

Cramlington Precision Forge Limited

(Incorporated in United Kingdom)

ANNUAL REPORT

**for the year ended
31st December 2016**

COMPANY INFORMATION

Directors	D Bartle N Balakrishnan S Rose
Secretary	Eversecretary Limited
Company number	04842214
Registered office	Eversheds Central Square South Orchard Street Newcastle upon Tyne NE1 3XX
Auditor	RSM UK Audit LLP Chartered Accountants 1 St James' Gate Newcastle upon Tyne NE1 4AD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their annual report and financial statements for the year ended 31 December 2016.

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

Results and dividends

The results for the year are set out on page 4.

Ordinary dividends were paid amounting to £125,000. The directors do not recommend payment of a final dividend.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

On behalf of the board

D Bartle
Director
3 April 2017

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Strategic Report and 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;
- 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**

Opinion on financial statements

We have audited the financial statements on pages 4 to 16. 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".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

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 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

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.

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.

Steven Cleugh (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD
Date 4/4/17

**STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Turnover	3	7,625,089	8,156,730
Cost of sales		(6,434,757)	(6,482,532)
Gross profit		1,190,332	1,674,198
Distribution costs		(46,592)	(51,107)
Administrative expenses		(925,831)	(985,828)
Other operating income		-	8,458
Operating profit	6	217,909	645,721
Interest payable and similar expenses	7	-	(32,332)
Profit on ordinary activities before taxation		217,909	613,389
Taxation	8	(54,222)	(125,879)
Profit for the financial year	20	163,687	487,510
Total comprehensive income for the year		163,687	487,510

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Intangible assets	10		8,111		14,816
Tangible assets	11		1,643,174		1,692,060
			<u>1,651,285</u>		<u>1,706,876</u>
Current assets					
Stocks	12	465,550		550,341	
Debtors	13	1,363,193		1,326,103	
Cash at bank and in hand		421,871		973,357	
			<u>2,250,614</u>		<u>2,849,801</u>
Creditors: amounts falling due within one year	15	(979,740)		(1,152,412)	
Net current assets			<u>1,270,874</u>		<u>1,697,389</u>
Total assets less current liabilities			<u>2,922,159</u>		<u>3,404,265</u>
Creditors: amounts falling due after more than one year	14		-		(500,000)
Provisions for liabilities	16		(207,081)		(227,874)
Net assets			<u>2,715,078</u>		<u>2,676,391</u>
Capital and reserves					
Called up share capital	17		1,400,000		1,400,000
Profit and loss reserves	20		1,315,078		1,276,391
Total equity			<u>2,715,078</u>		<u>2,676,391</u>

The financial statements were approved by the board of directors and authorised for issue on 3 April 2017 and are signed on its behalf by:

D Bartle
Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		1,400,000	1,028,881	2,428,881
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	487,510	487,510
Dividends	9	-	(240,000)	(240,000)
Balance at 31 December 2015		1,400,000	1,276,391	2,676,391
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	163,687	163,687
Dividends	9	-	(125,000)	(125,000)
Balance at 31 December 2016		1,400,000	1,315,078	2,715,078

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1 Accounting policies

Company information

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

The company's principal activities and nature of its operations 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.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sundram Fasteners Limited. These consolidated financial statements are available from its registered office, 98A, VII Floor, Dr Redhakrishnan Salai, Mylapore, Chennai 600 004.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

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
----------	----------------------

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 credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period 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 estimated selling price less costs to complete and sell. 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 are comprised of cash in hand and deposits held at call with banks.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

2 Judgements and key sources of estimation uncertainty

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover analysed by class of business		
Manufacture of precision forgings	7,625,089	8,156,730
	<u> </u>	<u> </u>
Other revenue		
Grants received	-	8,458
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2016	2015
	£	£
United Kingdom	57,951	37,521
Overseas	7,567,138	8,119,209
	<u> </u>	<u> </u>
	<u>7,625,089</u>	<u>8,156,730</u>

