

# **Cramlington Precision Forge Limited**

(Incorporated in United Kingdom)

## **ANNUAL REPORT**

**for the year ended  
March 31, 2022**



# Cramlington Precision Forge Limited, United Kingdom

## TRANSLATED FINANCIAL STATEMENTS

### Balance Sheet as at March 31, 2022

Particulars	Note	As at March 31, 2022		As at March 31, 2021	
		GBP	₹	GBP	₹
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	21,71,001	21,59,27,932	19,74,841	19,89,45,575
Right of use of Assets	6	9,57,746	9,52,57,384	10,47,497	10,55,24,854
Other non-current assets	7	3,740	3,71,953	18,740	18,87,840
		<u>31,32,487</u>	<u>31,15,57,269</u>	<u>30,41,078</u>	<u>30,63,58,269</u>
<b>Current assets</b>					
Inventories	8	19,31,601	19,21,16,953	17,48,863	17,61,80,481
<b>Financial assets</b>					
- Trade receivables	9	17,02,244	16,93,05,231	16,96,833	17,09,39,002
- Cash and cash equivalents	10	363	36,150	1,094	1,10,161
Other current assets	7	3,64,463	3,62,49,531	5,86,371	5,90,71,073
		<u>39,98,671</u>	<u>39,77,07,865</u>	<u>40,33,161</u>	<u>40,63,00,717</u>
<b>Total assets</b>		<u>71,31,158</u>	<u>70,92,65,134</u>	<u>70,74,239</u>	<u>71,26,58,986</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity Share capital	11	14,00,000	13,92,44,000	14,00,000	14,10,36,000
Other equity		(32,07,663)	(31,90,34,027)	(22,95,537)	(23,12,52,298)
<b>Total equity</b>		<u>(18,07,663)</u>	<u>(17,97,90,027)</u>	<u>(8,95,537)</u>	<u>(9,02,16,298)</u>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
- Borrowings - Non-Current	12	7,50,000	7,45,95,000	6,00,000	6,04,44,000
- Lease liabilities	13	9,44,512	9,39,41,117	10,12,986	10,20,48,218
- Other financial liabilities	15	1,66,944	1,66,04,355	30,214	30,43,800
		<u>18,61,456</u>	<u>18,51,40,472</u>	<u>16,43,200</u>	<u>16,55,36,018</u>
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
- Borrowings	12	27,07,737	26,93,11,553	31,82,224	32,05,77,202
- Lease liabilities	13	82,306	81,86,123	82,488	83,09,880
- Trade payables					
Dues to others	14	39,72,522	39,51,07,042	25,32,103	25,50,84,067
- Other financial liabilities	15	2,57,097	2,55,70,863	4,82,651	4,86,22,245
Other current liabilities	16	57,703	57,39,108	47,110	47,45,872
		<u>70,77,365</u>	<u>70,39,14,689</u>	<u>63,26,576</u>	<u>63,73,39,266</u>
<b>Total current liabilities</b>		<u>70,77,365</u>	<u>70,39,14,689</u>	<u>63,26,576</u>	<u>63,73,39,266</u>
<b>Total Liabilities</b>		<u>89,38,821</u>	<u>88,90,55,161</u>	<u>79,69,776</u>	<u>80,28,75,284</u>
<b>Total equity and liabilities</b>		<u>71,31,158</u>	<u>70,92,65,134</u>	<u>70,74,239</u>	<u>71,26,58,986</u>

Notes 1 to 28 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 Year ended March 31, 2022**

	Note	Year ended March 31, 2022		Year ended March 31, 2021	
		GBP	₹	GBP	₹
Revenue from operations	17	1,53,36,079	1,55,67,65,310	1,06,66,545	1,03,92,41,505
Other income	18	50,000	50,75,500	87,984	85,72,281
<b>Total Income</b>		<b>1,53,86,079</b>	<b>1,56,18,40,810</b>	<b>1,07,54,529</b>	<b>1,04,78,13,786</b>
<b>Expenses</b>					
Cost of materials consumed	19	62,76,465	63,71,24,011	39,59,001	38,57,25,455
Changes in inventories of finished goods, stock-in-trade and work in progress	20	(4,31,539)	(4,38,05,473)	(4,55,384)	(4,43,68,074)
Employee benefits expense	21	39,73,709	40,33,71,232	30,12,363	29,34,94,498
Finance costs	22	1,53,500	1,55,81,819	1,38,667	1,35,10,328
Depreciation and amortization expense	23	3,57,683	3,63,08,436	3,67,987	3,58,52,990
Other expenses	24	59,67,769	60,57,88,286	42,53,622	41,44,30,542
<b>Total expenses</b>		<b>1,62,97,587</b>	<b>1,65,43,68,311</b>	<b>1,12,76,256</b>	<b>1,09,86,45,739</b>
<b>Profit before tax</b>		<b>(9,11,508)</b>	<b>(9,25,27,501)</b>	<b>(5,21,727)</b>	<b>(5,08,31,953)</b>
<b>Tax expense</b>					
a) Current tax	25	-	-	-	-
b) Deferred tax		-	-	-	-
c) Adjustment of tax relating to earlier periods		-	-	-	-
		<b>(9,11,508)</b>	<b>(9,25,27,501)</b>	<b>(5,21,727)</b>	<b>(5,08,31,953)</b>
<b>Profit / (loss) from discontinued operations</b>					
Tax income / (expense) of discontinued operations					
<b>Profit / (loss) from discontinued operations (after tax)</b>		-	-	-	-
		<b>(9,11,508)</b>	<b>(9,25,27,501)</b>	<b>(5,21,727)</b>	<b>(5,08,31,953)</b>
<b>Profit / (loss) for the period</b>		<b>(9,11,508)</b>	<b>(9,25,27,501)</b>	<b>(5,21,727)</b>	<b>(5,08,31,953)</b>
<b>Other comprehensive income</b>					
Items that will be reclassified to profit or loss					
- Exchange variation on foreign currency translation		-	35,30,721	-	35,47,007
		-	35,30,721	-	35,47,007
<b>Total comprehensive income for the year</b>		<b>(9,11,508)</b>	<b>(8,89,96,780)</b>	<b>(5,21,727)</b>	<b>(4,72,84,946)</b>
<i>(Comprising Profit and Other Comprehensive Income for the year)</i>					
<b>Earnings per equity share</b>					
Basic (in ₹)		(0.65)	(66.09)	(0.37)	(36.31)
Diluted (in ₹)		(0.65)	(66.09)	(0.37)	(36.31)
No. of Shares		14,00,000	14,00,000	14,00,000	14,00,000

