

# **TD Power Systems Europe GmbH**

*Annual Report - 2016*

## **Corporate Information**

### **Registered office**

Paul – Ehrlich - Strasse 1a,  
63225 Langen,  
Germany

### **Board of Directors**

Nikhil Kumar- Managing Director  
Mr. Roeland Nollen-Managing Director

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF TD POWER SYSTEMS EUROPE GmbH**

**Report on the Financial Statements:**

We have audited the accompanying financial statements of TD Power Systems Europe GmbH. ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information for the limited purpose of verifying the compliance with Schedule III required for consolidation.

**Management's Responsibility for the Financial Statements:**

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

**Auditor's Responsibility:**

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

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

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

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



reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its losses and its cash flows for the year ended on that date for the limited purpose of consolidation.

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

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

**Date:** May 11, 2016  
**Place:** Bangalore

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

**TD POWER SYSTEMS EUROPE GmbH**  
**BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	As at 31.03.2016	
	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' Funds</b>		
(a) Share Capital	2	13,082,825
(b) Reserves and Surplus	3	<u>(2,832,409)</u>
		10,250,416
<b>(2) Current Liabilities</b>		
(a) Trade payables	4	325,918
(b) Other current liabilities	5	<u>1,774,510</u>
		2,100,428
<b>TOTAL</b>		<u><u>12,350,844</u></u>
<b>II. ASSETS</b>		
<b>(1) Current Assets</b>		
(a) Cash and Bank Balance	6	11,384,485
(b) Short term loans and advances	7	<u>966,359</u>
		12,350,844
<b>TOTAL</b>		<u><u>12,350,844</u></u>

Summary of Accounting Policies, other explanatory information & Notes attached form 1 - 10 an integral part of the Balance Sheet

In Accordance with our Report attached

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



R SATYANARAYANA MURTHI  
Partner - M.No. 024248

For and on behalf of Board of Directors



Nikhil Kumar  
Managing Director



Roeland Nollen  
Managing Director

Place : Bangalore  
Date : 11th May 2016


**B K RAMADHYANI & CO. LLP**  
**CHARTERED ACCOUNTANTS**  
No. 68, # 4-B, Chitrapur Bhavan,  
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**TD POWER SYSTEMS EUROPE GmbH**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD JANUARY 12, 2016 TO MARCH 31, 2016**

Particulars	Current Year	
	Rs.	Rs.
I. Other Income	<u>8</u>	<u>119,783</u>
<b>Total revenue</b>		<u><u>119,783</u></u>
II Expenses		
Employee benefits expense	<u>8</u>	2,130,475
Other expenses	<u>10</u>	<u>821,717</u>
<b>Total Expenses</b>		<u><u>2,952,192</u></u>
III Profit/(Loss) before exceptional and extraordinary items and tax (I-II)		(2,832,409)
IV Profit before tax		(2,832,409)
v Tax expense: (1) Current tax		-
VI Profit/(Loss) for the year from continuing operations (VI-VII)		(2,832,409)
Summary of Accounting Policies, other explanatory information & Notes attached form an integral part of the Statement of Profit & Loss	1 - 10	

In Accordance with our Report attached

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

  
R SATYANARAYANA MURTHI  
Partner - M.No. 024248

For and on behalf of Board of Directors

  
Nikhil Kumar  
Managing Director

  
Roeland Nollen  
Managing Director

Place : Bangalore  
Date : 11th May 2016

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

**TD POWER SYSTEMS EUROPE GmbH**

**CASH FLOW STATEMENT**

		<b>Current Year - In Rs.</b>
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
	Net Profit before tax and extraordinary items	<b>(2,832,409)</b>
	Operating profit before Working Capital Changes	<b>(2,832,409)</b>
	<b>Adjustments for</b>	
	Other Receivables	808,152
	Trade Payables	325,917
		<u>1,134,069</u>
	<b>Cash generated from Operations</b>	<b>(1,698,340)</b>
	<b>Net Cash Flow from Operating Activities</b>	<b>(1,698,340)</b>
<b>B</b>	<b>Cash flow from financing activities</b>	
	Proceeds from issuance of Share Capital	13,082,825
	<b>Net Cash flow from financing activities</b>	<b>13,082,825</b>
	<b>Net increase/decrease in cash and cash equivalents</b>	<b>11,384,485</b>
	<b>Cash and cash equivalents at close</b>	<b>11,384,485</b>
	Actual Closing Cash Balance	<b>11,384,485</b>


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

In Accordance with our Report attached

For and on behalf of

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

  
Nikhil Kumar  
Managing Director

  
R SATYANARAYANA MURTHI  
Partner - M.No. 024248

  
Roeland Nollen  
Managing Director

Place : Bangalore  
Date : 11th May 2016

**B K RAMADHYANI & CO. LLP**  
CHARTERED ACCOUNTANTS  
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BANGALORE - 560 055.

