

Cramlington Precision Forge Limited

(Incorporated in United Kingdom)

ANNUAL REPORT

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

**Cramlington Precision Forge Limited,
United Kingdom**

Directors	D Bartle N Balakrishnan S Rose
Secretary	Eversecretary Limited
Company number	4842214
Registered office	Eversheds Central Square South Orchard Street Newcastle upon Tyne NE1 3XX
Auditors	RSM UK Audit LLP Chartered Accountants 1 St James' Gate Newcastle upon Tyne NE1 4AD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of the manufacturing of precision forgings.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Bartle
N Balakrishnan
S Rose

Auditor

RSM UK Audit LLP (previously Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption.

On behalf of the board

D Bartle
Director
10 March 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAMLINGTON
PRECISION FORGE LIMITED**

We have audited the financial statements on pages 4 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and based on the work undertaken in the course of our audit, the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

STEVEN CLEUGH (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants
1 St James' Gate
Newcastle Upon Tyne
NE1 4AD

10 March 2016

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	2	8,156,731	9,485,511
Cost of sales		(6,482,532)	(7,922,382)
Gross profit		1,674,199	1,563,129
Distribution costs		(51,107)	(73,542)
Administrative expenses		(985,829)	(828,100)
Other operating income		8,458	37,900
Operating profit	3	645,721	699,387
Interest payable and similar charges		(32,332)	(30,772)
Profit on ordinary activities before taxation		613,389	668,615
Taxation		(125,879)	(107,650)
Profit for the financial year		487,510	560,965
Total comprehensive income for the year		487,510	560,965

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	7		14,816		1,042
Tangible assets	8		1,692,060		1,815,704
			<u>1,706,876</u>		<u>1,816,746</u>
Current assets					
Stocks		550,341		719,032	
Debtors	9	1,326,103		1,297,401	
Cash at bank and in hand		973,357		526,530	
		<u>2,849,801</u>		<u>2,542,963</u>	
Creditors: amounts falling due within one year	10	(1,152,412)		(1,189,678)	
Net current assets			<u>1,697,389</u>		<u>1,353,285</u>
Total assets less current liabilities			<u>3,404,265</u>		<u>3,170,031</u>
Creditors: amounts falling due after more than one year	11		(500,000)		(500,000)
Provisions for liabilities	12		(227,874)		(241,150)
Net assets			<u>2,676,391</u>		<u>2,428,881</u>
Capital and reserves					
Called up share capital	13		1,400,000		1,400,000
Profit and loss reserves			1,276,391		1,028,881
Shareholder's funds			<u>2,676,391</u>		<u>2,428,881</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 4 to 14 were approved by the board of directors and authorised for issue on 10 March 2016 and are signed on its behalf by:

D Bartle
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Cramlington Precision Forge Limited ("the company") is a private company limited by shares, domiciled and incorporated in England. The registered office is Eversheds Central Square South, Orchard Street, Newcastle upon Tyne, NE1 3XX.

The company's principal activities are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard" applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

First Time Adoption of FRS 102

These financial statements are the first financial statements of Cramlington Precision Forge Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Report Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of Section 1A of FRS102. The financial statements of Cramlington Precision Forge Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Whilst some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices that the company can make may differ from previous UK GAAP, the accounting policies adopted by the directors are consistent with previous UK GAAP. Consequently, the only changes the directors have made on transition to FRS 102 relate to the presentation and disclosure of the primary statements and notes including adoption Section 1A of FRS 102. Thus a cash flow statement is not presented, and certain notes to the accounts such as taxation and share capital are either removed, or reduced in detail, subject to providing sufficient disclosures to present a true and fair view of the financial position and performance of the company under the small companies regime.

An adjustment has been made to the classification of software costs at the date of the transition to FRS 102, reclassifying from Tangible fixed assets to Intangible fixed assets.

There has been no impact on the reported financial performance as shown under previous UK GAAP at the date of the transition to FRS 102 or in the comparative period. As a result the company has not presented the reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (ii) profit or loss for the comparative period reported under previous UK GAAP as would normally be presented if there had been a change at transition date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have been transferred to the company.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognised when goods are shipped and the title has passed.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33.33% straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	5% straight line
Plant and machinery	3.33% - 10% straight line
Fixtures, fittings and equipment	10% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2 Turnover

In the year to 31 December 2015 99.54% (2014: 98.5%) of the company's turnover was to markets outside the UK.

3 Operating profit	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	16,200	9,750
Operating lease charges	115,744	118,130
Amortisation of government grants	(8,458)	(37,900)
Exchange losses	9,970	10,432

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015	2014
	Number	Number
Total	70	66

5 Directors' remuneration	2015	2014
	£	£
Remuneration for qualifying services	83,095	71,212

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

6 Dividends

The following dividends were declared and paid or payable during the period:

	2015	2014
	£	£
Interim paid 17p (2014: 38p)	240,000	532,000
	<u>240,000</u>	<u>532,000</u>

During the year, an interim dividend of 17p (2014: 38p) per share was paid to shareholders.