**Notes 1 to 28 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 year ended March 31, 2022

#### A. Equity Share Capital

Particulars	Amount	
	GBP	₹
<b>Balance at March 31, 2020</b>	<b>14,00,000</b>	<b>13,96,92,000</b>
Foreign Currency Restatement of Opening Balance	-	1,02,20,000
<b>Balance at March 31, 2021</b>	<b>14,00,000</b>	<b>14,10,36,000</b>
Foreign Currency Restatement of Opening Balance	-	(17,92,000)
<b>Balance at March 31, 2022</b>	<b>14,00,000</b>	<b>13,92,44,000</b>

#### B. Other Equity

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Deemed equity		Total	
	Retained Earnings		Foreign currency translation reserve					
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
<b>Balance at March 31, 2020</b>	<b>(18,47,565)</b>	<b>(16,75,65,212)</b>	<b>816</b>	<b>(49,94,995)</b>	<b>25,208</b>	<b>23,55,430</b>	<b>(18,21,541)</b>	<b>(17,02,04,777)</b>
Foreign currency translation difference on opening balance	-	(1,85,58,553)	-	-	-	-	-	(1,85,58,553)
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	-	35,34,525
Transferred to deemed equity	-	-	-	-	45,781	46,11,960	45,781	46,11,960
<b>Balance at March 31, 2021</b>	<b>(23,69,292)</b>	<b>(23,69,55,718)</b>	<b>2,766</b>	<b>(14,47,988)</b>	<b>70,989</b>	<b>71,51,408</b>	<b>(22,95,537)</b>	<b>(23,12,52,298)</b>
Foreign currency translation difference on opening balance	-	13,05,917	-	-	-	-	-	13,05,917
Profit for the year	(9,11,508)	(9,25,27,501)	-	-	-	-	(9,11,508)	(9,25,27,501)
Foreign currency translation difference on leases	-	-	(618)	(61,466)	-	-	(618)	(61,466)
Other comprehensive income	-	-	-	35,92,187	-	(90,866)	-	35,01,321
Transferred to deemed equity	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>(32,80,800)</b>	<b>(32,81,77,302)</b>	<b>2,148</b>	<b>20,82,733</b>	<b>70,989</b>	<b>70,60,542</b>	<b>(32,07,663)</b>	<b>(31,90,34,027)</b>

