

Cramlington Precision Forge Limited

(Incorporated in United Kingdom)

ANNUAL REPORT

**for the year ended
March 31, 2021**

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

Balance Sheet as at March 31, 2021

Particulars	Note	As at March 31, 2021		As at March 31, 2020	
		GBP	₹	GBP	₹
ASSETS					
Non-current assets					
Property, plant and equipment	5	19,74,841	19,89,45,575	21,35,960	19,95,84,159
Right of use of Assets	6	10,47,497	10,55,24,854	12,47,460	11,65,62,626
Other non-current assets	7	18,740	18,87,840	-	-
		30,41,078	30,63,58,269	33,83,420	31,61,46,785
Current assets					
Inventories	8	17,48,863	17,61,80,481	8,47,723	7,92,11,269
<u>Financial assets</u>					
- Trade receivables	9	16,96,833	17,09,39,002	14,79,930	13,82,84,614
- Cash and cash equivalents	10	1,094	1,10,161	1,437	1,34,222
Other current assets	7	5,86,371	5,90,71,073	2,60,321	2,43,24,420
		40,33,161	40,63,00,717	25,89,411	24,19,54,525
Total assets		70,74,239	71,26,58,986	59,72,831	55,81,01,310
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	11	14,00,000	14,10,36,000	14,00,000	13,08,16,000
Other equity		(22,95,537)	(23,12,52,298)	(18,21,541)	(17,02,04,777)
Total equity		(8,95,537)	(9,02,16,298)	(4,21,541)	(3,93,88,777)
Liabilities					
Non-current liabilities					
<u>Financial liabilities</u>					
- Borrowings - Non-Current	12	6,00,000	6,04,44,000	6,00,000	5,60,64,000
- Lease liabilities	13	10,12,986	10,20,48,218	11,87,514	11,09,61,310
- Other financial liabilities	15	30,214	30,43,800	48,107	44,95,118
		16,43,200	16,55,36,018	18,35,621	17,15,20,428
Current liabilities					
<u>Financial liabilities</u>					
- Borrowings	12	31,82,224	32,05,77,202	18,97,888	17,73,38,681
- Lease liabilities	13	82,488	83,09,880	86,863	81,16,514
- Trade payables					
Dues to others	14	25,32,103	25,50,84,067	19,47,659	18,19,89,242
- Other financial liabilities	15	4,82,651	4,86,22,245	5,73,406	5,35,79,016
Other current liabilities	16	47,110	47,45,872	52,935	49,46,206
		63,26,576	63,73,39,266	45,58,751	42,59,69,659
Total current liabilities		63,26,576	63,73,39,266	45,58,751	42,59,69,659
Total Liabilities		79,69,776	80,28,75,284	63,94,372	59,74,90,087
Total equity and liabilities		70,74,239	71,26,58,986	59,72,831	55,81,01,310

Notes 1 to 27 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

**Cramlington Precision Forge Limited,
United Kingdom**
TRANSLATED FINANCIAL STATEMENTS

Statement of Profit and Loss for the period ended March 31, 2021

	Note	Year ended		15 Months ended	
		March 31, 2021 (12 Months)		March 31, 2020 (15 Months)	
		GBP	₹	GBP	₹
Revenue from operations	17	1,06,66,545	1,03,92,41,505	1,54,44,268	1,40,06,40,690
Other income	18	87,984	85,72,281	-	-
Total Income		1,07,54,529	1,04,78,13,786	1,54,44,268	1,40,06,40,690
Expenses					
Cost of materials consumed	19	39,59,001	38,57,25,455	50,83,961	46,10,64,443
Changes in inventories of finished goods, stock-in-trade and work in progress	20	(4,55,384)	(4,43,68,074)	1,18,240	1,07,23,208
Employee benefits expense	21	30,12,363	29,34,94,498	44,96,031	40,77,44,992
Finance costs	22	1,38,667	1,35,10,328	1,61,771	1,46,71,022
Depreciation and amortization expense	23	3,67,987	3,58,52,990	5,11,774	4,64,12,773
Other expenses	24	42,53,622	41,44,30,542	69,16,838	62,72,88,093
Total expenses		1,12,76,256	1,09,86,45,739	1,72,88,615	1,56,79,04,531
Profit before tax		(5,21,727)	(5,08,31,953)	(18,44,347)	(16,72,63,841)
Tax expense					
a) Current tax	25	-	-	-	-
b) Deferred tax		-	-	-	-
c) Adjustment of tax relating to earlier periods		-	-	(230)	(20,830)
Profit / (loss) for the period		(5,21,727)	(5,08,31,953)	(18,44,117)	(16,72,43,011)
Other comprehensive income					
i) Items that will be reclassified to profit or loss					
- Exchange variation on foreign currency translation		-	35,47,007	-	(66,32,375)
		-	35,47,007	-	(66,32,375)
Total comprehensive income for the year		(5,21,727)	(4,72,84,946)	(18,44,117)	(17,38,75,386)
<i>(Comprising Profit and Other Comprehensive Income for the year)</i>					
Earnings per equity share					
Basic (in ₹)		(0.37)	(36.31)	(1.32)	(119.46)
Diluted (in ₹)		(0.37)	(36.31)	(1.32)	(119.46)
No. of Shares		14,00,000	14,00,000	14,00,000	14,00,000