7 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2015	69,417
Additions - separately acquired	19,465
	<u>88,882</u>
At 31 December 2015	<u>88,882</u>
Amortisation and impairment	
At 1 January 2015	68,375
Amortisation charged for the year	5,691
	<u>74,066</u>
At 31 December 2015	<u>74,066</u>
Carrying amount	
At 31 December 2015	<u>14,816</u>
At 31 December 2014	<u>1,042</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

8 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 January 2015 (restated)	162,885	2,957,508	86,184	3,206,577
Additions	10,086	51,867	7,254	69,207
Disposals	-	(76,398)	-	(76,398)
At 31 December 2015	<u>172,971</u>	<u>2,932,977</u>	<u>93,438</u>	<u>3,199,386</u>
Depreciation and impairment				
At 1 January 2015 (restated)	66,987	1,245,660	78,226	1,390,873
Depreciation charged in the year	9,734	179,530	2,438	191,702
Eliminated in respect of disposals	-	(75,249)	-	(75,249)
At 31 December 2015	<u>76,721</u>	<u>1,349,941</u>	<u>80,664</u>	<u>1,507,326</u>
Carrying amount				
At 31 December 2015	<u>96,250</u>	<u>1,583,036</u>	<u>12,774</u>	<u>1,692,060</u>
At 31 December 2014 (restated)	<u>95,898</u>	<u>1,711,848</u>	<u>7,958</u>	<u>1,815,704</u>

9 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	1,138,167	1,210,045
Amounts due from related parties	14,310	-
Other debtors	173,626	87,356
	<u>1,326,103</u>	<u>1,297,401</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Corporation tax payable	135,559	167,690
Trade creditors	777,495	794,773
Other taxation and social security	47,566	46,126
Amounts due to group undertakings	-	15,455
Other creditors	191,792	165,634
	<u>1,152,412</u>	<u>1,189,678</u>

The company has provided a guarantee dated 31 May 2005 in favour of HM Revenue and Customs for £100,000.

11 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Redeemable preference shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

The redeemable preference shares are entitled to a fixed cumulative preferential net cash dividend of 6% of the subscription price of £1 each. These shares carry no voting rights and have no fixed redemption date. There is no premium payable on redemption.

12 Provisions for liabilities

	2015 £	2014 £
Accelerated capital allowances	227,874	241,150
	<u>227,874</u>	<u>241,150</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

13 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,400,000 Ordinary shares of £1 each	1,400,000	1,400,000
500,000 Preference shares of £1 each	500,000	500,000
	<u>1,900,000</u>	<u>1,900,000</u>
Amounts presented in equity:		
1,400,000 Ordinary shares of £1 each	1,400,000	1,400,000
Amounts presented in liabilities:		
500,000 Preference shares of £1 each	500,000	500,000

14 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	115,744	115,744
Between two and five years	234,497	350,242
	<u>350,241</u>	<u>465,986</u>

15 Controlling party

The parent company of Cramlington Precision Forge Limited is TV Sundram Iyengar & Sons Limited

TV Sundram Iyengar & Sons Limited is the parent company of the TVS Group and is the smallest and largest group for which consolidated accounts including Cramlington Precision Forge Limited are prepared. The registered office of TV Sundram Iyengar & Sons Limited is 98 - A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600 004, India.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

16 Related Party Transactions

During the year under review the company has traded on normal commercial terms with Sundram Fasteners Limited, the company's parent undertaking.

Included within turnover are sales of £4,510 (2014: £22,973) made to the parent undertaking.

Included within interest payable and similar charges is £30,000 (2014: £30,000) for shares classed as financial liabilities paid to Sundram Fasteners Limited.

At the year end the company did not owe anything to Sundram Fasteners Limited (2014: £15,455).

Included within debtors is an amount of £14,310 due from Sundram Fasteners Limited.

Included within intangibles was an amount of £19,465 which were purchases made from TVS Infotech Limited a fellow subsidiary of the company.

Dividends of £240,000 (2014: 532,000) were paid to Sundram Fasteners Limited.

17 Post Balance Sheet Event

On 29 February 2016, the 500,000 preference shares were redeemed at par.

MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	£	2015 £	£	2014 £
Turnover				
Sales of goods		8,156,731		9,485,511
Cost of sales				
Opening work in progress - short term	719,032		619,009	
Finished goods purchases	3,471,529		4,478,444	
Direct costs	1,195,451		1,506,664	
Closing work in progress - short term	(550,341)		(719,032)	
Wages and salaries	1,357,292		1,703,845	
Staff pension costs defined contribution	109,011		103,468	
Hire of equipment (not operating lease)	22,230		18,384	
Depreciation	158,328		211,600	
		(6,482,532)		(7,922,382)
Gross profit	20.53%	1,674,199	16.48%	1,563,129
Other operating income				
Government grants receivable and released		8,458		37,900
Distribution costs	51,107		73,542	
Administrative expenses	985,829		828,100	
		(1,036,936)		(901,642)
Operating profit		645,721		699,387
Interest payable and similar charges				
Hire purchase interest payable	-		772	
Interest on overdue taxation	2,332		-	
Non equity dividends payable	30,000		30,000	
		(32,332)		(30,772)
Profit before taxation	7.52%	613,389	7.05%	668,615

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Distribution costs		
Distribution costs	51,107	73,542
	<u>51,107</u>	<u>73,542</u>
Administrative expenses		
Wages and salaries	446,703	249,175
Social security costs	37,990	36,439
Staff pension costs defined contribution	30,255	27,965
Directors' remuneration	69,340	66,412
Directors' fees	4,800	4,800
Rent re licences and other	87,030	87,565
Rates	51,417	48,260
Cleaning	23,460	22,166
Power, light and heat	12,785	15,943
Premises insurance	32,184	38,234
Computer running costs	6,410	14,037
Motor running expenses	27,003	29,292
Legal and professional fees	1,815	6,693
Audit fees	16,200	9,850
Bank charges	4,113	4,613
Bad and doubtful debts	-	436
Printing and stationery	8,529	9,084
Telecommunications	19,620	30,201
Other office expenses	30,935	28,862
Entertaining	8,351	5,588
Sundry expenses	22,396	68,390
Amortisation	5,691	825
Depreciation	33,374	14,488
Profit or loss on sale of tangible assets (non exceptional)	1,149	-
Profit or loss on foreign exchange	4,279	8,782
	<u>985,829</u>	<u>828,100</u>

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31ST DECEMBER 2015

Sl.	Particulars	Note No.	GBP As at 31-12-2015	GBP As at 31-12-2015	GBP As at 31-12-2014	GBP As at 31-12-2014
I EQUITY AND LIABILITIES						
1. Shareholders' Funds						
	(a) Share Capital	1	1,900,000	186,200,000	1,900,000	186,998,000
	(b) Reserves and Surplus	2	<u>1,276,391</u>	<u>3,176,391</u>	<u>1,028,881</u>	<u>288,260,452</u>
2. Non-current Liabilities						
	(a) Deferred Tax Liabilities (Net)	3	<u>227,874</u>	<u>22,331,652</u>	<u>241,150</u>	<u>23,733,983</u>
			227,874	22,331,652	241,150	23,733,983
3. Current Liabilities						
	(a) Trade payables	4	777,495	76,194,510	794,773	78,221,559
	(b) Other current liabilities	5	<u>374,917</u>	<u>36,741,866</u>	<u>394,905</u>	<u>38,866,510</u>
			<u>1,152,412</u>	<u>112,936,376</u>	<u>1,189,678</u>	<u>117,088,069</u>
	Total		<u>4,556,677</u>	<u>446,554,346</u>	<u>4,359,709</u>	<u>429,082,504</u>
II ASSETS						
1. Non-current Assets						
Fixed Assets						
	Tangible Assets	6	1,692,060	165,821,880	1,815,704	178,701,588
	Intangible assets	6	<u>14,816</u>	<u>1,451,968</u>	<u>1,042</u>	<u>102,554</u>
			<u>1,706,876</u>	<u>167,273,848</u>	<u>1,816,746</u>	<u>178,804,141</u>
2. Current Assets						
	(a) Inventories	7	550,341	53,933,418	719,032	70,767,129
	(b) Trade receivables	8	1,152,477	112,942,746	1,210,045	119,092,629
	(c) Cash and Cash equivalents	9	973,357	95,388,986	526,530	51,821,027
	(d) Other Current Assets	10	<u>173,626</u>	<u>17,015,348</u>	<u>87,356</u>	<u>8,597,578</u>
			<u>2,849,801</u>	<u>279,280,498</u>	<u>2,542,963</u>	<u>250,278,363</u>
	Total		<u>4,556,677</u>	<u>446,554,346</u>	<u>4,359,709</u>	<u>429,082,504</u>