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

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

**Cash Flow statement for the Year ended March 31, 2022**

	Year ended March 31, 2022		Year ended March 31, 2021	
	GBP	₹	GBP	₹
<b>A. Cash flows from operating activities</b>				
<b>Profit before tax</b>	(9,11,508)	(9,25,27,501)	(5,21,727)	(5,08,31,953)
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Depreciation and amortisation	2,54,451	2,58,29,340	2,58,420	2,51,77,884
Amortisation of ROU	1,03,232	1,04,79,096	1,09,567	1,06,75,106
Interest expense (Net)	1,53,500	1,55,81,819	1,38,667	1,35,10,328
Bad debts written-off	25,305	25,68,663	-	-
(Gain) / loss on sale of property and equipment	-	-	(415)	40,469
Financial guarantee expenses	15,000	15,22,650	21,769	21,20,971
<b>Operating profit before working capital changes</b>	<b>(3,60,020)</b>	<b>(3,65,45,933)</b>	6,281	611,867
<b>Adjustments for:</b>				
(Decrease) / increase in financial liabilities	11,97,064	12,15,13,972	6,03,906	5,88,38,613
(Decrease) / increase in other current liabilities	10,593	10,75,252	(5,824)	(5,67,477)
(Decrease) / increase in other non-current liabilities	1,36,730	1,38,79,426	(17,893)	(17,43,275)
Decrease / (Increase) in financial assets	(30,716)	(31,17,931)	(2,16,904)	(2,11,32,950)
Decrease / (Increase) in inventories	(1,82,737)	(1,85,49,679)	(9,01,140)	(8,77,98,059)
(Increase) / decrease in other current assets	2,21,908	2,25,25,847	(3,20,779)	(3,12,53,438)
<b>Cash from / (used) in operating activities</b>	<b>9,92,823</b>	<b>10,07,80,954</b>	<b>(8,52,353)</b>	<b>(8,30,44,719)</b>
Direct taxes paid, net	-	-	-	-
<b>Net cash from / (used) in operating activities</b>	<b>9,92,822</b>	<b>10,07,80,954</b>	<b>(8,52,353)</b>	<b>(8,30,44,719)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of assets (including capital work-in-progress and capital advances)	(4,50,612)	(4,57,41,624)	(1,28,886)	(1,25,57,363)
Proceeds from sale of fixed assets	-	-	32,000	3,117,760
<b>Net cash from / (used) in investing activities</b>	<b>(4,50,612)</b>	<b>(4,57,41,624)</b>	<b>(96,886)</b>	<b>(94,39,603)</b>
<b>C. Cash flow from financing activities</b>				
Repayment of borrowings	-	-	(1,25,000)	(1,21,78,750)
Proceeds from long-term borrowings	1,50,000	1,52,26,500	-	-
Proceeds from short-term borrowings	(4,74,486)	(4,81,65,100)	12,84,335	12,51,32,787
Interest paid to banks and others	(73,238)	(74,34,404)	(60,367)	(58,81,579)
Payment of lease liabilities	(1,45,217)	(1,47,40,942)	(1,50,074)	(1,46,21,663)
<b>Net cash generated from financing activities</b>	<b>(5,42,941)</b>	<b>(5,51,13,946)</b>	9,48,894	9,24,50,795
<b>D. Net cash flow during the year</b>	<b>(731)</b>	<b>(74,616)</b>	<b>(343)</b>	<b>(33,527)</b>
E. Foreign Currency Translation Reserve Impact on cash flows	-	604	-	9,466
F. Cash and cash equivalents at the beginning	1,094	1,10,161	1,437	1,34,222
<b>G. Cash and cash equivalents at the end</b>	<b>363</b>	<b>36,150</b>	1,094	1,10,161
<b>Cash and cash equivalents comprise of:</b>				
Cash on hand	-	-	276	27,759
Balances with banks in current accounts	363	36,150	818	82,402
<b>Cash and cash equivalents as per note 10</b>	<b>363</b>	<b>36,150</b>	1,094	1,10,161

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

## TRANSLATED FINANCIAL STATEMENTS

### Notes to financial statements for the Year ended March 31, 2022

#### 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 bases 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

###### 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.

##### 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 assets to the location and condition necessary for them to be of use for company's business purposes. Buildings and

### Notes to financial statements (Contd.)

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%

#### 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 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.

# Cramlington Precision Forge Limited, United Kingdom

## TRANSLATED FINANCIAL STATEMENTS

### Notes to financial statements (Contd.)

#### (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 comprising 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.

### 3.14 Accounting for effect of change in foreign exchange rates

The Assets and Liabilities as at 31<sup>st</sup> March 2022 has been translated from GBP to Indian Rupees by applying the year end interbank

### Notes to financial statements (Contd.)

exchange rate of GBP 1 = ₹ 99.46 (2021 GBP 1 = 100.74). The incomes and expenses for the 12 months ended 31<sup>st</sup> March 2022 has been translated from GBP to Indian Rupees by applying Average interbank exchange rate GBP 1 = ₹ 101.51 (2021 GBP 1 = 97.43). 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 Property, plant and equipment