Notes 1 to 27 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

TRANSLATED FINANCIAL STATEMENTS

Statements of Changes in Equity for the period ended March 31, 2021

A. Equity Share Capital

Particulars	Amount	
	GBP	₹
Balance at December 31, 2018	14,00,000	12,44,74,000
Foreign Currency Restatement of Opening Balance	-	63,42,000
Balance at March 31, 2020	14,00,000	13,08,16,000
Foreign Currency Restatement of Opening Balance	-	1,02,20,000
Balance at March 31, 2021	14,00,000	14,10,36,000

B. Other Equity

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Deemed equity		Total	
	Retained Earnings		Foreign currency translation reserve					
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
Balance at December 31, 2018	(3,448)	(19,43,960)	-	16,37,379	-	-	(3,448)	(3,06,581)
Foreign currency translation difference on opening balance	-	16,21,759	-	-	-	-	-	16,21,759
Profit for the year	(18,44,117)	(16,72,43,011)	-	-	-	-	(18,44,117)	(16,72,43,011)
Foreign currency translation difference on leases	-	-	816	76,269	-	-	816	76,269
Other comprehensive income	-	-	-	(67,08,643)	-	-	-	(67,08,643)
Deemed equity					25,208	23,55,430	25,208	23,55,430
Balance at March 31, 2020	(18,47,565)	(16,75,65,212)	816	(49,94,995)	25,208	23,55,430	(18,21,541)	(17,02,04,777)

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Deemed equity		Total	
	Retained Earnings		Foreign currency translation reserve					
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
Balance at March 31, 2020	(18,47,565)	(16,75,65,212)	816	(49,94,995)	25,208	23,55,430	(18,21,541)	(1,70,20,4,777)
Foreign currency translation difference on opening balance	-	(1,85,58,553)	-	-	-	-	-	(1,85,58,552)
Profit for the year	(5,21,727)	(5,08,31,953)	-	-	-	-	(5,21,727)	(5,08,31,953)
Foreign currency translation difference on leases	-	-	1,950	1,96,500	-	-	1,950	1,96,500
Other comprehensive income	-	-	-	33,50,507	-	1,84,018	-	35,34,524
Transferred to deemed equity	-	-	-	-	45,781	46,11,960	45,781	46,11,960
Balance at March 31, 2021	(23,69,292)	(23,69,55,718)	2,766	(14,47,988)	70,989	71,51,408	(22,95,537)	(23,12,52,298)

This is the statement of changes in equity referred to in our report of even date

**Cramlington Precision Forge Limited,
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TRANSLATED FINANCIAL STATEMENTS

