

PUT Grundstücks GmbH

(Peine, Germany)

ANNUAL REPORT

**for the year ended
31st December 2015**

PUT Grundstücks GmbH
(Incorporated in Germany)
TRANSLATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31ST DECEMBER 2015

	Note.	Euro		Euro		Euro		Euro	
		As at		As at		As at		As at	
		31-12-2015		31-12-2015		31-12-2014		31-12-2014	
I EQUITY AND LIABILITIES									
1) Shareholders' Funds									
a) Share Capital	1	25,000		1,805,250		25,000		1,918,000	
b) Reserve and Surplus	2	<u>1,310,566</u>	1,335,566	<u>94,635,974</u>	96,441,224	<u>1,325,620</u>	1,350,620	<u>101,701,565</u>	103,619,565
2) Non-current liabilities									
Long-term Borrowings	3	<u>2,500,000</u>	2,500,000	<u>180,525,000</u>	180,525,000	<u>1,921,802</u>	1,921,802	<u>147,440,614</u>	147,440,614
3) Current liabilities									
a) Short-term borrowings	3	53,933		3,894,479		500,763		38,418,534	
b) Trade payables	4	22,793		1,645,900		67,644		5,189,682	
c) Other current liabilities	5	12,600	89,326	909,846	6,450,225	21,200	589,607	1,626,464	45,234,680
Total			<u>3,924,892</u>		<u>283,416,449</u>		<u>3,862,029</u>		<u>296,294,859</u>
II ASSETS									
1) Non-current assets									
(a) Fixed assets									
Tangible assets	6	3,705,426		267,568,803		3,787,432		290,571,775	
(b) Long Term Loans and Advances	8	<u>150,000</u>	3,855,426	<u>10,831,500</u>	278,400,303	–	3,787,432	–	290,571,775
2) Current assets									
a) Cash and cash equivalents	7	3,409		246,192		5,066		388,676	
b) Short Term Loans and Advances	8	66,057	69,466	4,769,954	5,016,146	69,531	74,597	5,334,408	5,723,084
Total			<u>3,924,892</u>		<u>283,416,449</u>		<u>3,862,029</u>		<u>296,294,859</u>

PUT Grundstücks GmbH

(Incorporated in Germany)

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STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST DECEMBER 2015

	Note.	Euro Year ended 31-12-2015	Euro Year ended 31-12-2015	Euro Year ended 31-12-2014	Euro Year ended 31-12-2014	
INCOME						
I	Revenue From Operations	9	671,280	47,674,301	704,498	56,831,848
II	Other Income	10	288	20,443	1,254	101,160
III	Total Revenue		<u>671,568</u>	<u>47,694,744</u>	<u>705,752</u>	<u>56,933,008</u>
IV EXPENSES						
	Finance costs	11	94,205	6,690,421	125,340	10,111,176
	Depreciation and amortization expenses	6	82,006	5,824,066	82,007	6,615,505
	Other Expenses	12	510,407	36,249,107	292,887	23,627,170
	Total Expenses		<u>686,618</u>	<u>48,763,594</u>	<u>500,234</u>	<u>40,353,851</u>
V	Profit before exceptional and extraordinary items and tax (III-IV)		<u>(15,050)</u>	<u>(1,068,850)</u>	<u>205,518</u>	<u>16,579,157</u>
VI	Tax expense :					
	Current tax		–	–	32,600	2,629,839
	Tax relating to earlier years		4	281	–	–
VII	Profit / (Loss) for the period (V-VI)		<u>(15,054)</u>	<u>(1,069,131)</u>	<u>172,918</u>	<u>13,949,318</u>

TRANSLATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2015

	IN EURO		IN `		IN EURO		IN `	
	Year ended		Year ended		Year ended		Year ended	
	31-12-2015		31-12-2015		31-12-2014		31-12-2014	
A. CASH FLOW FROM OPERATING ACTIVITIES:								
Net Profit before Tax		(15,050)		(1,068,850)		205,518		16,579,157
Adjustments for :								
Depreciation	82,006		5,824,066		82,007		6,615,505	
Exchange variation - Depreciation	-		97,587		-		(323,928)	
Exchange variation on application of AS11	-		(17,923)		-		(683,035)	
Interest expense (Net)	94,205	176,211	6,690,421	12,594,151	125,340	207,347	10,111,176	15,719,718
Operating Profit before Extraordinary items & Working Capital changes:		161,161		11,525,301		412,865		32,298,875
Adjustments For Changes in Working Capital :								
(Increase) / Decrease in trade and other receivables	3,474		250,871		(13,712)		(1,052,012)	
Increase / (Decrease) in trade payables and other liabilities	(500,282)		(36,125,284)		97,564		7,485,118	
Increase / (Decrease) in Provisions	-	(496,807)	-	(35,874,413)	(116)	83,735	(8,923)	6,424,183
Cash generated from operations		(335,647)		(24,349,112)		496,600		38,723,058
Taxes paid		(4)		(281)		(32,600)		(2,629,839)
NET CASH FROM OPERATING ACTIVITIES		<u>(335,651)</u>		<u>(24,349,393)</u>		<u>464,000</u>		<u>36,093,219</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :								
Purchase of fixed assets		-		-		-		-
NET CASH USED IN INVESTING ACTIVITIES		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES								
Loans raised during the year (Secured)		1,378,198		99,519,678		(439,288)		(33,702,086)
Loans repaid during the year		(800,000)		(57,768,000)		100,000		7,672,000
Interest expense		(94,205)		(6,690,421)		(125,340)		(10,111,176)
Loans to related parties		(150,000)		(10,831,500)		-		-
NET CASH USED IN FINANCING ACTIVITIES		<u>333,993</u>		<u>24,229,757</u>		<u>(464,628)</u>		<u>(36,141,262)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,657)		(119,636)		(628)		(48,043)
CASH AND CASH EQUIVALENTS								
-Opening Balance		5,066		365,828		5,692		436,719
CASH AND CASH EQUIVALENTS								
-Closing Balance		<u>3,409</u>		<u>246,192</u>		<u>5,066</u>		<u>388,676</u>
Notes :								
CASH AND CASH EQUIVALENTS include:								
a) Cash and Cheques on hand		-		-		-		-
b) With Scheduled Banks:								
Current Account		3,409		246,192		5,066		388,676
		<u>3,409</u>		<u>246,192</u>		<u>5,066</u>		<u>388,676</u>

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NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2015

	Euro		Euro	
	As at	As at	As at	As at
	31-12-2015	31-12-2015	31-12-2014	31-12-2014
1 SHARE CAPITAL				
a. Capital Subscribed				
Share Capital	25,000	1,805,250	25,000	1,918,000
	<u>25,000</u>	<u>1,805,250</u>	<u>25,000</u>	<u>1,918,000</u>

b. Reconciliation of number of shares

Equity Shares	As at 31-12-2015			As at 31-12-2014		
	No. of Shares	Value in Euro	Value in `	No. of Shares	Value in Euro	Value in `
1. Balance at the beginning of the year	-	25,000	1,805,250	-	25,000	1,918,000
2. Add : Shares issued during the year	-	-	-	-	-	-
3. Bonus Shares issued during the year	-	-	-	-	-	-
4. Balance at the end of the year	<u>-</u>	<u>25,000</u>	<u>1,805,250</u>	<u>-</u>	<u>25,000</u>	<u>1,918,000</u>

c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at 31-12-2015			As at 31-12-2014		
	No. of Shares	Shares as % of Total No. of Shares		No. of Shares	Shares as % of Total No. of Shares	
1. Sundram Fasteners Limited, Chennai	-	100.00		-	100.00	
Sub Total	<u>-</u>	<u>100.00</u>		<u>-</u>	<u>100.00</u>	
2. Total No. of Shares of the Company	<u>-</u>	<u>100.00</u>		<u>-</u>	<u>100.00</u>	

d. Bonus Shares / Buy Back / Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31st December, 2015 :

(i) Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil

(ii) Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil

(iii) Aggregate number of equity shares bought back : Nil

	Euro		Euro	
	As at	As at	As at	As at
	31-12-2015	31-12-2015	31-12-2014	31-12-2014
2. RESERVES & SURPLUS				
a. Surplus in Statement of Profit and Loss				
1. Balance as at the beginning of the year	1,325,620	95,723,028	1,152,702	88,435,282
2. Profit / (Loss) for the year	(15,054)	(1,069,131)	172,918	13,949,318
3. Balance available for appropriation (1 + 2)	<u>1,310,566</u>	<u>94,653,897</u>	<u>1,325,620</u>	<u>102,384,601</u>
Balance as at the end of the year	<u>1,310,566</u>	<u>94,653,897</u>	<u>1,325,620</u>	<u>102,384,601</u>
b. Foreign Exchange Translation Reserve / (Asset)				
Foreign exchange reserve/ (Asset) arising on account of application of Indian Accounting Standard - 11				
Opening balance as on 01.01.2015		(683,036)		1,492,614
Current year foreign exchange gain / (loss)		665,113		(2,175,650)
	<u>-</u>	<u>(17,923)</u>	<u>-</u>	<u>(683,036)</u>
Total Reserves and Surplus (a + b)	<u>1,310,566</u>	<u>94,635,974</u>	<u>1,325,620</u>	<u>101,701,565</u>

TRANSLATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3. BORROWINGS	Long-term / Non Current				Short-term / Current			
	As at 31-12-2015		As at 31-12-2014		As at 31-12-2015		As at 31-12-2014	
	Euro		Euro		Euro		Euro	
Secured								
i) Term Loans from Banks	2,500,000	180,525,000	1,121,802	86,064,614	-	-	-	-
ii) Loans from related parties (Peiner Umformtechnik GmbH)	-	-	800,000	61,376,000	48,877	3,529,382	37,139	2,849,277
iii) Loans repayable on Demand	-	-	-	-	5,056	365,097	463,624	35,569,257
Total	2,500,000	180,525,000	1,921,802	147,440,614	53,933	3,894,479	500,763	38,418,534
4. TRADE PAYABLES								
Domestic Payables	-	-	-	-	22,793	1,645,900	67,644	5,189,682
Total	-	-	-	-	22,793	1,645,900	67,644	5,189,682
5. OTHER LIABILITIES								
Other Liabilities	-	-	-	-	12,600	909,846	21,200	1,626,464
Total	-	-	-	-	12,600	909,846	21,200	1,626,464

6. FIXED ASSETS SCHEDULE

	Tangible			
	Lease hold Property		Total	
	Euro		Euro	
A. Cost of Assets				
As at 31-12-2014	4,383,674	336,315,477	4,383,674	336,315,477
Additions	-	-	-	-
Sales/Discards	-	-	-	-
Other Adjustments				
- Exchange difference	-	(19,770,370)	-	(19,770,370)
- Borrowing Costs	-	-	-	-
As at 31-12-2015	4,383,674	316,545,107	4,383,674	316,545,107
B. Depreciation / Amortization				
As at 31-12-2014	596,242	45,743,702	596,242	45,743,702
Charges for the year	82,006	5,824,066	82,006	5,824,066
Deduction on sale or discards	-	-	-	-
Exchange variation (op bal restated)	-	(2,689,051)	-	(2,689,051)
Restating to Closing Rate - CY Depn	-	97,587	-	97,587
As at 31-12-2015	678,248	48,976,304	678,248	48,976,304
C. Written Down Value				
As at 31-12-2015	3,705,426	267,568,803	3,705,426	267,568,803
As at 31-12-2014	3,787,432	290,571,775	3,787,432	290,571,775

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NOTES TO THE FINANCIAL STATEMENTS (Contd.)

7. CASH AND BANK BALANCES

	Non Current		Current	
	As at 31-12-2015	As at 31-12-2014	As at 31-12-2015	As at 31-12-2014
	Euro	Euro	Euro	Euro
Cash and Cash Equivalents				
Balances with Bank				
Commerz Bank	-	-	3,409	5,066
Total	-	-	3,409	5,066

8. LOANS AND ADVANCES

Receivables from tax authorities	-	-	60,428	4,363,491	25,142	1,928,894
Vendors with a debit balance	-	-	207	14,916	3,343	256,512
Tax on sales and purchases (tax payable)	-	-	4,967	358,678	41,045	3,149,002
Prepaid Expenses (Accrued Income)	-	-	455	32,869	-	-
Loans and advances to Related Parties	150,000	10,831,500	-	-	-	-
Total	150,000	10,831,500	66,057	4,769,954	69,531	5,334,408

	Year ended 31-12-2015		Year ended 31-12-2014	
	Euro	Euro	Euro	Euro
9. REVENUE FROM OPERATIONS				
Rental Income	671,280	47,674,301	704,498	56,831,848
Sub Total	671,280	47,674,301	704,498	56,831,848
10. OTHER INCOME				
Miscellaneous Income	158	11,243	1,254	101,160
Interest income	130	9,200	-	-
Sub Total	288	20,443	1,254	101,160
Total	671,568	47,694,744	705,752	56,933,008
9A. DETAILS OF SERVICES				
Renting with PUT / PEINER	508,080	36,083,842	508,080	40,986,814
Income for additional property expenses PUT / PEINER	122,918	8,729,661	155,991	12,583,799
Renting with TVS Peiner Services	31,920	2,266,958	31,920	2,574,986
Income for additional property expenses TVS Peiner Services	480	34,090	480	38,722
Renting with others	7,882	559,751	8,027	647,528
Total	671,280	47,674,302	704,498	56,831,848
11. FINANCE COST				
Interest expense	94,205	6,690,421	125,340	10,111,176
Total	94,205	6,690,421	125,340	10,111,176
12. OTHER EXPENSES				
a) Repairs & Maintenance - Building	84,328	5,989,006	101,731	8,206,673
b) Legal costs	20,047	1,423,772	2,056	165,888
c) Rates and Taxes	52,380	3,720,016	21,419	1,727,834
d) Miscellaneous Expenses (Refer Note 12A)	353,652	25,116,313	167,680	13,526,775
Total	510,407	36,249,107	292,887	23,627,170
12A. MISCELLANEOUS EXPENSES				
a) Repairs & Maintenance - Others	564	40,050	564	45,492
b) Auditors' Fees	15,225	1,081,280	6,000	484,020
c) Sundry expenses	337,863	23,994,983	161,116	12,997,263
Total	353,652	25,116,313	167,680	13,526,775

TRANSLATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

13. NOTES ON ACCOUNTS

1. AS 3: Cash Flow statements

Cash Flow statement has been attached to the Balance Sheet and Statement of Profit and Loss.