Gross block	Buildings		Plant and Equipment		Furniture and fixtures		Total	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
<b>As at 31 March 2020</b>	<b>68,812</b>	<b>64,29,794</b>	<b>32,31,546</b>	<b>30,19,55,666</b>	<b>1,46,797</b>	<b>1,37,16,710</b>	<b>34,47,155</b>	<b>32,21,02,170</b>
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
<b>As at March 2021</b>	<b>68,812</b>	<b>69,32,121</b>	<b>33,12,432</b>	<b>33,36,94,406</b>	<b>1,46,797</b>	<b>1,47,88,328</b>	<b>35,28,041</b>	<b>35,54,14,858</b>
Additions	-	-	4,19,477	4,17,21,183	31,135	30,96,687	4,50,612	4,48,17,869
Disposal	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
- Exchange variation (Op. Bal restated)	-	(88,079)	-	(42,39,913)	-	(1,87,900)	-	(45,15,892)
<b>As at March 2022</b>	<b>68,812</b>	<b>68,44,042</b>	<b>37,31,909</b>	<b>37,11,75,676</b>	<b>1,77,932</b>	<b>1,76,97,115</b>	<b>39,78,653</b>	<b>39,57,16,835</b>
<b>Accumulated depreciation/ amortisation</b>								
<b>As at 31 March 2020</b>	<b>16,618</b>	<b>15,52,788</b>	<b>12,24,403</b>	<b>11,44,08,190</b>	<b>70,174</b>	<b>65,57,033</b>	<b>13,11,195</b>	<b>12,25,18,011</b>
For the year	4,402	4,28,755	2,41,359	2,35,15,642	12,660	12,33,486	2,58,420	2,51,77,884
Impairment for the year	-	-	-	-	-	-	-	-
Deduction on sale or discards	-	-	(16,416)	(16,53,704)	-	-	(16,416)	(16,53,704)
Other Adjustments	-	-	-	-	-	-	-	-
- Exchange variation (Op. Bal restated)	-	1,21,311	-	89,38,140	-	5,12,268	-	95,71,719
- Restating to Closing rate - CY Depreciation	-	14,566	-	7,98,899	-	41,905	-	8,55,371
<b>As at March 2021</b>	<b>21,020</b>	<b>21,17,420</b>	<b>14,49,347</b>	<b>14,60,07,168</b>	<b>82,834</b>	<b>83,44,693</b>	<b>15,53,201</b>	<b>15,64,69,282</b>
For the year	(16,669)	(16,92,051)	2,59,216	2,63,13,033	11,904	12,08,358	2,54,451	2,58,29,340
Impairment for the year	-	-	-	-	-	-	-	-
Deduction on sale or discards	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
- Exchange variation (Op. Bal restated)	-	(26,904)	-	(18,55,164)	-	(1,06,027)	-	(19,88,095)
- Restating to Closing rate - CY Depreciation	-	34,171	-	(5,31,393)	-	(24,403)	-	(5,21,624)
<b>As at March 2022</b>	<b>4,351</b>	<b>4,32,636</b>	<b>17,08,563</b>	<b>16,99,33,644</b>	<b>94,738</b>	<b>94,22,621</b>	<b>18,07,652</b>	<b>17,97,88,903</b>
<b>Net block</b>								
<b>As at March 2021</b>	<b>47,792</b>	<b>48,14,701</b>	<b>18,63,086</b>	<b>18,76,87,239</b>	<b>63,963</b>	<b>64,43,635</b>	<b>19,74,841</b>	<b>19,89,45,575</b>
<b>As at March 2022</b>	<b>64,461</b>	<b>64,11,406</b>	<b>20,23,346</b>	<b>20,12,42,032</b>	<b>83,194</b>	<b>82,74,494</b>	<b>21,71,001</b>	<b>21,59,27,932</b>

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

Notes to financial statements (Contd.)

**6 RIGHT OF USE OF ASSETS**

Gross block	Building		Total	
	GBP	₹	GBP	₹
<b>As at March 31, 2020</b>	<b>13,90,738</b>	<b>12,99,50,537</b>	<b>13,90,738</b>	<b>12,99,50,537</b>
Additions	-	-	-	-
Disposal	-	-	-	-
Other Adjustments	-	-	-	-
Exchange variation on lease adjustments	(90,396)	-	(90,396)	-
- Exchange variation (Op. Bal restated)	-	-	-	-
<b>As at March 31, 2021</b>	<b>13,00,342</b>	<b>12,99,50,537</b>	<b>13,00,342</b>	<b>12,99,50,537</b>
Additions	-	-	-	-
Disposal	-	-	-	-
Other Adjustments	-	-	-	-
Exchange variation on lease adjustments	13,481	-	13,481	-
- Exchange variation (Op. Bal restated)	-	-	-	-
<b>As at March 31, 2022</b>	<b>13,13,823</b>	<b>12,99,50,537</b>	<b>13,13,823</b>	<b>12,99,50,537</b>
<b>Accumulated depreciation / amortisation</b>				
<b>As at March 31, 2020</b>	<b>1,43,278</b>	<b>1,33,87,911</b>	<b>1,43,278</b>	<b>1,33,87,911</b>
For the year ended	1,09,567	1,06,75,105	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	-	3,62,667	-	3,62,667
<b>As at March 31, 2021</b>	<b>2,52,845</b>	<b>2,44,25,683</b>	<b>2,52,845</b>	<b>2,44,25,683</b>
For the year ended	1,03,232	1,04,79,096	1,03,232	1,04,79,096
Disposals / other adjustments	-	-	-	-
Other Adjustments	-	-	-	-
- Exchange variation (Op. Bal restated)	-	-	-	-
Exchange variation on lease adjustments	-	-	-	-
- Restating to Closing rate - CY Depreciation	-	(2,11,626)	-	(2,11,626)
<b>As at March 31, 2022</b>	<b>3,56,077</b>	<b>3,46,93,153</b>	<b>3,56,077</b>	<b>3,46,93,153</b>
<b>Net block</b>				
<b>As at March 31, 2021</b>	<b>10,47,497</b>	<b>10,55,24,854</b>	<b>10,47,497</b>	<b>10,55,24,854</b>
<b>As at March 31, 2022</b>	<b>9,57,746</b>	<b>9,52,57,384</b>	<b>9,57,746</b>	<b>9,52,57,384</b>