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

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

	Note	GBP Year Ended 31-12-2015	GBP Year Ended 31-12-2015	GBP Year Ended 31-12-2014	GBP Year Ended 31-12-2014
No.					
INCOME					
I Revenue From Operations	11	8,165,189	800,678,433	9,503,913	954,858,123
II Other Income	12	–	–	19,498	1,958,964
III Total Revenue		<u>8,165,189</u>	<u>800,678,433</u>	<u>9,523,411</u>	<u>956,817,087</u>
IV EXPENSES					
Cost of Materials & components Consumed	13	2,519,960	247,101,738	3,287,429	330,365,601
(Increase) / Decrease in inventories of Finished Goods & Work in Process	14	76,356	7,482,888	(62,156)	(6,117,386)
Employee benefit expense	15	2,078,611	203,828,559	2,230,413	224,089,609
Finance Costs	16	6,611	648,275	9,554	959,852
Depreciation and amortization expenses		197,393	19,356,357	226,913	22,797,949
Other Expenses	17	2,642,870	259,159,770	3,132,643	314,736,685
Total Expenses		<u>7,521,801</u>	<u>737,577,587</u>	<u>8,824,796</u>	<u>886,832,311</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		643,389	63,100,846	698,615	69,984,776
VI Tax expense :					
UK Corporation Tax		139,155	13,645,539	165,373	16,276,011
Deferred Tax		(13,276)	(1,301,845)	(57,723)	(5,681,098)
VII Profit (Loss) for the period (V-VI)		<u>517,510</u>	<u>50,757,152</u>	<u>590,965</u>	<u>59,389,863</u>

TRANSLATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2015

	(In GBP) Year ended 31-12-2015	(In GBP) Year ended 31-12-2015	(In `) Year ended 31-12-2015	(In `) Year ended 31-12-2015	(In GBP) Year ended 31-12-2014	(In GBP) Year ended 31-12-2014	(In `) Year ended 31-12-2014	(In `) Year ended 31-12-2014
A. CASH FLOW FROM OPERATING ACTIVITIES:								
Net Profit before Tax		643,389		63,100,846		698,615		69,984,776
Adjustments For:								
Depreciation	197,393		19,356,357		226,913		22,797,949	
Exchange variation - Depreciation			(11,844)				(465,172)	
Exchange variation on application of AS11			(24,275)				(74,974)	
Interest expense (Net)	2,332		228,676		772		77,525	
Unrealised Exchange loss/ (gain)	4,279		419,599		8,782		882,327	
(Profit) / Loss on sale of assets	1,149		112,671					
Amortisation of Government Grant	-	205,153	-	20,081,184	(8,458)	228,009	(832,436)	22,385,219
Operating Profit before Extraordinary items & Working Capital changes:		848,542		83,182,030		926,624		92,369,995
Adjustments For Changes in Working Capital:								
(Increase)/Decrease in inventories	168,691		16,531,718		(100,023)		(9,844,237)	
(Increase)/Decrease in trade and other receivables	(28,702)		(2,812,796)		278,522		27,412,109	
Increase/ (Decrease) in Trade Payables and provisions	(17,278)		(1,693,244)		(414,665)		(40,811,329)	
Increase/(Decrease) in other liabilities	(19,988)	102,723	(1,958,785)	10,066,893	(312,417)	(548,583)	(30,748,045)	(53,991,502)
Cash Generated From Operations		951,265		93,248,923		378,041		38,378,493
Tax Paid		(139,155)		(13,645,539)		2,317		228,039
NET CASH FROM OPERATING ACTIVITIES		812,110		79,603,384		380,358		38,606,532
B. CASH FLOW FROM INVESTING ACTIVITIES:								
Purchase of Fixed Assets		(88,672)		(8,689,856)		(93,888)		(9,240,457)
NET CASH USED IN INVESTING ACTIVITIES		(88,672)		(8,689,856)		(93,888)		(9,240,457)
C. CASH FLOW FROM FINANCING ACTIVITIES:								
Proceeds From Term Loans (Secured)		-		-		(20,106)		(1,978,832)
Unrealised Exchange loss/ (gain)		(4,279)		(419,599)		(8,782)		(882,327)
Interest expense		(2,332)		(228,676)		(772)		(77,525)
Dividend Paid		(270,000)		(26,476,200)		(562,000)		(56,464,140)
NET CASH USED IN FINANCING ACTIVITIES		(276,611)		(27,124,475)		(591,660)		(59,402,824)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		446,827		43,789,053		(305,189)		(30,036,749)
CASH AND CASH EQUIVALENTS - Opening Balance		526,530		51,599,933		831,719		81,857,776
CASH AND CASH EQUIVALENTS - Closing Balance		973,357		95,388,986		526,530		51,821,027
Notes:								
CASH AND CASH EQUIVALENTS include:								
a) Cash and Cheques on hand		588		57,624		891		87,718
b) With Scheduled Banks:								
HSBC (GBP)		971,009		95,158,882		521,964		51,371,652
HSBC (Euro)		1,760		172,480		3,675		361,657
		973,357		95,388,986		526,530		51,821,027