Cash Flow statement for the period ended March 31, 2021

	Year ended March 31, 2021		15 Months ended March 31, 2020	
	GBP	₹	GBP	₹
A. Cash flows from operating activities				
Profit before tax	(5,21,727)	(5,08,31,953)	(18,44,347)	(16,72,63,841)
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Depreciation and amortisation	258,420	2,51,77,884	3,68,496	3,34,18,877
Amortisation of ROU	1,09,567	1,06,75,106	1,43,278	1,29,93,896
Interest expense (Net)	1,38,667	1,35,10,328	1,61,771	1,46,71,022
(Gain) loss on sale of property and equipment	(415)	(40,469)	-	-
Financial guarantee expenses	21,769	21,20,971	15,480	14,03,869
Operating profit before working capital changes	6,281	6,11,867	(11,55,322)	(10,47,76,177)
Adjustments for:				
(Decrease) / increase in financial liabilities	6,03,907	5,88,38,613	8,49,156	7,70,09,975
(Decrease) / increase in other current liabilities	(5,824)	(5,67,478)	(4,30,794)	(3,90,68,740)
(Decrease) / increase in other non-current liabilities	(17,893)	(17,43,275)	(23,620)	(21,42,098)
Decrease / (Increase) in financial assets	(2,16,904)	(2,11,32,950)	9,13,304	8,28,27,548
Decrease / (Increase) in inventories	(9,01,140)	(8,77,98,059)	90,035	81,65,264
(Increase) / decrease in other current assets	(3,20,779)	(3,12,53,438)	57,928	52,53,470
Cash from / (used) in operating activities	(8,52,352)	(8,30,44,719)	3,00,687	2,72,69,242
Direct taxes paid, net	-	-	230	20,830
Net cash from / (used) in operating activities	(8,52,352)	(8,30,44,719)	3,00,917	2,72,90,072
B. Cash flow from investing activities				
Purchase of assets (including capital work-in-progress and capital advances)	(1,28,886)	(1,25,57,363)	(87,128)	(79,01,645)
Proceeds from sale of fixed assets	32,000	31,17,760		
Net cash from / (used) in investing activities	(96,886)	(94,39,603)	(87,128)	(79,01,645)
C. Cash flow from financing activities				
Repayment of borrowings	(1,25,000)	(1,21,78,750)	(2,50,000)	(2,26,72,500)
Proceeds from long-term borrowings	-	-	(3,75,000)	(3,40,08,750)
Proceeds from Short-term borrowings	12,84,335	12,51,32,787	6,74,709	6,11,89,360
Interest paid to banks and others	(60,367)	(58,81,579)	(76,333)	(69,22,662)
Payment of lease liabilities	(1,50,074)	(1,46,21,663)	(1,86,996)	(1,69,58,667)
Net cash generated from financing activities	9,48,894	9,24,50,795	(2,13,620)	(1,93,73,219)
D. Net cash flow during the year	(344)	(33,527)	169	15,208
E. Foreign Currency Translation Reserve Impact on cash flows	-	9,466	-	6,266
F. Cash and cash equivalents at the beginning	1,437	1,34,222	1,268	1,12,748
G. Cash and cash equivalents at the end	1,094	1,10,161	1,437	1,34,222
Cash and cash equivalents comprise of:				
Cash on hand	276	27,759	451	42,109
Balances with banks in current accounts	818	82,402	986	92,113
Cash and cash equivalents as per note 10	1,094	1,10,161	1,437	1,34,222

This is the statement of cash flows referred to in our report of even date

Notes to financial statements for the period ended March 31, 2021

1. Corporate Information

Cramlington Precision Forge Limited ("CPFL" or "the Company") was incorporated in UK.

The registered office of the Company is situated at Unit 8, Atley Way, North Nelson Ind. Estate, Cramlington, United Kingdom NE23 9WA.

CPFL is in the business of manufacture and sale of precision forged (warm) components for application in heavy vehicles for on-highway and off-highway applications.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act 2013, to the extent notified, pronouncements of the Institute of Chartered Accountants of India.

The financial statements of the Company have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Carrying value of Plant, Property and Equipment, Investment Property under the Previous GAAP has been considered as the deemed cost for the purpose of transition to Ind AS.

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement basis summarized below.

3.2 Foreign operations

In the Company's financial statements, all assets, liabilities and transactions in GBP are translated into INR. The functional currency (GBP) of the Company has remained unchanged during the reporting period.

Assets and liabilities have been translated into INR at the closing rate as at the reporting date. Income and expenses have been translated into INR at the average rate over the reporting period. Exchange differences are charged or credited to Other Comprehensive Income (OCI) and recognized in the currency translation reserve under equity.

3.3 Revenue

(i) Sale of products

Income of the Company is derived from sale of products and is net of any sales returns, rebates, discounts and trade discounts. Revenue is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership, which normally takes place upon delivery of goods to customers.

(ii) Rental Income

There was no rental income to the Company during the year under review.

3.4 Property, plant and equipment

As there is no change in the functional currency as at the date of transition, the Company has elected to adopt the carrying value of Plant property and equipment under the Previous GAAP as the deemed cost for the purpose of transition to Ind AS. Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

(i) Buildings and other equipment

Buildings and other equipment (comprising plant, fittings and furniture, vehicles etc.) are initially recognized at acquisition cost, including any costs directly attributable to bringing the

Notes to financial statements (Contd.)

assets to the location and condition necessary for them to be of use for company's business purposes. Buildings and other equipment are subsequently measured at cost less accumulated depreciation.

Depreciation is recognized on a straight-line basis, over the useful life of the buildings and other equipments. In respect of these assets, the useful life is detailed below:

Description	Depreciation rate
Buildings	5%
Plant & Equipment	3.33% to 10%
Furniture & Fixtures	10%

The building where the Company's Unit is located is on a rental basis.

3.5 Intangible assets

Intangible assets include Software which are initially recognised at acquisition cost and subsequently amortised over the useful life. Amortisation is recognised on straight line basis at a rate of 33.33%.

3.6 Leases

(a) Operating leases

All leases entered into are operating leases.

(b) Assets taken on lease

Where the Company is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.7 Investment property

Investment properties are recognised initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation.

The Company has depreciated assets based on Straight line method as per Schedule II to the Companies Act 2013.

3.8 Financial instruments

Recognition, initial measurement and derecognition

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are recognised at their transaction value as the same do not contain significant financing component.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction value as the same do not contain significant financing component.