4 Employees

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

	2016	2015
	Number	Number
Direct	50	39
Management and administration	12	31
	<u> </u>	<u> </u>
	<u>62</u>	<u>70</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

4 Employees (Continued)

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	1,815,115	1,805,084
Social security costs	168,028	151,113
Pension costs	112,860	109,011
	<u>2,096,003</u>	<u>2,065,208</u>

5 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	<u>87,482</u>	<u>74,140</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

6 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	5,504	4,279
Government grants	-	(8,458)
Fees payable to the company's auditor for the audit of the company's financial statements	16,000	16,200
Depreciation of owned tangible fixed assets	202,015	191,702
(Profit)/loss on disposal of tangible fixed assets	-	1,149
Amortisation of intangible assets	6,705	5,691
Cost of stocks recognised as an expense	<u>4,662,344</u>	<u>4,835,671</u>

7 Interest payable and similar expenses

	2016	2015
	£	£
Dividends on redeemable preference shares not classified as equity	-	30,000
Other interest	-	2,332
	<u>-</u>	<u>32,332</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

8 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	43,029	135,559
Adjustments in respect of prior periods	31,986	3,596
	<u>75,015</u>	<u>139,155</u>
Deferred tax		
Origination and reversal of timing differences	(20,793)	(13,276)
	<u>54,222</u>	<u>125,879</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2016	2015
	£	£
Profit before taxation	217,909	613,389
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	43,582	124,211
Tax effect of expenses that are not deductible in determining taxable profit	2,361	6,954
Gains not taxable	(335)	-
Adjustments in respect of prior years	31,986	3,596
Effect of change in corporation tax rate	-	(23,958)
Group relief	(2,788)	-
Permanent capital allowances in excess of depreciation	209	-
Depreciation on assets not qualifying for tax allowances	(9,085)	2,414
Under/(over) provided in prior years	(11,708)	12,662
	<u>54,222</u>	<u>125,879</u>

9 Dividends

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

	2016	2015
	£	£
Interim paid 9p (2015: 17p)	125,000	240,000
	<u>125,000</u>	<u>240,000</u>

During the year, an interim dividend of 9p (2015: 17p) per share was paid to shareholders.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

10 Intangible fixed assets

	Software £
Cost	
At 1 January 2016 and 31 December 2016	88,882
Amortisation and impairment	
At 1 January 2016	74,066
Amortisation charged for the year	6,705
At 31 December 2016	80,771
Carrying amount	
At 31 December 2016	8,111
At 31 December 2015	14,816

11 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2016	172,971	2,932,977	93,438	3,199,386
Additions	2,320	150,809	-	153,129
At 31 December 2016	175,291	3,083,786	93,438	3,352,515
Depreciation and impairment				
At 1 January 2016	76,721	1,349,941	80,664	1,507,326
Depreciation charged in the year	9,870	185,599	6,546	202,015
At 31 December 2016	86,591	1,535,540	87,210	1,709,341
Carrying amount				
At 31 December 2016	88,700	1,548,246	6,228	1,643,174
At 31 December 2015	96,250	1,583,036	12,774	1,692,060

12 Stocks

	2016 £	2015 £
Raw materials and consumables	135,819	143,254
Work in progress	240,492	298,461
Finished goods and goods for resale	89,239	108,626
	465,550	550,341

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

13 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	1,204,140	1,138,167
Amounts owed by group undertakings	975	14,310
Other debtors	79,865	88,651
Prepayments and accrued income	78,213	84,975
	<u>1,363,193</u>	<u>1,326,103</u>

14 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Redeemable preference shares of £1 each	-	500,000
	<u>-</u>	<u>500,000</u>

The redeemable preference shares were entitled to a fixed cumulative preferential net cash dividend of 6% of the subscription price of £1 each. These shares carried no voting rights and have no fixed redemption date. These preference shares were redeemed during the year at par.