## TRANSLATED FINANCIAL STATEMENTS

### Notes to financial statements (Contd.)

	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
<b>7 OTHER ASSETS</b>								
(Unsecured, considered good)								
Prepaid expenses	3,740	3,71,953	1,57,970	1,57,11,718	18,740	18,87,840	2,96,364	2,98,55,694
Others	-	-	2,06,493	2,05,37,813	-	-	2,90,007	2,92,15,379
Unamortised portion of leasehold land	-	-	-	-	-	-	-	-
	<b>3,740</b>	<b>3,71,953</b>	<b>3,64,463</b>	<b>3,62,49,531</b>	<b>18,740</b>	<b>18,87,840</b>	<b>5,86,371</b>	<b>5,90,71,073</b>

	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
<b>8 INVENTORIES</b>								
Raw Materials and components	-	-	4,11,724	4,09,50,114	-	-	5,28,641	5,32,55,281
Goods In transit			2,49,882	2,48,53,272			3,81,767	3,84,59,229
Work-in-progress	-	-	10,96,137	10,90,21,739	-	-	7,62,354	7,67,99,591
Finished Goods	-	-	1,73,858	1,72,91,828	-	-	76,101	76,66,380
Finished Goods in Transit								
	-	-	<b>19,31,601</b>	<b>19,21,16,953</b>	-	-	<b>17,48,863</b>	<b>17,61,80,481</b>

	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
<b>9 TRADE RECEIVABLES</b>								
(Unsecured, considered good unless otherwise stated)								
Trade receivables	-	-	17,27,549	17,18,22,020	-	-	16,96,833	17,09,39,002
	-	-	17,27,549	17,18,22,020	-	-	16,96,833	17,09,39,002
Less : Provision for bad and doubtful debts	-	-	(25,305)	(25,16,789)	-	-	-	-
	-	-	<b>17,02,244</b>	<b>16,93,05,231</b>	-	-	<b>16,96,833</b>	<b>17,09,39,002</b>

#### 9a) Trade receivable Ageing schedule 2021-22

Particulars		Outstanding for following periods from due date of payment					Total as on 31.03.2022
		Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	
<b>Undisputed Trade receivables</b>							
Considered good	GBP	13,44,021	2,90,705	32,976	10,549	23,993	17,02,244
	INR	13,36,76,352	2,89,13,471	32,79,812	10,49,216	23,86,380	16,93,05,231

#### 9b) Trade receivable Ageing schedule 2020-21

Particulars		Outstanding for following periods from due date of payment					Total as on 31.03.2022	
		Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years		More than 3 years
<b>Undisputed Trade receivables</b>								
Considered good	GBP	12,35,910	5,04,663	(65,151)	16,571	1,257	3,583	16,96,833
	INR	12,45,05,593	5,08,39,708	(65,63,321)	16,69,359	1,26,663	3,61,000	17,09,39,002

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

**Notes to financial statements (Contd.)**

	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
<b>10 CASH AND BANK BALANCES</b>								
<b>Cash and cash equivalents</b>								
Cash on hand	-	-	-	-	-	-	276	27,759
Balances with banks in current accounts	-	-	363	36,150	-	-	818	82,402
	-	-	363	36,150	-	-	1,094	1,10,161

	As at March 31, 2022			As at March 31, 2021		
	Number	GBP	₹	Number	GBP	₹
	<b>11 SHARE CAPITAL</b>					
<b>Issued, subscribed and fully paid up</b>						
14,00,000 Common shares of GBP 1 each	14,00,000	14,00,000	13,92,44,000	14,00,000	14,00,000	14,10,36,000
	14,00,000	14,00,000	13,92,44,000	14,00,000	14,00,000	14,10,36,000

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	14,00,000	100.00%	14,00,000	100.00%
	14,00,000	100.00%	14,00,000	100.00%

c) Shares held by promoters at the end of the year

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of shares held	% of total shares	% of change during the year	No. of shares held	% of total shares	% of change during the year
Sundram International Limited, UK	14,00,000	100.0%	0%	14,00,000	100.0%	0%

d) 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.

e) 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 2022

- Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil
- Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil
- Aggregate number of equity shares bought back : Nil

f) **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.

## Notes to financial statements (Contd.)

### 11 SHARE CAPITAL (Contd.)

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, 2022		As at March 31, 2021		
	GBP	₹	GBP	₹	
Borrowings	34,57,737	34,39,06,553	37,82,224	38,10,21,202	
Cash and cash equivalents	(363)	(36,150)	(1,094)	(1,10,161)	
<b>Capital</b>	<b>A</b>	<b>34,57,374</b>	<b>34,38,70,403</b>	37,81,130	38,09,11,041
Total equity	<b>B</b>	<b>(18,07,663)</b>	<b>(17,97,90,027)</b>	(8,95,537)	(9,02,16,298)
<b>Overall financing</b>	<b>A+B</b>	<b>16,49,711</b>	<b>16,40,80,376</b>	28,85,593	29,06,94,743
<b>Gearing ratio</b>		<b>210%</b>	<b>210%</b>	131%	131%