Classification and subsequent measurement of financial assets:

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- Amortised cost
- Fair Value Through Other Comprehensive Income (FVTOCI) or
- Fair Value Through Profit or Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

3.9 Inventories

Inventories are valued at lower of cost or net realizable value. Net realisable value is the estimated selling price in the ordinary

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

Notes to financial statements (Contd.)

course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Cost is ascertained on weighted average basis in accordance with the method of valuation prescribed by the Institute of Chartered Accountants of India.

(a) Raw materials

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use.

(b) Work in process and Finished Goods

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials.

3.10 Income taxes

Tax expense is recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income are disclosed under the same.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future tax liability. This is assessed based on the Company's forecast of future earnings, excluding significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

3.12 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued and fully paid up.

Retained earnings includes all current and previous period retained profits.

All transactions with owners are recorded separately within equity.

Dividend paid to equity shareholders is deducted directly from equity component.

3.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

Government Grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Notes to financial statements (Contd.)

3.14 Accounting for effect of change in foreign exchange rates

The Assets and Liabilities as at 31st March 2021 has been translated from GBP to Indian Rupees by applying the year end interbank exchange rate of GBP 1 = ₹ 100.74 (2020 GBP 1 = 93.44). The income and expenses for the 12 months ended 31st March 2021 has been translated from GBP to Indian Rupees by applying Average interbank exchange rate GBP 1 = ₹ 97.43 (2020 GBP 1 - 90.69). Exchange differences arising out of the translation have been dealt with in accordance with Ind AS 21.

CPFL's Functional Currency is GBP. But these financial statements are presented in Indian Rupees in order to facilitate the preparation of consolidated financial statements by Sundram Fasteners Limited, which is the ultimate holding company of CPFL.

3.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 3 months or less, as applicable.

3.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

4. Significant management judgment in applying accounting policies and estimation of uncertainty

While preparing the financial statements, management has made a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

4.1 Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

4.2 Estimation of uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

4.3 Useful lives of depreciable assets

Management has reviewed its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of assets including I.T assets.

4.4 Inventories

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes.

4.5 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

TRANSLATED FINANCIAL STATEMENTS
Notes to financial statements (Contd.)
5 a) PROPERTY, PLANT AND EQUIPMENT

Gross block	TANGIBLE ASSETS							
	Buildings		Plant and Equipment		Furniture and fixtures		Total	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
As at December 31, 2018	68,812	61,18,075	31,44,418	27,95,70,205	1,46,797	1,30,51,720	33,60,027	29,87,40,001
Additions		-	87,128	81,41,247		-	87,128	81,41,247
Disposal	-	-	-	-	-	-	-	-
Other Adjustments								
- Exchange variation (Op. Bal restated)	-	3,11,718	-	1,42,44,214	-	6,64,990	-	1,52,20,922
As at March 31, 2020	68,812	64,29,793	32,31,546	30,19,55,666	1,46,797	1,37,16,710	34,47,155	32,21,02,170
Additions		-	1,28,886	1,29,83,976		-	1,28,886	1,29,83,976
Disposal	-	-	(48,000)	(48,35,520)	-	-	(48,000)	(48,35,520)
Other Adjustments								
- Exchange variation (Op. Bal restated)	-	5,02,328	-	2,35,90,286	-	10,71,618	-	2,51,64,232
As at March 31, 2021	68,812	69,32,121	33,12,432	33,36,94,408	1,46,797	1,47,88,328	35,28,041	35,54,14,858
Accumulated depreciation / amortisation								
As at December 31, 2018	13,245	11,77,610	8,74,770	7,77,75,805	54,684	48,61,930	9,42,699	8,38,15,345
For the year	3,373	3,05,902	3,49,633	3,17,08,187	15,490	14,04,788	3,68,496	3,34,18,877
Deduction on sale or discards		-	-	-	-	-	-	-
Other Adjustments								
- Exchange variation (Op. Bal restated)	-	60,000	-	39,62,708	-	2,47,717	-	42,70,425
- Restating to Closing rate - CY Depreciation	-	9,276	-	9,61,490	-	42,598	-	10,13,364
As at March 31, 2020	16,618	15,52,788	12,24,403	11,44,08,190	70,174	65,57,033	13,11,195	12,25,18,011
For the year	4,401	4,28,755	2,41,359	2,35,15,642	12,660	12,33,486	2,58,420	2,51,77,884
Deduction on sale or discards		-	(16,415)	(16,53,703)	-	-	(16,415)	(16,53,704)
Other Adjustments								
- Exchange variation (Op. Bal restated)	-	1,21,312	-	89,38,140	-	5,12,268	-	95,71,720
- Restating to Closing rate - CY Depreciation	-	14,566	-	7,98,899	-	41,906	-	8,55,371
As at March 31, 2021	21,019	21,17,421	14,49,347	14,60,07,168	82,834	83,44,693	15,53,200	15,64,69,282
Net block								
As at March 31, 2020	52,194	48,77,006	20,07,143	18,75,47,476	76,623	71,59,677	21,35,960	19,95,84,159
As at March 31, 2021	47,793	48,14,701	18,63,086	18,76,87,239	63,963	64,43,635	19,74,841	19,89,45,575

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Notes to financial statements (Contd.)