15 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	744,038	777,495
Corporation tax	76,249	135,559
Other taxation and social security	53,814	47,566
Other creditors	13,216	16,533
Accruals and deferred income	92,423	175,259
	<u>979,740</u>	<u>1,152,412</u>

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

16 Provisions for liabilities

	Notes	2016	2015
		£	£
Deferred tax liabilities	18	207,081	227,874
		<u>207,081</u>	<u>227,874</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

17 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
1,400,000 Ordinary shares of £1 each	1,400,000	1,400,000
	<u> </u>	<u> </u>
500,000 Preference shares of £1 each	-	500,000
	<u> </u>	<u> </u>

Ordinary share rights

The shares have attached to the full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights on redemption.

Preference shares

The preference shares are classified as liabilities and their terms are set out in note 15.

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2016	2015
	£	£
Balances:		
Accelerated capital allowances	207,081	227,874
	<u> </u>	<u> </u>

There were no deferred tax movements in the year.

19 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	112,860	109,011
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £13,216 (2015: £16,533) were payable to the fund at the year end and are included in other creditors due within one year.

20 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

21 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:

	2016	2015
	£	£
Within one year	137,144	115,744
Between one and five years	500,153	234,497
In over five years	540,000	-
	<u>1,177,297</u>	<u>350,241</u>

22 Controlling party

Sundram International Limited is the immediate parent.

Sundram Fasteners Limited, a company incorporated in India, is the ultimate parent undertaking, and is the smallest and largest group for which consolidated accounts including Cramlington Precision Forge Limited are prepared. The consolidated accounts are available from its registered office, 98A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai, 600 004.

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2016

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016		2015
	£	£	£	£
Turnover				
Sales of goods		7,625,089		8,156,730
Cost of sales				
Opening work in progress - short term	550,341		719,032	
Finished goods purchases	3,203,838		3,471,529	
Direct costs	1,373,715		1,195,451	
Closing work in progress - short term	(465,550)		(550,341)	
Wages and salaries	1,392,173		1,284,241	
Social security costs	124,563		73,051	
Staff pension costs defined contribution	78,446		109,011	
Hire of equipment (not operating lease)	19,215		22,230	
Depreciation	158,016		158,328	
		<u>(6,434,757)</u>		<u>(6,482,532)</u>
Gross profit	15.61%	1,190,332	20.53%	1,674,198
Other operating income				
Government grants receivable and released		-		8,458
Distribution costs	46,592		51,107	
Administrative expenses	925,831		985,828	
		<u>(972,423)</u>		<u>(1,036,935)</u>
Operating profit		217,909		645,721
Interest payable and similar expenses				
Interest on overdue taxation - not financial liabilities	-		2,332	
Non equity dividends payable	-		30,000	
		<u>-</u>		<u>(32,332)</u>
Profit before taxation	2.86%	<u>217,909</u>	7.52%	<u>613,389</u>

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Distribution costs		
Distribution costs	46,592	51,107
	<u>46,592</u>	<u>51,107</u>
Administrative expenses		
Wages and salaries	344,415	446,703
Social security costs	43,465	78,062
Staff pension costs defined contribution	34,414	-
Directors' remuneration	73,727	69,340
Directors' fees	4,800	4,800
Rent re licences and other	101,209	87,030
Rates	52,061	51,417
Cleaning	22,659	23,460
Power, light and heat	12,777	12,785
Insurance	37,839	32,184
Computer running costs	7,275	6,410
Motor running expenses	22,458	27,003
Legal and professional fees	1,425	1,815
Audit fees	16,000	16,200
Bank charges	3,294	4,113
Bad and doubtful debts	(6,631)	-
Printing and stationery	9,838	8,529
Telecommunications	23,585	19,620
Other office expenses	29,833	30,935
Entertaining	12,771	8,351
Sundry expenses	22,409	12,578
Amortisation	6,705	5,691
Depreciation	43,999	33,374
Profit or loss on sale of tangible assets (non exceptional)	-	1,149
Profit or loss on foreign exchange	5,504	4,279
	<u>925,831</u>	<u>985,828</u>

