of Basic plus Dearness Allowance and the company contributes equal amount to fund. The following tables are the summaries of the net components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective years.



	Rs.	Previous Year Rs
I Component of employer expenses	Gratuity	Leave Encashment
i. Current Cost Service	1,060,984	3,762,376
ii. Interest cost	415,078	513,488
iii. Expected Return on plan assets	(692,944)	-
iv. Past Service Cost	-	-
v. Actuarial Losses/(Gains)	331,583	(164,360)
vi. Total expenses recognized in the Statement of Profit and Loss	1,114,701	4,111,504
II Actual Contribution and Benefits Payments for the period ended 31 st March 2009	Gratuity	Leave Encashment
i. Actual benefit payments	-	-
ii. Actual Contributions	2,633,246	-
III Net asset/(liability) recognized in balance sheet as at 31 st March 2009	Gratuity	Leave Encashment
i. Present value of Defined Benefit Obligation	6,932,951	11,447,042
ii. Fair Value of plan assets	10,661,093	-
iii. Funded status [Surplus/(Deficit)]	3,728,142	-
iv. Unrecognized Past Service Costs	-	-
v. Net asset/(liability) recognized in balance sheet	(3,728,142)	(11,447,042)
IV Change in Defined Benefit Obligations during the year ended 31 st March 2009	Gratuity	Leave Encashment
i. Present value of DBO at beginning of period	5,188,474	7,335,538
ii. Current Service Cost	1,060,984	3,762,376
iii. Interest Cost	415,078	513,488
iv. Actuarial (gains)/losses	331,583	(164,360)
v. Benefits Paid/ Service Charge	(63,168)	-
vi. Present value of DBO at the end of period	6,932,951	11,447,042
V Change in Fair Value of Assets during the year ended 31 st March 2009	Gratuity	Leave Encashment
i. Plan assets at beginning of period	7,398,071	-
ii. Expected return on plan assets	692,944	-
iii. Actuarial gain/(loss)	-	-
iv. Actual Company contributions	2,633,246	-
v. Benefits paid/Service Cost	(63,168)	-
vi. Plan assets at the end of period	10,661,093	-
VI Actuarial Assumptions	Gratuity	Leave Encashment
i. Discount Rate	8.00%	7.00%
ii. Expected Return on plan assets	8.00%	8.00%
iii. Salary escalation	7.00%	8.00%
iv. Attrition Rate	5.00%	5.00%

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

25. Figures in brackets refer to previous year ended 31st March 2008 and are re-grouped wherever necessary to conform to the presentation of the current year accounts.

As per our report of even date.

For and behalf of the Board of Directors

For B.K. RAMADHYANI & CO.
Chartered Accountants

Mohib N Khericha
Chairman

R SATYANARAYANA MURTHI
Partner- M.No. 200/24248

Hitoshi Matsuo
Managing Director

K G Prabhakar
Vice President & Secretary

Place: Bangalore
Date: 15th June 2009
B.K. RAMADHYANI & COMPANY
CHARTERED ACCOUNTANTS
4-B, Chitrabha Bhavan,
No. 68, 8th Main, 15th Cross,
Malleswaram, Bangalore - 560 055.

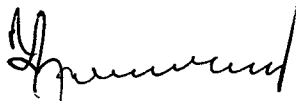
TD POWER SYSTEMS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH

	2009	2008
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	550,827,629	535,183,974
Adjustments for		
Depreciation	32,666,830	25,173,845
Amortisation	-	-
(Profit) / Loss on sale of Fixed Asset	(20,000)	5,438,999
Dividend Income	(7,500)	(6,000)
Interest Income	(42,623,458)	(23,964,812)
Interest Payments	26,047,062	14,837,786
Provision for Warranty Claims	(2,791,705)	4,794,082
Exchange Fluctuation Deficit	-	4,159,575
Provision for Gratuity & Leave Encashment	6,856,195	6,871,989
	20,127,422	37,305,464
Operating profit before Working Capital Changes	570,955,052	572,489,438
Adjustments for		
Trade Receivables	409,085,564	(389,325,812)
Other Receivables	(126,943,482)	(41,602,801)
Inventories	(175,107,886)	3,509,601
Trade Payables	(164,740,347)	373,152,635
Cash generated from Operations	513,248,901	518,223,060
Payment of Fringe Benefit Tax	6,042,633	3,545,987
Payment of Gratuity	2,715,805	2,244,288
Direct Taxes Paid	173,981,829	196,409,000
Net Cash Flow from Operating Activities	330,508,634	316,023,785
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(131,504,333)	(215,002,694)
Purchase of Investments	(3,500,000)	-
Sale of Fixed Asset / Purchase of Investments	456,170	1,888,556
Dividend Received	7,500	6,000
Interest Received	5,815,110	6,042,208
Net Cash used in investing activities	(128,725,552)	(207,065,930)
C Cash flow from financing activities		
Proceeds from issuance of Share Capital	-	20,000,000
Share Application Money	-	-
Share Premium	-	-
Refund on Income Tax	4,692,272	5,691,370
Long term borrowings	7,502,011	68,077,776
Temporary Borrowing	1,002,213	(1,491,179)
Unsecured Loans & Deposits	(8,570,966)	(3,798,051)
Working Capital borrowings	57,863,033	31,964,290
Interest Paid	(27,052,536)	(16,191,794)
Dividend and Tax on Dividend paid	(14,875,976)	(7,622,636)
Net Cash flow from financing activities	20,560,051	96,629,776
Net increase/decrease in cash and cash equivalents	222,343,133	205,587,632
Cash and cash equivalents at the beginning	455,847,923	254,419,866
Cash and cash equivalents at close	678,191,056	460,007,498
Actual Closing Cash Balance	678,191,056	455,847,923
Add : Non-Cash Equivalents	-	4,159,575
Cash and cash equivalents at Close	678,191,056	460,007,498

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

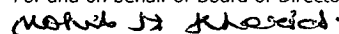
As per our report of even date
For B.K. RAMADHYANI & CO.
Chartered Accountants



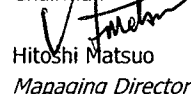
R SATYANARAYANA MURTHI
Partner - M.No.200/24248
Bangalore
Date : 15th June 2009

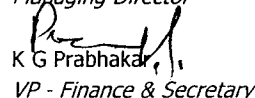
B.K. RAMADHYANI & COMPANY
CHARTERED ACCOUNTANTS
4-B, Chitrapura Bhavan,
No. 68, 6th Main, 15th Cross,
Malleswaram, Bangalore - 560 055.

For and on behalf of Board of Directors



Mohib M Khericha
Chairman


Hitoshi Matsuo
Managing Director


K G Prabhakar
VP - Finance & Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

REGISTRATION NO.

						2	5	0	7	1
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 BALANCE SHEET DATE

3	1
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0	3
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2	0	0	9
---	---	---	---

STATE CODE

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

PUBLIC ISSUE

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

RIGHT ISSUE

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

BONUS ISSUE

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

PRIVATE PLACEMENT

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

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

TOTAL LIABILITIES

1	2	3	4	9	9	0	3	4	0
---	---	---	---	---	---	---	---	---	---

TOTAL ASSETS

1	2	3	4	9	9	0	3	4	0
---	---	---	---	---	---	---	---	---	---

SOURCE OF FUNDS

PAID UP CAPITAL

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

RESERVES & SURPLUS

8	8	4	3	9	1	6	2	7
---	---	---	---	---	---	---	---	---

SECURED LOANS

2	8	7	1	6	3	0	4	3
---	---	---	---	---	---	---	---	---

UNSECURED LOANS

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

APPLICATION OF FUNDS

NET FIXED ASSETS

5	1	8	6	7	3	4	8	5
---	---	---	---	---	---	---	---	---

INVESTMENT

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

NET CURRENT ASSET

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

MISC . EXPENDITURE

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

ACCUMULATED LOSSES

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

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

TURNOVER

4	8	5	8	5	2	4	6	3	4
---	---	---	---	---	---	---	---	---	---

TOTAL EXPENDITURE

4	3	0	7	6	9	7	0	0	5
---	---	---	---	---	---	---	---	---	---

PROFIT BEFORE TAX

5	5	0	8	2	7	6	2	9
---	---	---	---	---	---	---	---	---

PROFIT AFTER TAX

3	6	9	8	3	3	3	1	5
---	---	---	---	---	---	---	---	---

EARNINGS PER SHARE IN RS.

		4	6	.	4	2
--	--	---	---	---	---	---

DIVIDENT RATE %

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

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

ITEM CODE NO . (ITC CODE)

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

PRODUCT DESCRIPTION

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