6 RIGHT OF USE ASSETS

Gross block	Buildings		Technical Know-How	
	GBP	₹	GBP	₹
Recognised on January 1, 2019, consequent to transition to Ind AS 116	13,90,738	12,36,50,495	13,90,738	12,36,50,495
Additions	-	-	-	-
Disposal	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	63,00,042	-	63,00,042
As at March 31, 2020	13,90,738	12,99,50,537	13,90,738	12,99,50,537
Additions	-	-	-	-
Disposal	-	-	-	-
Other Adjustments	-	-	-	-
Exchange variation on lease adjustments	(90,396)	-	(90,396)	-
- Exchange variation (Op. Bal restated)	-	-	-	-
As at March 31, 2021	13,00,342	12,99,50,537	13,00,342	12,99,50,537
Accumulated depreciation / amortisation				
Recognised on January 1, 2019, consequent to transition to Ind AS 116				
For the year ended	1,43,278	1,29,93,896	1,43,278	1,29,93,896
Disposals / other adjustments	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	-	-	-
- Restating to Closing rate - CY Depreciation	-	3,94,015	-	3,94,015
As at March 31, 2020	1,43,278	1,33,87,911	1,43,278	1,33,87,911
For the year ended	1,09,567	1,06,75,106	1,09,567	1,06,75,106
Disposals / other adjustments	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	-	-	-
Exchange variation on lease adjustments	-	-	-	-
- Restating to Closing rate - CY Depreciation	-	3,62,666	-	3,62,666
As at March 31, 2021	2,52,845	2,44,25,683	2,52,845	2,44,25,683
Net block				
As at March 31, 2020	12,47,460	11,65,62,626	12,47,460	11,65,62,626
As at March 31, 2021	10,47,497	10,55,24,854	10,47,497	10,55,24,854

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Notes to financial statements (Contd.)

	As at March 31, 2021				As at March 31, 2020			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
7 OTHER ASSETS								
(Unsecured, considered good)								
Prepaid expenses	18,740	18,87,840	2,96,364	2,98,55,694	-	-	1,21,036	1,13,09,626
Others	-	-	2,90,007	2,92,15,379	-	-	1,39,285	1,30,14,794
Unamortised portion of leasehold land	-	-	-	-	-	-	-	-
	18,740	18,87,840	5,86,371	5,90,71,073	-	-	2,60,321	2,43,24,420

	As at March 31, 2021				As at March 31, 2020			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
8 INVENTORIES								
Raw Materials and components	-	-	5,28,641	5,32,55,281	-	-	4,64,652	4,34,17,111
Goods In transit			3,81,767	3,84,59,228				
Work-in-progress	-	-	7,62,354	7,67,99,591	-	-	2,93,972	2,74,68,721
Finished Goods	-	-	76,101	76,66,381	-	-	89,099	8,325,437
	-	-	17,48,863	17,61,80,481	-	-	8,47,723	7,92,11,269

	As at March 31, 2021				As at March 31, 2020			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
9 TRADE RECEIVABLES								
(Unsecured, considered good unless otherwise stated)								
Trade receivables	-	-	16,96,833	17,09,39,002	-	-	14,79,930	13,82,84,614
	-	-	16,96,833	17,09,39,002	-	-	14,79,930	13,82,84,614

	As at March 31, 2021				As at March 31, 2020			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
10 CASH AND BANK BALANCES								
Cash and cash equivalents								
Cash on hand	-	-	276	27,759	-	-	451	42,109
Balances with banks in current accounts	-	-	818	82,402	-	-	986	92,113
	-	-	1,094	1,10,161	-	-	1,437	1,34,222

**Cramlington Precision Forge Limited,
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Notes to financial statements (Contd.)