**TD POWER SYSTEMS EUROPE GmbH**  
**SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2016**

**1 Significant Accounting Policies.**

**1.1 Basis of preparation of financial statements:**

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

**1.2 Revenue Recognition:**

- (a) Sales are recorded based on significant risks and rewards of ownership being transferred in favour of the customer. Sales include goods dispatched to customers by partial shipment.
- (b) Income from erection and project management services is recognized on work done.
- (c) Income from engineering services rendered is recognized at realizable value based on percentage of work completed.
- (d) Liquidated damages in terms of the contract is recognised on crystallization.

**1.3 Fixed Assets:**

Fixed assets are stated at cost of acquisition excluding vat/duties, inclusive of freight, taxes and incidental expenses relating to the acquisition and finance cost on borrowings utilized for acquisition of qualifying assets less depreciation/impairment. Assets manufactured internally are capitalised at Factory Cost.

**1.4 Inventories:**

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

**1.5 Depreciation:**

Depreciation on tangible assets is provided with reference to the estimated useful life of the fixed assets 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.

**1.6 Foreign currency transactions:**

- a). Foreign currency transactions are translated into Indian rupees at the exchange rate prevailing on the date of the transaction.
- b). Monetary foreign currency assets and liabilities outstanding at the end of the year are restated at the exchange rates prevailing on the reporting date. All exchange differences are accounted for in the profit and loss account.
- c). Non monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.
- d). In respect of overseas branches, which are integral foreign operations, financial statements are translated as if the transactions are those of the Company itself.

**1.7 Borrowing Cost:**

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

**1.8 Contingent Liabilities:**

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

**1.9 Impairment of assets:**

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

**1.10 Accounting for lease:**

**i. Operating Lease:**

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

**ii. Finance Lease and Hire purchase transactions:**

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

**1.11 RELATED PARTY TRANSACTIONS**

Sl. No.	Nature of transactions	Holding	Enterprises over which key management personnel and their relatives are able to exercise significant influence
1	Proceeds for issue of Shares	13,082,825	

**1.12** Since it's the first year of operation, no previous years comparative figures have been disclosed.

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

**1.14** The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

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





**TD POWER SYSTEMS EUROPE GmbH**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

**2 SHARE CAPITAL**

Particulars	As at 31.03.2016	
	Number-Euro	INR
<b>Authorized:</b>		
Equity shares of Euro 1 each		50,000,000
		<u>50,000,000</u>
<b>Issued, subscribed and fully paid up:</b>		
<i>Equity shares of Euro 1 each</i>	Number-Euro	Rs in
At the beginning of the period / year	-	-
Issued during the period / year	175,000	<u>13,082,825</u>
At the close of the period / year		<u>13,082,825</u>
Total		<b>13,082,825</b>

Note : The Board of Directors have approved investment upto Rs. 500 Lakhs in the share capital of the subsidiary in their meeting held on 03rd February 2016.

Particulars of equity share holders holding more than 5% of the total paid up equity share capital:	As at 31.03.2016	
	Percentage	No of shares
a TD Power Systems Limited (Holding Company)	100%	175,000



**TD POWER SYSTEMS EUROPE GmbH**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

**3 RESERVES AND SURPLUS:**

<b>Particulars</b>	<b>As at 31.03.2016</b>
	<b>Rs</b>
<b>Surplus i.e. balance in Statement of Profit &amp; Loss</b>	
As at the beginning of the period / year	-
Add:	
Transferred from Statement of Profit and Loss	(2,832,409)
As at the end of the period / year	<u>(2,832,409)</u>
<b>Total</b>	<u><b>(2,832,409)</b></u>



**TD POWER SYSTEMS EUROPE GmbH**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

<b>Particulars</b>	<b>As at 31.03.2016</b>
	<b>Rs.</b>
<b>4 TRADE PAYABLES</b>	
a) To Micro, Small and Medium Enterprises	-
b) Others	325,918
	<u>325,918</u>
<b>5 OTHER CURRENT LIABILITIES:</b>	
a) Outstanding Liabilities	1,774,510
	<u>1,774,510</u>



**TD POWER SYSTEMS EUROPE GmbH**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

Particulars	As at 31.03.2016
	Rs.
<b>6 CASH AND BANK BALANCES:</b>	
<i>Cash and cash equivalents:</i>	
a) Balances with banks	11,384,485
	<u>11,384,485</u>
<b>7 SHORT TERM LOANS AND ADVANCES:</b>	
a) Rent Deposit	635,373
b) Others	330,986
	<u>966,359</u>



**TD POWER SYSTEMS EUROPE GmbH**  
**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD JANUARY 12, 2016 TO MARCH 31, 2016**

<b>Particulars</b>	<b>Current Period</b>
	<b>Rs.</b>
<b>8 OTHER INCOME:</b>	
a) Other non operating income (net of expenses directly attributable to such income)	119,783
	<b>119,783</b>
<b>9 EMPLOYEE BENEFIT EXPENSES:</b>	
a) Salaries and wages	1,951,025
b) Staff welfare expenses	179,450
	<b>2,130,475</b>
<b>10 OTHER EXPENSES:</b>	
a) Rent	203,131
b) Insurance	13,483
c) Legal and professional charges	493,811
d) Travelling and Conveyance	67,069
e) Postage, Telegrams and Telephones	26,256
f) Advertisement	5,946
g) Miscellaneous Expenses	12,021
	<b>821,717</b>