12 BORROWINGS	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
<b>a) Secured</b>								
Term loan from banks (refer note below)	-	-	-	-	-	-	-	-
Bank Overdrafts (refer note below)			27,07,737	26,93,11,553			31,82,224	32,05,77,202
	-	-	27,07,737	26,93,11,553	-	-	31,82,224	32,05,77,202
Less: Current maturities of long term borrowings	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	27,07,737	26,93,11,553	-	-	31,82,224	32,05,77,202
<b>b) Unsecured</b>								
Working Capital Loans - from related parties (refer note below)	7,50,000	7,45,95,000	-	-	6,00,000	6,04,44,000	-	-
	7,50,000	7,45,95,000	-	-	6,00,000	6,04,44,000	-	-
<b>Total</b>	7,50,000	7,45,95,000	27,07,737	26,93,11,553	6,00,000	6,04,44,000	31,82,224	32,05,77,202

#### c) Working Capital Loan

The outstanding working capital facilities of GBP 2.7 million equivalent to ₹ 26.93 crores (March 31, 2021: GBP 3.18 million equivalent to ₹ 32.06 crores) carrying interest rate being base rate + agreed spread per annum. These are secured by fixed and floating charges over all the assets and undertaking including all present and future freehold and leasehold property, book and other debts, chattels and goodwill and uncalled capital, both present and future.

The balance due to related party represents an unsecured loan extended by the company's parent undertaking and is repayable in full on 16 December 2022. Interest is charged at 2.43% per annum.

Working capital loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Company.

13 Lease liabilities	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
Lease liabilities:	9,44,512	9,39,41,117	82,306	81,86,123	10,12,986	10,20,48,218	82,488	83,09,880
<b>Total</b>	9,44,512	9,39,41,117	82,306	81,86,123	10,12,986	10,20,48,218	82,488	83,09,880

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

Notes to financial statements (Contd.)

	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
<b>14 TRADE PAYABLES</b>								
Dues to others	-	-	39,72,522	39,51,07,042	-	-	25,32,103	25,50,84,067
	-	-	39,72,522	39,51,07,042	-	-	25,32,103	25,50,84,067

**14 a) Trade payable ageing schedule 2021-22**

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as on 31.03.2022	
<b>Undisputed dues</b>							
Others	GBP	14,03,075	22,60,086	3,53,964	(42,184)	(2,419)	39,72,522
	INR	13,95,49,837	22,47,88,157	3,52,05,277	(41,95,615)	(2,40,614)	39,51,07,042

**14 b) Trade payable ageing schedule 2020-21**

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as on 31.03.2022	
<b>Undisputed dues</b>							
Others	GBP	17,97,277	7,38,323	(11,485)	9,093	(1,105)	25,32,103
	INR	18,10,57,743	7,43,78,702	(11,57,080)	9,16,078	(1,11,376)	25,50,84,067

	As at March 31, 2022				As at March 31, 2021			
	Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
<b>15 OTHER FINANCIAL LIABILITIES</b>								
<b>Others</b>								
Current maturities of term loans from banks (Secured)	-	-	-	-	-	-	-	-
Interest accrued	-	-	55,291	54,99,193	-	-	37,247	37,52,263
Non statutory dues	1,66,944	1,66,04,355	2,01,806	2,00,71,670	30,214	30,43,800	4,45,404	4,48,69,982
	1,66,944	1,66,04,355	2,57,097	2,55,70,863	30,214	30,43,800	4,82,651	4,86,22,245
<b>16 OTHER CURRENT LIABILITIES</b>								
Statutory dues	-	-	57,703	57,39,108	-	-	47,110	47,45,872
	-	-	57,703	57,39,108	-	-	47,110	47,45,872

## TRANSLATED FINANCIAL STATEMENTS

### Notes to financial statements (Contd.)

	Year ended March 31, 2022		Year ended March 31, 2021	
	GBP	₹	GBP	₹
<b>17 REVENUE FROM OPERATIONS</b>				
<b>Sales of Products</b>				
Domestic Sales	8,64,373	8,77,42,499	6,11,544	5,95,82,731
Export Sales	1,42,34,033	1,44,48,96,665	99,33,640	96,78,34,589
	<b>1,50,98,406</b>	<b>1,53,26,39,164</b>	1,05,45,184	1,02,74,17,320
<b>Other Operating Revenue (Refer Note 17A)</b>	<b>2,37,673</b>	<b>2,41,26,146</b>	1,21,361	1,18,24,185
<b>Revenue from operations (Net)</b>	<b>1,53,36,079</b>	<b>1,55,67,65,310</b>	1,06,66,545	1,03,92,41,505
<b>17A OTHER OPERATING REVENUE</b>				
Scrap Sales	2,37,673	2,41,26,146	1,21,361	1,18,24,185
	<b>2,37,673</b>	<b>2,41,26,146</b>	1,21,361	1,18,24,185
<b>18 OTHER INCOME</b>				
Miscellaneous Income	50,000	50,75,500	87,984	85,72,281
Profit on Sale of Assets	-	-	-	-
	<b>50,000</b>	<b>50,75,500</b>	87,984	85,72,281
<b>19 COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>				
Opening stock of raw materials and components	9,10,408	9,17,14,509	4,64,652	4,34,17,111
Add : Exchange rate fluctuation on account of average rate transferred to currency translation reserve	-	7,01,014	-	18,53,963
Add : Purchases during the year	60,27,664	61,18,68,166	44,04,757	42,91,55,439
Less : Exchange rate fluctuation on account of average rate transferred to currency translation reserve	-	13,56,293	-	(30,13,451)
Less: Closing stock of raw materials and components	6,61,607	6,58,03,385	9,10,408	9,17,14,509
	<b>62,76,465</b>	<b>63,71,24,011</b>	39,59,001	38,57,25,455
<b>20 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>				
<b>A. Opening Stock</b>				
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	-	6,45,610	-	15,28,453
	<b>8,38,455</b>	<b>8,51,11,581</b>	3,83,071	3,73,22,611
<b>B. Closing Stock</b>				
Work-in-progress	10,96,137	109,021,739	762,354	76,799,591
Finished goods	1,73,857	17,291,828	76,101	7,666,380
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	-	(2,603,487)	-	2,775,287
	<b>12,69,994</b>	<b>12,89,17,054</b>	8,38,455	8,16,90,685
<b>Net (increase) / decrease in inventories</b>	<b>(4,31,539)</b>	<b>(4,38,05,473)</b>	(4,55,384)	(4,43,68,074)