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

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

	GBP As at 31-12-2015	As at 31-12-2015	GBP As at 31-12-2014	As at 31-12-2014
1 SHARE CAPITAL				
a. Capital Subscribed				
Share Capital	1,900,000	186,200,000	1,900,000	186,998,000
b. Reconciliation of number of shares				
	As at 31-12-2015			As at 31-12-2014
	No. of Shares	Value in GBP	Value in `	No. of Shares
Equity Shares	1,400,000	1,400,000	137,200,000	1,400,000
Preference Shares	500,000	500,000	49,000,000	500,000
Balance as at the end of the year	1,900,000	1,900,000	186,200,000	1,900,000
	As at 31-12-2015			As at 31-12-2014
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
Name of the Shareholder				
1. Sundram Fasteners Limited, Chennai	1,900,000	100.00	1,900,000	100.00
2. Total No. of Shares of the Company	1,900,000	100.00	1,900,000	100.00
d. Bonus Shares / Buy Back / Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended December 31, 2015 :				
(i) Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil				
(ii) Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil				
(iii) Aggregate number of equity shares bought back : Nil				

	GBP As at 31-12-2015	As at 31-12-2015	GBP As at 31-12-2014	As at 31-12-2014
2. RESERVES & SURPLUS				
a. Surplus in Statement of Profit and Loss				
1. Balance as at the beginning of the year	1,028,881	100,830,382	999,916	98,411,702
2. Profit / (Loss) for the year	517,510	50,757,152	590,965	59,389,863
3. Balance available for appropriation (1 + 2)	1,546,391	151,587,534	1,590,881	157,801,565
Appropriations :				
4. Dividend Paid				
Ordinary Shares	240,000	23,534,400	532,000	53,450,040
Preference Shares	30,000	2,941,800	30,000	3,014,100
Amount appropriated during the year	270,000	26,476,200	562,000	56,464,140
Balance as at the end of the year (3-4)	1,276,391	125,111,334	1,028,881	101,337,425
b. Foreign Exchange Translation Reserve / (Asset)				
Foreign exchange reserve / (Asset) arising on account of application of Indian Accounting Standard - 11				
Opening Balance as on 01-01-2015	-	(74,973)	-	6,350,725
Current year foreign exchange gain / (loss)	-	49,957	-	(6,425,698)
Closing balance as on 31.12.2015	-	(25,016)	-	(74,973)
Total Reserves and Surplus (a + b)	1,276,391	125,086,318	1,028,881	101,262,452

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31-12-2015		As at 31-12-2014		As at 31-12-2015		As at 31-12-2014	
	GBP		GBP		GBP		GBP	
3. DEFERRED TAX LIABILITIES / (ASSETS)								
Deferred Tax Liability	241,150	23,632,700	298,873	29,415,081	-	-	-	-
Transferred from Statement of Profit & Loss	(13,276)	(1,301,048)	(57,723)	(5,681,098)	-	-	-	-
Net Tax Liabilities	<u>227,874</u>	<u>22,331,652</u>	<u>241,150</u>	<u>23,733,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Long-term / Non Current				Short-term / Current			
	As at 31-12-2015		As at 31-12-2014		As at 31-12-2015		As at 31-12-2014	
	GBP		GBP		GBP		GBP	
4. TRADE PAYABLES								
Raw Materials	-	-	-	-	777,495	76,194,510	794,773	78,221,559
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>777,495</u>	<u>76,194,510</u>	<u>794,773</u>	<u>78,221,559</u>

5. OTHER LIABILITIES

1 Notes payable	-	-	-	-	146,797	14,386,106	100,298	9,871,329
2 Government grants due within one year	-	-	-	-	-	-	8,458	832,436
3 Accrued payroll	-	-	-	-	28,462	2,789,276	29,019	2,856,050
4 Pension creditors	-	-	-	-	16,533	1,620,234	27,859	2,741,883
5 Corporation Tax	-	-	-	-	135,559	13,284,782	167,690	16,504,050
6 Liabilities to Group companies	-	-	-	-	-	-	15,455	1,521,042
7 Taxes payable	-	-	-	-	47,566	4,661,468	46,126	4,539,721
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>374,917</u>	<u>36,741,866</u>	<u>394,905</u>	<u>38,866,510</u>

Cramlington Precision Forge Limited,
United Kingdom
TRANSLATED FINANCIAL STATEMENTS