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2016

Particulars	Note	As at 31 December 2016		As at 31 December 2015		As at 1 January 2015	
		GBP	₹	GBP	₹	GBP	₹
ASSETS							
Non-current assets							
Property, plant and equipment	5	1,628,185	135,986,051	1,671,023	163,760,252	1,788,618	176,035,782
Intangible assets	6	8,111	677,395	14,816	1,451,968	1,042	102,553
Capital work-in-progress	5	-	-	-	-	-	-
Other non-current assets	7	14,988	1,251,798	21,037	2,061,626	27,086	2,665,804
		<u>1,651,284</u>	<u>137,915,244</u>	<u>1,706,876</u>	<u>167,273,846</u>	<u>1,816,746</u>	<u>178,804,139</u>
Current assets							
Inventories	8	465,550	38,882,703	550,341	53,933,418	719,032	70,767,130
Financial assets							
- Trade receivables	9	1,205,115	100,651,180	1,152,477	112,942,746	1,210,045	119,092,629
- Cash and cash equivalents	10	421,871	35,234,665	973,357	95,388,987	526,530	51,821,028
Other current assets	7	158,078	13,202,635	173,626	17,015,348	87,356	8,597,578
		<u>2,250,614</u>	<u>187,971,183</u>	<u>2,849,801</u>	<u>279,280,499</u>	<u>2,542,963</u>	<u>250,278,365</u>
Total assets		<u>3,901,898</u>	<u>325,886,427</u>	<u>4,556,677</u>	<u>446,554,345</u>	<u>4,359,709</u>	<u>429,082,504</u>
EQUITY AND LIABILITIES							
Equity							
Equity Share capital	11	1,400,000	116,928,000	1,400,000	137,200,000	1,400,000	137,788,000
Other equity		1,315,078	109,835,265	1,276,391	125,086,318	1,028,881	101,262,452
		<u>2,715,078</u>	<u>226,763,265</u>	<u>2,676,391</u>	<u>262,286,318</u>	<u>2,428,881</u>	<u>239,050,452</u>
Liabilities							
Non-current liabilities							
Financial liabilities							
- Other financial liabilities	14	-	-	500,000	49,000,000	500,000	49,210,000
Deferred tax liabilities (Net)	12	207,081	17,295,405	227,874	22,331,652	241,150	23,733,983
		<u>207,081</u>	<u>17,295,405</u>	<u>727,874</u>	<u>71,331,652</u>	<u>741,150</u>	<u>72,943,983</u>
Current liabilities							
Financial liabilities							
- Trade payables	13	744,038	62,142,063	777,495	76,194,510	794,773	78,221,558
- Other financial liabilities	14	105,637	8,822,776	191,792	18,795,615	172,631	16,990,304
Other current liabilities	15	130,064	10,862,918	183,125	17,946,250	222,274	21,876,207
		<u>979,739</u>	<u>81,827,757</u>	<u>1,152,412</u>	<u>112,936,375</u>	<u>1,189,678</u>	<u>117,088,069</u>
Total equity and liabilities		<u>3,901,898</u>	<u>325,886,427</u>	<u>4,556,677</u>	<u>446,554,345</u>	<u>4,359,709</u>	<u>429,082,504</u>

Notes 1 to 28 form an integral part of these financial statements

TRANSLATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016		Year ended 31 December 2015	
		GBP	₹	GBP	₹
Revenue from operations	16	7,625,089	690,146,807	8,165,189	800,678,433
Other income	18	6,631	600,172	-	-
Total Income		7,631,720	690,746,980	8,165,189	800,678,433
Expenses					
Cost of materials consumed	19	1,990,058	180,120,154	2,527,920	247,887,836
Changes in inventories of finished goods, stock-in-trade and work in progress	20	77,356	7,001,485	68,396	6,706,911
Employee benefits expense	21	2,124,717	192,308,097	2,078,611	203,828,559
Finance costs	22	-	-	36,611	3,590,075
Depreciation and amortization expense	23	202,672	18,343,837	191,344	18,763,193
Other expenses	24	3,019,009	273,250,571	2,648,918	259,752,935
Total expenses		7,413,811	671,024,144	7,551,800	740,529,509
Profit before tax		217,909	19,722,836	613,389	60,148,924
Tax expense					
a) Current tax	25	75,015	6,789,608	139,155	13,645,539
b) Deferred tax		(20,793)	(1,881,975)	(13,276)	(1,301,845)
Profit/(loss) for the period		163,687	14,815,203	487,510	47,805,230
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		163,687	14,815,203	487,510	47,805,230
<i>(Comprising Profit and Other Comprehensive Income for the year)</i>					
Earnings per equity share					
Basic		0.12	10.58	0.35	34.15
Diluted		0.12	10.58	0.35	34.15
No. of Shares		1,400,000	1,400,000	1,400,000	1,400,000