	As at March 31, 2021			As at March 31, 2020 (15 months)		
	Number	GBP	₹	Number	GBP	₹
11 SHARE CAPITAL						
Issued, subscribed and fully paid up						
14,00,000 Common shares of GBP 1 each	14,00,000	14,00,000	14,10,36,000	14,00,000	14,00,000	13,08,16,000
	14,00,000	14,00,000	14,10,36,000	14,00,000	14,00,000	13,08,16,000

a) There were no movement in the share capital during the current and previous year.

b) Shareholders holding more than 5% of the aggregate shares in the Company

	Nos.	% holding	Nos.	% holding
Sundram International Limited, UK (Previously Held by Sundram Fasteners Limited, Chennai)	14,00,000	100.00%	14,00,000	100.00%
	14,00,000	100.00%	14,00,000	100.00%

c) Rights, preferences, restrictions

Equity shares

The Company has only one class of equity shares having a par value of GBP 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in GBP. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Bonus Shares/ Buy Back/ Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31 March 2021

- (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

e) Capital Management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

by pricing products and services commensurately with the level of risk

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

	As at March 31, 2021		As at March 31, 2020 (15 months)	
	GBP	₹	GBP	₹
Borrowings	37,82,224	38,10,21,202	24,97,888	23,34,02,681
Cash and cash equivalents	(1,094)	(1,10,161)	(1,437)	(1,34,222)
Capital	A	37,81,130	24,96,452	23,32,68,459
Total equity	B	(8,95,537)	(4,21,541)	(3,93,88,777)
Overall financing	A+B	28,85,592	20,74,910	19,38,79,682
Gearing ratio		131%	120%	120%

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Notes to financial statements (Contd.)

12 BORROWINGS	As at March 31, 2021				As at March 31, 2020 (15 months)			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
a) Secured								
Term loan from banks (refer note below)	-	-			1,25,000	1,16,80,000		
Bank Overdrafts (refer note below)	-	-	31,82,224	32,05,77,202	-	-	18,97,888	17,73,38,681
	-	-	31,82,224	32,05,77,202	1,25,000	1,16,80,000	18,97,888	17,73,38,681
Less: Current maturities of long term borrowings	-	-	-	-	1,25,000	1,16,80,000		
Total	-	-	31,82,224	32,05,77,202	-	-	18,97,888	17,73,38,681
b) Unsecured								
Working Capital Loans - from related parties (refer note below)	6,00,000	6,04,44,000	-	-	6,00,000	5,60,64,000	-	-
Total	6,00,000	6,04,44,000	31,82,224	32,05,77,202	6,00,000	5,60,64,000	18,97,888	17,73,38,681

13 Lease liabilities	As at March 31, 2021				As at March 31, 2020 (15 months)			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
Lease liabilities:	10,12,986	10,20,48,218	82,488	83,09,880	11,87,514	11,09,61,310	86,863	81,16,514
Total	10,12,986	10,20,48,218	82,488	83,09,880	11,87,514	11,09,61,310	86,863	81,16,514

14 TRADE PAYABLES	As at March 31, 2021				As at March 31, 2020 (15 months)			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
Dues to others	-	-	25,32,103	25,50,84,067	-	-	19,47,659	18,19,89,242
	-	-	25,32,103	25,50,84,067	-	-	19,47,659	18,19,89,242

15 OTHER FINANCIAL LIABILITIES	As at March 31, 2021				As at March 31, 2020 (15 months)			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
Others								
Current maturities of term loans from banks (Secured)	-	-	-	-	-	-	1,25,000	1,16,80,000
Interest accrued	-	-	37,247	37,52,263	-	-	18,225	17,02,944
Non statutory dues	30,214	30,43,800	4,45,404	4,48,69,982	48,107	44,95,118	4,30,181	4,01,96,072
	30,214	30,43,800	4,82,651	4,86,22,245	48,107	44,95,118	5,73,406	5,35,79,016

16 OTHER CURRENT LIABILITIES	As at March 31, 2021				As at March 31, 2020 (15 months)			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
Statutory dues	-	-	47,110	47,45,872	-	-	52,935	49,46,206
	-	-	47,110	47,45,872	-	-	52,935	49,46,206

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Notes to financial statements (Contd.)