6. FIXED ASSETS SCHEDULE

Particulars	Tangible						Intangible				Total		
	Lease hold Property		Plant and Machinery		Fixtures, Fittings and Office Equipments		Total		Software				
	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	
A	Cost of Assets												
As at 31-12-2014	162,885	16,031,142	2,957,508	291,077,937	86,184	8,482,229	3,206,577	315,591,308	69,417	6,832,021	3,275,994	322,423,329	
Additions	10,086	988,428	51,867	5,082,966	7,254	710,892	69,207	6,782,286	19,465	1,907,570	88,672	8,689,856	
Sales/Discounts	-	-	(76,398)	(7,487,004)	-	-	(76,398)	(7,487,004)	-	-	(76,398)	(7,487,004)	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
- Exchange difference	-	(68,412)	-	(1,242,153)	-	(36,197)	-	(1,346,762)	-	(29,155)	-	(1,375,917)	
- Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-	
As at 31-12-2015	172,971	16,951,158	2,932,977	287,431,746	93,438	9,156,924	3,199,386	313,539,828	88,882	8,710,436	3,288,268	322,250,264	
B	Depreciation/Amortization												
As at 31-12-2014	66,987	6,592,861	1,245,660	122,597,857	78,226	7,699,003	1,390,873	136,889,721	68,375	6,729,468	1,459,248	143,619,188	
Charges for the year	9,734	954,516	179,530	17,604,712	2,438	239,070	191,702	18,798,298	5,691	558,059	197,393	19,356,357	
Deduction on sale or discounts	-	-	(75,249)	(7,374,402)	-	-	(75,249)	(7,374,402)	-	-	(75,249)	(7,374,402)	
Exchange variation (op bal restated)	-	(28,135)	-	(523,177)	-	(32,855)	-	(584,167)	-	(28,718)	-	(612,884)	
Restating to Closing Rate - CY Deprn	-	(584)	-	(10,772)	-	(146)	-	(11,502)	-	(341)	-	(11,844)	
As at 31-12-2015	76,721	7,518,658	1,349,941	132,294,218	80,664	7,905,072	1,507,326	147,717,948	74,066	7,258,468	1,581,392	154,976,415	
C	Written Down Value												
As at 31-12-2015	96,250	9,432,500	1,583,036	155,137,528	12,774	1,251,852	1,692,060	165,821,880	14,816	1,451,968	1,706,876	167,273,848	
As at 31-12-2014	95,898	9,438,281	1,711,848	168,480,080	7,958	783,226	1,815,704	178,701,588	1,042	102,554	1,816,746	178,804,141	

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

7. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

		As at 31-12-2015	Current	As at 31-12-2014
	GBP		GBP	
a Raw Materials and components	151,214	14,818,972	243,549	23,970,093
b Work-in-process	290,501	28,469,098	359,777	35,409,252
c Finished Goods	108,626	10,645,348	115,706	11,387,785
Total	<u>550,341</u>	<u>53,933,418</u>	<u>719,032</u>	<u>70,767,129</u>

8. TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)

Trade Receivables

Unsecured, Considered Good unless stated otherwise

Outstanding for a period more than six months from the date they are due for payment

	1,152,477	112,942,746	1,210,045	119,092,629
Total	<u>1,152,477</u>	<u>112,942,746</u>	<u>1,210,045</u>	<u>119,092,629</u>

9. CASH AND BANK BALANCES

Cash and Cash Equivalents

a. Balances with Bank

HSBC (GBP)	971,009	95,158,882	521,964	51,371,652
HSBC (Euro)	1,760	172,480	3,675	361,657

b. Cash On hand	588	57,624	891	87,718
Total	<u>973,357</u>	<u>95,388,986</u>	<u>526,530</u>	<u>51,821,027</u>

10. OTHER ASSETS

VAT Debtor	88,652	8,687,896	59,718	5,877,446
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Prepaid Expenses

a. Business rent	10,354	1,014,692	–	–
b. Insurance	3,391	332,318	–	–
c. Factory rent	21,891	2,145,318	27,638	2,720,132
d. Subscriptions	8,197	803,306	–	–
e. Deferred income	41,141	4,031,818	–	–
Total	<u>173,626</u>	<u>17,015,348</u>	<u>87,356</u>	<u>8,597,578</u>

Cramlington Precision Forge Limited, United Kingdom

NOTES TO FINANCIAL STATEMENTS (Contd.)