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

**Notes to financial statements (Contd.)**

	Year ended March 31, 2022		Year ended March 31, 2021	
	GBP	₹	GBP	₹
<b>21 EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and wages	35,62,300	36,16,09,031	26,34,861	25,67,14,527
Contribution to provident and other funds	3,96,063	4,02,04,382	3,58,164	3,48,95,940
Staff welfare expenses	15,346	15,57,819	19,338	18,84,031
	<b>39,73,709</b>	<b>40,33,71,232</b>	<b>30,12,363</b>	<b>29,34,94,498</b>
<b>22 FINANCE COSTS</b>				
Interest expenses	1,53,500	1,55,81,819	1,38,667	1,35,10,328
	<b>1,53,500</b>	<b>1,55,81,819</b>	<b>1,38,667</b>	<b>1,35,10,328</b>
<b>23 DEPRECIATION AND AMORTIZATION EXPENSE</b>				
Depreciation of tangible assets	2,45,357	2,49,06,226	2,58,420	2,51,77,884
Depreciation on right of use of asset	1,03,232	1,04,79,096	1,09,567	1,06,75,106
Amortization of intangible assets	9,094	9,23,114	-	-
	<b>3,57,683</b>	<b>3,63,08,436</b>	<b>3,67,987</b>	<b>3,58,52,990</b>
<b>24 OTHER EXPENSES</b>				
Stores and tools consumed	13,27,359	13,47,40,236	11,00,583	10,72,29,776
Power & fuel	5,94,227	6,03,20,008	4,97,198	4,84,41,975
Rent	1,65,707	1,68,20,964	62,982	61,36,368
Rates & taxes [excluding taxes on Income]	50,267	51,02,641	74,601	72,68,387
Insurance	1,72,744	1,75,35,229	1,69,334	1,64,98,253
Repairs and maintenance				
- Building	17,424	17,68,734	20,536	20,00,786
- Plant & Equipment	5,96,673	6,05,68,268	3,92,415	3,82,33,039
Sub-contract expenses	20,03,304	20,33,55,382	15,34,394	14,94,96,019
Audit fee	55,465	56,30,222	38,249	37,26,555
Net Foreign exchange loss(net off gain)	6,998	7,10,397	-	-
Finance guarantee expenses	15,000	15,22,650	21,769	21,20,971
Bad debts	25,305	25,68,663	7,633	7,43,650
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)	9,37,296	9,51,44,892	3,33,930	3,25,34,762
	<b>59,67,769</b>	<b>60,57,88,286</b>	<b>42,53,622</b>	<b>41,44,30,542</b>



## TRANSLATED FINANCIAL STATEMENTS

### Notes to financial statements (Contd.)

	Period ended March 31, 2022		Year ended March 31, 2021	
	GBP	₹	GBP	₹
<b>25 Income Tax</b>				
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 is at 19% and the reported tax expense in profit or loss are as follows:				
<b>Profit or loss section</b>				
Accounting profit before tax	(9,11,508)	(9,25,27,501)	(5,21,727)	(5,08,31,953)
<b>Accounting profit before income tax</b>				
i) At UK's statutory income tax rate of 19.00% (March 31, 2022: 19.00%)	(1,73,187)	(1,75,80,225)	(99,128)	(96,58,071)
Other adjustments	1,73,187	1,75,80,225	99,128	96,58,071
	-	-	-	-
<b>Tax expense comprises of:</b>				
<b>Current income tax:</b>				
Current income tax charge (net of Minimum alternate tax)	-	-	-	-
Adjustments in respect of current income tax of previous year	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	-	-	-	-
<b>Income tax expense</b>	-	-	-	-

### 26 Related party disclosures

#### Related Parties :

#### (I) Where Control exists:

##### (A) Ultimate Holding Company

1. TVS Sundram Fasteners Private Limited, Chennai, India (from February 4, 2022)
2. T V Sundram Iyengar & Sons Private Limited, Madurai, India (upto February 3, 2022)