	Year ended March 31, 2021 (12 months)		15 Months ended March 31, 2020 (15 months)	
	GBP	₹	GBP	₹
17 REVENUE FROM OPERATIONS				
Sales of Products				
Domestic Sales	6,11,544	5,95,82,731	4,43,907	4,02,57,942
Export Sales	99,33,640	96,78,34,589	1,47,71,655	1,33,96,41,359
	1,05,45,184	1,02,74,17,320	1,52,15,562	1,37,98,99,301
Other Operating Revenue (Refer Note 17A)	1,21,361	1,18,24,185	2,28,706	2,07,41,389
Revenue from operations (Net)	1,06,66,545	1,03,92,41,505	1,54,44,268	1,40,06,40,690
17A OTHER OPERATING REVENUE				
Scrap Sales	1,21,361	1,18,24,185	2,28,706	2,07,41,389
	1,21,361	1,18,24,185	2,28,706	2,07,41,389
18 OTHER INCOME				
Miscellaneous Income	87,984	85,72,281	-	-
	87,984	85,72,281	-	-
19 COST OF RAW MATERIALS AND COMPONENTS CONSUMED				
Opening stock of raw materials and components	4,64,652	4,34,17,111	4,36,447	3,88,04,542
Add : Exchange rate fluctuation on account of average rate transferred to currency translation reserve		18,53,963		7,76,876
Add : Purchases during the year	44,04,757	42,91,55,439	51,12,166	46,36,22,342
Less : Exchange rate fluctuation on account of average rate transferred to currency translation reserve		(30,13,451)		(12,77,794)
Less: Closing stock of raw materials and components	9,10,408	9,17,14,509	4,64,652	4,34,17,111
	39,59,001	38,57,25,455	50,83,961	46,10,64,443
20 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS				
A. Opening Stock				
Work-in-progress	2,93,972	2,74,68,721	2,91,087	2,58,80,547
Finished goods	89,099	83,25,437	2,10,224	1,86,91,040
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	-	15,28,453	-	8,92,334
	3,83,071	3,73,22,611	5,01,311	4,54,63,921
B. Closing Stock				
Work-in-progress	7,62,354	7,67,99,591	2,93,972	2,74,68,721
Finished goods	76,101	76,66,380	89,099	83,25,437
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	-	27,75,287	-	10,53,445
	8,38,455	8,16,90,685	3,83,071	3,47,40,713
Net (increase) / decrease in inventories	(4,55,384)	(4,43,68,074)	1,18,240	1,07,23,208

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Notes to financial statements (Contd.)

	Year ended March 31, 2021 (12 months)		15 Months ended March 31, 2020 (15 months)	
	GBP	₹	GBP	₹
21 EMPLOYEE BENEFITS EXPENSE				
Salaries and wages	26,34,862	25,67,14,527	39,57,101	35,88,69,534
Contribution to provident and other funds	3,58,164	3,48,95,940	4,94,694	4,48,63,833
Staff welfare expenses	19,337	18,84,031	44,236	40,11,625
	30,12,363	29,34,94,498	44,96,031	40,77,44,992
22 FINANCE COSTS				
Interest expenses	1,38,667	1,35,10,328	1,61,771	1,46,71,022
	1,38,667	1,35,10,328	1,61,771	1,46,71,022
23 DEPRECIATION AND AMORTIZATION EXPENSE				
Depreciation of tangible assets	2,58,420	2,51,77,884	3,68,496	3,34,18,877
Depreciation on right of use of asset	1,09,567	1,06,75,106	1,43,278	1,29,93,896
Amortization of intangible assets	-	-	-	-
	3,67,987	3,58,52,990	5,11,774	4,64,12,773
24 OTHER EXPENSES				
Stores and tools consumed	11,00,583	10,72,29,776	17,31,362	15,70,17,260
Power & fuel	4,97,198	4,84,41,975	6,82,991	6,19,40,462
Rent	62,982	61,36,368	1,61,273	1,46,25,824
Rates & taxes [excluding taxes on Income]	74,601	72,68,387	75,586	68,54,864
Insurance	1,69,334	1,64,98,253	1,76,051	1,59,66,081
Repairs and maintenance				
- Building	20,536	20,00,786	23,293	21,12,431
- Plant & Equipment	3,92,415	3,82,33,039	5,39,242	4,89,03,864
Sub-contract expenses	15,34,394	14,94,96,019	22,59,465	20,49,10,886
Audit fee	38,249	37,26,555	23,000	20,85,870
Net Foreign exchange loss(net off gain)	-	-	2,385	2,16,291
Finance guarantee expenses	21,769	21,20,971	15,480	14,03,869
Bad debts	7,633	7,43,650	255	23,169
Miscellaneous expenses (Under this head there is no expenditure which is in excess of 1% of Revenue from Operations or ₹ 10 lakhs whichever is higher)	3,33,928	3,25,34,763	12,26,455	11,12,27,222
	42,53,623	41,44,30,542	69,16,838	62,72,88,093

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Notes to financial statements (Contd.)

	Year ended March 31, 2021 (12 months)		15 Months ended March 31, 2020 (15 months)	
	GBP	₹	GBP	₹
25 INCOME TAX				
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of Cramlington Precision Forge Limited at 19% and the reported tax expense in profit or loss are as follows:				
Profit or loss section				
Accounting profit before tax	(5,21,727)	(5,08,31,953)	(17,54,312)	(16,29,38,718)
Accounting profit before income tax				
i) At UK's statutory income tax rate of 19.00% (December 31, 2018: 18.00%)	(99,128)	(96,58,071)	(3,33,319)	(3,09,58,356)
Other adjustments	99,128	96,58,071	3,33,090	3,09,37,527
	-	-	(230)	(20,830)
Tax expense comprises of:				
Current income tax:				
Current income tax charge (net of Minimum alternate tax)	-	-	-	-
Adjustments in respect of current income tax of previous year	-	-	(230)	(20,830)
Deferred tax:				
Relating to origination and reversal of temporary differences	-	-	-	-
Income tax expense	-	-	(230)	(20,830)