2. AS 5 : Net profit or loss for the period, prior period items and changes in accounting policies

Prior Period items

Particulars	EURO	`
	As at Year ended 31-Dec-15	As at Year ended 31-Dec-15
Prior Period Expenses	1,216.14	86,370.26

3. AS 6 : Depreciation Accounting

Depreciation is provided under the Straight line basis in accordance with the German Tax Laws.

Property, plant and equipment are depreciated in accordance with their estimated useful lives on the basis of the maximum allowable tax depreciation rates.

Intangible assets having a limited life are amortized over a period of 3 years under the Straight Line Method.

4. AS 10 : Accounting for Fixed Assets

Property, plant and equipment are capitalized at acquisition or production cost which includes taxes, duties and other identifiable direct expenses incurred up to the date the asset is put to use. The cost of self-constructed assets includes direct costs as well as a proportionate share of overheads and construction-related depreciation expenses. Purchased intangible assets are capitalized at acquisition cost.

5. AS 11: Accounting for effects in foreign exchange rates

The Balance Sheet as at 31st December 2015 has been translated from Euro to Indian Rupees by applying the year end inter-bank exchange rate of EURO 1 = ` 72.21 (2014 EURO 1 = ` 76.72). The financial statements have been compiled so as to have them properly drawn up in accordance with the requirements of the Indian Companies Act, 2013 in the manner so required.

Income and Expenditure

Income and expense items have been translated at average exchange rates prevailing during the year EURO 1 = ` 71.02; previous period (EURO 1 = ` 80.67).

Exchange differences arising out of the translation have been dealt with in accordance with AS 11.

6. AS - 18: Related Party Transactions

Related Parties:

(I) Where Control exists:

Holding Company

Sundram Fasteners Limited, Chennai

(II) Other Related Parties

Fellow Subsidiaries

Cramlington Precision Forge Ltd., Northumberland, United Kingdom

Sundram RBI Sdn. Bhd., Pandan Indah, Malaysia

TVS Upasana Limited. Chennai

Sundram Non Conventional Energy Systems Ltd., Chennai

Sundram International Inc., Michigan, USA

Sundram Precision Components Limited, Chennai

Sundram Fasteners (Zhejiang) Limited, People's Republic of China

Peiner Umformtechnik GmbH, Peine, Germany.

Sundram Fasteners Investments Limited, Chennai.

TVS Peiner Services GmbH, Peine, Germany

TVS Infotech Limited, Chennai

TVS Infotech Inc., Michigan, USA

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NOTES ON ACCOUNTS (Contd.)

(III) Transactions with related parties

Particulars	EURO As at / Year ended 31-Dec-15	As at / Year ended 31-Dec-15	EURO As at / Year ended 31-Dec-14	As at / Year ended 31-Dec-14
A) Rent received				
- Holding Company	-	-	-	-
- Fellow Subsidiaries				
a) Peiner Umformtechnik GmbH	630,998	44,813,502	664,071	53,570,613
b) TVS Peiner Services GmbH	32,400	2,301,048	32,400	2,613,708
B) Outstanding balances Due to the Company				
- Holding Company	-	-	-	-
- Fellow Subsidiaries				
a) TVS Peiner Services GmbH	-	-	-	-
b) Peiner Umformtechnik	150,000	10,831,500	-	-
C) Outstanding balances Payable by the company				
- Holding Company	-	-	-	-
- Fellow Subsidiaries				
a) Peiner Umformtechnik GmbH	48,877	3,529,382	837,139	64,225,277
D) Interest Paid				
- Holding Company	-	-	-	-
- Fellow Subsidiaries				
a) Peiner Umformtechnik GmbH	15,333	1,088,930	26,191	2,112,862

7. AS - 20: Earnings Per Share

The Capital of the Company is not divisible into shares of a specific denomination. Hence it is not possible to compute the earnings per share and consequently no disclosure has been made.

8. For other significant accounting policies refer to the Financial Statements of PUT Grundstücks GmbH.

9. Figures for the previous year have been re-grouped, wherever necessary to conform to current year classification.