##### (B) Holding Company

1. Sundram International Limited, UK
2. Sundram Fasteners Limited

#### (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
- TVS Next Inc., Michigan, USA (Subsidiary of TVS Next Ltd.)

**Cramlington Precision Forge Limited,  
United Kingdom**  
**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	₹
<b>Purchases</b>						
Goods and Materials	13,48,063	13,68,41,916	-	-	-	-
	(14,61,583)	(14,24,02,026)	-	-	-	-
<b>Sales</b>						
Goods and Materials	17,709	17,97,641	-	-	-	-
	(13,120)	(12,78,247)	-	-	-	-
<b>Finance</b>						
Inter Corporate Deposit received (Net )	-	-	-	-	-	-
	-	-	-	-	-	-
Interest payable on Inter Corporate Deposit received	-	-	18,044	18,31,596	-	-
	-	-	(14,783)	(14,40,308)	-	-
<b>Outstanding balances</b>						
Due to the Company	31,830	31,65,812	-	-	-	-
	(15,720)	(15,83,598)	-	-	-	-
Due by the Company	20,21,272	20,10,35,753	8,05,291	8,00,94,193	-	-
	(7 79,211)	(7 84 97,746)	(6,37,247)	(6,41,96,263)	-	-

(Previous year figures are in brackets)

TRANSLATED FINANCIAL STATEMENTS

Notes to financial statements (Contd.)

27 - DISCLOSURE ON FINANCIAL INSTRUMENT

Particulars	31-Mar-22						31-Mar-21										
	FVTPL		FVOCI		Amortised Cost		Total		FVTPL		FVOCI		Amortised Cost		Total		
	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	
<b>Financial Assets</b>																	
<b>Current Assets</b>																	
Trade receivables	-	-	-	-	16,93,05,231	17,02,244	16,93,05,231	-	-	-	-	-	-	16,96,833	17,09,39,002	16,96,833	17,09,39,002
Cash and Cash equivalents	-	-	-	-	363	363	36,150	-	-	-	-	-	-	1,094	1,10,161	1,094	1,10,161
<b>Total Financial Assets</b>	-	-	-	-	16,93,41,381	17,02,607	16,93,41,381	-	-	-	-	-	-	16,97,927	17,10,49,163	16,97,927	17,10,49,163
<b>Financial Liabilities</b>																	
<b>Non-current liabilities</b>																	
Borrowings	-	-	-	-	7,45,95,000	7,50,000	7,45,95,000	-	-	-	-	-	-	6,00,000	6,04,44,000	6,00,000	6,04,44,000
Lease Liabilities	-	-	-	-	9,39,41,117	9,44,512	9,39,41,117	-	-	-	-	-	-	10,12,986	10,20,48,218	10,12,986	10,20,48,218
Other financial liabilities	-	-	-	-	1,66,944	1,66,944	1,66,04,355	-	-	-	-	-	-	30,214	30,43,800	30,214	30,43,800
<b>Current liabilities</b>																	
Borrowings	-	-	-	-	26,93,11,553	27,07,737	26,93,11,553	-	-	-	-	-	-	31,82,224	32,05,77,202	31,82,224	32,05,77,202
Lease Liabilities	-	-	-	-	81,86,123	82,306	81,86,123	-	-	-	-	-	-	82,488	83,09,880	82,488	83,09,880
Trade payables	-	-	-	-	39,51,07,042	39,72,522	39,51,07,042	-	-	-	-	-	-	25,32,103	25,50,84,067	25,32,103	25,50,84,067
Other financial liabilities	-	-	-	-	2,55,70,863	2,57,097	2,55,70,863	-	-	-	-	-	-	4,82,651	4,86,22,245	4,82,651	4,86,22,245
<b>Total Financial Liabilities</b>	-	-	-	-	88,33,16,053	88,81,118	88,33,16,053	-	-	-	-	-	-	79,22,666	79,81,29,412	79,22,666	79,81,29,412

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.

## Cramlington Precision Forge Limited, United Kingdom

### Notes to financial statements (Contd.)

#### 28 Computation of Ratios

Ratio	Formula	Year ended March 31, 2022	Year ended March 31, 2021	% change	Reason for change over 25%
Current ratio	Current Asset / Current Liabilities	0.56	0.64	(11%)	
Debt Equity ratio	Total debt / equity	(1.91)	(4.22)	(55%)	Equity has decreased
Debt Service Coverage Ratio	earning for debt service/ debt service	(2.61)	(0.11)	2299%	Operating expenses has increased during the year
Return on Equity ratio / Return on investment ratio	Net Profit / Avg Shareholders Equity	0.69	0.78	(13%)	
Inventory turnover ratio	Credit Sales / Avg Inv	8.32	8.05	3%	
Trade receivables turnover ratio	Credit sales / Avg Rec	9.01	6.65	36%	Credit sales has increased compared to previous year, average collection remaining the same
Trade payables turnover ratio	credit Purchases / Avg payable	1.88	1.96	(4%)	
Net capital turnover ratio	Net sales / WC	(5.01)	(4.45)	13%	
Net profit ratio	Net profit after tax / Net Sales	(0.06)	(0.05)	22%	
Return on Capital employed	EBIT/ CE	(0.47)	(0.13)	265%	Operating expenses has increased during the year