Summary of significant accounting policies and other explanatory information

26 Related party disclosures

Related Parties :

(I) Where Control exists:

(A) Ultimate Holding Company

Sundram Fasteners Ltd

(B) Holding Company

Sundram International Limited, UK

(II) Other Related Parties with whom transactions have been entered into during the year :

(A) Fellow Subsidiaries

Sundram Fasteners (Zhejiang) Limited, Republic Of China

Sundram International Inc., Michigan, USA

TVS Upasana Limited, Chennai

Sundram Non-Conventional Energy Systems Limited, Chennai

Sunfast TVS Limited, Chennai

TVS Engineering Limited, Chennai

Sundram Fasteners Investments Limited, Chennai.

TVS Next Limited, Chennai (Formerly TVS Infotech Limited)

TVS Next Inc., Michigan, USA (Formerly TVS Infotech Inc)(Subsidiary of TVS Next Ltd.)

TRANSLATED FINANCIAL STATEMENTS

Notes to financial statements (Contd.)

(III) Transactions with related parties referred in (I) and (II) above, in ordinary course of business:

Nature of transaction	Ultimate Holding Company		Holding Company		Fellow Subsidiary Companies	
	GBP	₹	GBP	₹	GBP	₹
Purchases						
Goods and Materials	1,461,583	142,402,026	-	-	-	-
	(24,881.40)	2,256,494.17)	-	-	-	-
Sales						
Goods and Materials	13,120	1,278,247	-	-	-	-
	(3,874)	(351,333)	-	-	-	-
Finance						
Inter Corporate Deposit received (Net)	-	-	-	-	-	-
	-	-	-	-	-	-
Interest payable on Inter Corporate Deposit received	-	-	14,783	1,440,308	-	-
	-	-	(18,225)	(1,652,825)	-	-
Outstanding balances						
Due to the Company	15,720	1,583,598	-	-	-	-
	(3,874)	(361,987)	-	-	-	-
Due by the Company	779,211	78,497,746	637,247	64,196,263	-	-
	(11,283)	(1,054,321)	(618,225)	(57,716,825)	-	-

(Previous year figures are in brackets)

Cramlington Precision Forge Limited, United Kingdom

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Notes to financial statements (Contd.)

Particulars	31-Mar-21						31-Mar-20										
	FVTPL		FVOCI		Amortised Cost		Total		FVTPL		FVOCI		Amortised Cost		Total		
	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	
Financial Assets																	
Current Assets																	
Trade receivables	-	-	-	16,96,833	-	17,09,39,002	16,96,833	17,09,39,002	-	-	-	-	14,79,930	13,82,84,614	14,79,930	13,82,84,614	
Cash and Cash equivalents	-	-	-	1,094	-	1,10,161	1,094	1,10,161	-	-	-	-	1,437	1,34,222	1,437	1,34,222	
Total Financial Assets	-	-	-	16,97,927	-	17,10,49,163	16,97,927	17,10,49,163	-	-	-	-	14,81,367	13,84,18,836	14,81,367	13,84,18,836	
Financial Liabilities																	
Non-current liabilities																	
Borrowings	-	-	-	6,00,000	-	6,04,44,000	6,00,000	6,04,44,000	-	-	-	-	6,00,000	5,60,64,000	6,00,000	5,60,64,000	
Lease Liabilities	-	-	-	10,12,986	-	10,20,48,218	10,12,986	10,20,48,218	-	-	-	-	11,87,514	11,09,61,310	11,87,514	11,09,61,310	
Other financial liabilities	-	-	-	30,214	-	30,43,800	30,214	30,43,800	-	-	-	-	48,107	44,95,118	48,107	44,95,118	
Current liabilities																	
Borrowings	-	-	-	31,82,224	-	32,05,77,202	31,82,224	32,05,77,202	-	-	-	-	18,97,888	17,73,38,681	18,97,888	17,73,38,681	
Lease Liabilities	-	-	-	82,488	-	83,09,880	82,488	83,09,880	-	-	-	-	86,863	81,16,514	86,863	81,16,514	
Trade payables	-	-	-	25,32,103	-	25,50,84,067	25,32,103	25,50,84,067	-	-	-	-	19,47,659	18,19,89,242	19,47,659	18,19,89,242	
Other financial liabilities	-	-	-	4,82,651	-	4,86,22,245	4,82,651	4,86,22,245	-	-	-	-	5,73,406	5,35,79,016	5,73,406	5,35,79,016	
Total Financial Liabilities	-	-	-	79,22,666	-	79,81,29,412	79,22,666	79,81,29,412	-	-	-	-	63,41,437	59,25,43,881	63,41,437	59,25,43,881	

Fair value measurement hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.