		Year ended 31-12-2015		Year ended 31-12-2014	
		GBP		GBP	
11. REVENUE FROM OPERATIONS					
a) Sale of Products					
Domestic Sales		17,864	1,751,744	45,944	4,615,944
Export Sales		8,088,581	793,166,253	9,301,083	934,479,843
Sub Total		<u>8,106,445</u>	<u>794,917,997</u>	<u>9,347,027</u>	<u>939,095,787</u>
b) Other Operating Revenues (Refer Note 11B)		58,744	5,760,437	156,886	15,762,336
Sub Total		<u>58,744</u>	<u>5,760,437</u>	<u>156,886</u>	<u>15,762,336</u>
Total (a + b)		<u>8,165,189</u>	<u>800,678,433</u>	<u>9,503,913</u>	<u>954,858,123</u>
11A. DETAILS OF PRODUCT SOLD					
Clutch		2,908,275	285,185,447	3,068,421	308,284,275
Differential gears and pinions		3,307,567	324,340,020	4,693,036	471,509,373
Drive gear		1,508,704	147,943,514	1,137,513	114,285,978
Shafted gear		212,807	20,867,854	68,131	6,845,118
Hydraulic & cylinder barrel		169,092	16,581,162	379,925	38,171,043
Total		<u>8,106,445</u>	<u>794,917,997</u>	<u>9,347,027</u>	<u>939,095,787</u>
11B. OTHER OPERATING REVENUES					
Amortisation of Government Grants		8,458	829,391	37,900	3,807,813
Scrap Sales		50,286	4,931,045	118,986	11,954,523
Total		<u>58,744</u>	<u>5,760,437</u>	<u>156,886</u>	<u>15,762,336</u>
12. OTHER INCOME					
Miscellaneous Income		–	–	19,498	1,958,964
Total		<u>–</u>	<u>–</u>	<u>19,498</u>	<u>1,958,964</u>
13. RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED					
Opening Stock of Raw Material		243,549	23,867,802	205,682	20,243,241
Add: Purchase of materials		2,427,625	238,052,908	3,325,296	334,092,452
Less: Closing Stock of Raw Material		151,214	14,818,972	243,549	23,970,092
Total		<u>2,519,960</u>	<u>247,101,738</u>	<u>3,287,429</u>	<u>330,365,601</u>
14. (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROCESS					
(A) Inventories at the beginning of the year					
Work-in-process		359,777	35,258,146	303,108	29,831,929
Finished Goods		115,706	11,339,188	110,219	10,847,722
Sub Total		<u>475,483</u>	<u>46,597,334</u>	<u>413,327</u>	<u>40,679,651</u>
(B) Inventories at the end of the year					
Work-in-process		290,501	28,469,098	359,777	35,409,252
Finished Goods		108,626	10,645,348	115,706	11,387,785
Sub Total		<u>399,127</u>	<u>39,114,446</u>	<u>475,483</u>	<u>46,797,037</u>
Total (A – B)		<u>76,356</u>	<u>7,482,888</u>	<u>(62,156)</u>	<u>(6,117,386)</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

		Year ended 31-12-2015		Year ended 31-12-2014	
		GBP		GBP	
15. EMPLOYEE BENEFIT EXPENSES					
a) Salaries, Wages, Bonus and Allowances		1,873,335	183,699,230	2,019,432	202,892,333
b) Employees' Provident and Other Funds		177,256	17,381,723	167,872	16,866,100
c) Staff & Labour welfare expenses		28,020	2,747,606	43,109	4,331,176
Total		<u>2,078,611</u>	<u>203,828,559</u>	<u>2,230,413</u>	<u>224,089,609</u>
16. FINANCE COST					
a) Interest expense		2,332	228,676	772	77,525
b) Applicable net gain/loss on foreign currency transactions and translation including borrowing cost		4,279	419,599	8,782	882,327
Total		<u>6,611</u>	<u>648,275</u>	<u>9,554</u>	<u>959,852</u>
17. OTHER EXPENSES					
a) Stores and Tools consumed		492,917	48,335,456	736,142	73,960,162
b) Power & Fuel		307,839	30,186,651	403,844	40,574,167
c) Rent		113,888	11,167,851	110,963	11,148,434
d) Sub-Contract expenses		1,043,904	102,365,226	1,153,148	115,856,817
e) Rates & Taxes		51,417	5,041,951	48,260	4,848,682
f) Auditors Fee		16,200	1,588,572	9,850	989,630
g) Insurance		151,074	14,814,331	155,972	15,670,531
h) Freight and Cartage		51,107	5,011,552	73,542	7,388,750
i) Communication Expenses		19,620	1,923,937	30,201	3,034,327
j) Travel Expenses		27,003	2,647,914	29,292	2,942,937
k) Loss on sale of assets		1,149	112,671	-	-
l) Repairs & Maintenance - Building		26,143	2,563,577	24,815	2,493,172
m) Repairs & Maintenance - Machinery		257,917	25,291,296	273,521	27,480,706
n) Bad debts written off		-	-	436	43,854
o) Miscellaneous Expenses (Refer Note 18)		82,692	8,108,785	82,657	8,304,518
Total		<u>2,642,870</u>	<u>259,159,770</u>	<u>3,132,643</u>	<u>314,736,685</u>
18. MISCELLANEOUS EXPENSES					
a) Marketing expense		8,353	819,127	5,657	568,353
b) Consultancy expenses		1,815	177,979	6,693	672,450
c) Stationery		8,529	836,354	9,084	912,680
d) PC consumables / Computer Costs		6,410	628,565	14,037	1,410,305
e) Bank charges		4,113	403,321	4,613	463,461
f) Directors fee		4,800	470,688	4,800	482,256
g) Subscriptions		30,935	3,033,486	28,862	2,899,748
h) Outside services		17,737	1,739,265	8,911	895,265
Total		<u>82,692</u>	<u>8,108,785</u>	<u>82,657</u>	<u>8,304,518</u>

Cramlington Precision Forge Limited, United Kingdom

NOTES TO FINANCIAL STATEMENTS (Contd.)

19. NOTES ON ACCOUNTS

1. AS – 3 Cash Flow Statements

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

2. AS – 11 Accounting for effects in foreign exchange rates

The Balance Sheet as at 31st December 2015 has been translated from GBP to Indian Rupees by applying the year end interbank exchange rate of GBP 1 = ` 98 (previous year GBP 1 = ` 98.42). The financial statements have been compiled so as to have them properly drawn up in accordance with the requirements of the Indian companies Act, 2013 in the manner so required.

Assets and Liabilities

The assets and liabilities, both monetary and non-monetary, have been translated at the rate prevailing at the date of the balance sheet.

Income and Expenditure

Income and expense items have been translated at average exchange rates prevailing during the year GBP 1 = ` 98.06; previous period (GBP 1 = ` 100.47)

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

3. AS – 12 Accounting for Government grants

Grants received are credited to deferred revenue. Grants towards capital expenditure are credited to the Statement of Profit and loss over the expected useful life of the assets. Grant towards revenue expenditure are credited to the Statement of Profit and loss as and when related expenditure is incurred.

PARTICULARS OF GOVERNMENT GRANTS	2015		2014	
	GBP	`	GBP	`
At the beginning of the year	8,458	829,391	46,358	4,657,588
Increase in the year	-	-	-	-
	8,458	829,391	46,358	4,657,588
Released in the year	(8,458)	(829,391)	(37,900)	(3,807,813)
At the end of the year	-	-	8,458	849,775
Less: Due within one year to accruals and deferred income	-	-	(8,458)	(849,775)
	-	-	-	-

The company has received grant from ONE, North East towards purchase of precision forging and associated machinery.

4. AS - 15 : Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held by independent managers.

5. AS-18: Related Party Transactions

Related Parties:

(I) Where Control exists:

Holding Company

Sundram Fasteners Limited, Chennai

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

Fellow Subsidiaries

Sundram Fasteners (Zhejiang) Limited, People's Republic Of China
Sundram RBI Sdn. Bhd., Pandan Indah, Malaysia
TVS Upasana Limited., Chennai
Sundram Non Conventional Energy Systems Limited, Chennai
Sundram Fasteners Investments Limited, Chennai

Sundram International Inc., Michigan, USA
Sundram Precision Components Limited, Chennai
Peiner Umformtechnik GmbH, Peine, Germany
PUT Grundstucks GmbH, Peine, Germany
TVS Peiner Services GmbH, Peine, Germany
Sundram Fasteners Investments Limited, Chennai.
TVS Infotech Limited, Chennai
TVS Infotech Inc., Michigan, USA

(III) Transactions with related parties

Particulars	GBP		GBP	
	Year ended 31-12-2015	Year ended 31-12-2015	Year ended 31-12-2014	Year ended 31-12-2014
A) Sale of goods:				
– Holding Company	4,510	442,251	22,973	2,308,097
– Fellow Subsidiaries	-	-	-	-
B) Purchase of Intangibles:				
– Holding Company	-	-	-	-
– Fellow Subsidiaries - TVS Infotech	19,465	1,907,570	-	-
C) Receivables:				
– Holding Company	-	-	77,444	7,622,038
– Fellow Subsidiaries	-	-	-	-
D) Dividend Payable by the Company				
– Holding Company				
Equity Dividend	240,000	23,534,400	532,000	53,450,040
Pref. Dividend	30,000	2,941,800	30,000	3,014,100
– Fellow Subsidiaries	-	-	-	-
E) Outstanding balances				
Due to the Company				
-- Holding Company	14,310	1,402,380	-	-
-- Fellow Subsidiaries	-	-	-	-

6. AS - 19 : Leases

The Company has entered into renting and leasing contracts, which are in the nature of operating leases as defined in the Accounting Standard – AS 19 in respect of leases, prescribed by the Institute of Chartered Accountants of India.

a) Future minimum lease payments under non-cancellable operating leases in respect of lease agreements entered into :

Operation leases which expire	GBP	
	31-12-2015	31-12-2015
Within 1 year	115,744	11,349,857
Within 2 to 5 years	234,497	22,994,776
More than 5 years	-	-

b) Lease payments recognized in the statement of Profit and Loss Account, in respect of operating lease agreements entered into :

Particulars	GBP	
	31-12-2015	31-12-2015
Lease Rent	113,888	11,167,851

7. Sales includes export sales of GBP 80,88,581 (Rs. 793,166,253) ; previous period GBP 9,301,083 (Rs. 934,479,843)

8. For other significant accounting policies refer to the audited financial statements of Cramlington Precision Forge Limited.

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