Notes 1 to 28 form an integral part of these financial statements

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

A. Equity Share Capital

Particulars	Amount	
	GBP	₹
Balance at 1 January 2015	1,400,000	137,788,000
Foreign Currency Restatement of Opening Balance	-	(588,000)
Balance at 31 December 2015	1,400,000	137,200,000
Foreign Currency Restatement of Opening Balance	-	(20,272,000)
Balance at 31 December 2016	1,400,000	116,928,000

B. Other Equity

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Total	
	Retained Earnings		Foreign currency translation reserve		GBP	₹
	GBP	₹	GBP	₹		
Balances at 1 January 2015	1,028,881	101,321,791	-	(59,340)	1,028,881	101,262,451
Foreign currency translation difference on opening balance	-	(491,409)	-	-	-	(491,409)
Profit for the year	487,510	47,805,230	-	-	487,510	47,805,230
Other comprehensive income	-	-	-	44,446	-	44,446
Equity Dividend	(240,000)	(23,534,400)	-	-	(240,000)	(23,534,400)
Balances at 31 December 2015	1,276,391	125,101,212	-	(14,894)	1,276,391	125,086,318

Particulars	Reserves and Surplus		Accumulated other comprehensive income		Total	
	Retained Earnings		Foreign currency translation reserve		GBP	₹
	GBP	₹	GBP	₹		
Balances at 31 December 2015	1,276,391	125,101,212	-	(14,894)	1,276,391	125,086,318
Foreign currency translation difference on opening balance	-	(18,497,019)	-	-	-	(18,497,019)
Profit for the year	163,687	14,815,203	-	-	163,687	14,815,203
Other comprehensive income	-	-	-	(255,488)	-	(255,488)
Equity Dividend	(125,000)	(11,313,750)	-	-	(125,000)	(11,313,750)
Balances at 31 December 2016	1,315,078	110,105,646	-	(270,382)	1,315,078	109,835,265

TRANSLATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2016

	Year ended 31 December 2016		Year ended 31 December 2015	
	GBP	₹	GBP	₹
A. Cash flows from operating activities				
Profit before tax	217,909	19,722,836	613,389	60,148,924
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Depreciation and amortization	202,672	18,343,837	191,344	18,763,193
Amortisation of leasehold property	6,049	547,496	6,049	593,165
Interest expense (Net)	-	-	2,332	228,676
Preference dividend	-	-	30,000	2,941,800
Unrealised foreign exchange (gain)/loss	-	-	4,279	419,599
(Gain) loss on sale of property and equipment	-	-	1,149	112,671
Rectification entry of historical liability balance	(6,631)	(600,172)	-	-
Operating profit before working capital changes	419,999	38,013,997	848,542	83,208,028
Adjustments for:				
(Decrease)/ increase in trade payables	(33,457)	(3,028,183)	(17,278)	(1,694,281)
(Decrease)/ increase in other current liabilities	(132,586)	(12,000,326)	(19,988)	(1,960,023)
Decrease/(Increase) in trade receivables	(37,089)	(3,356,945)	(28,702)	(2,814,518)
Decrease/(Increase) in inventories	84,791	7,674,470	168,691	16,541,839
Cash from/ (used) in operating activities	301,658	27,303,013	951,265	93,281,045
Direct taxes paid, net	(75,015)	(6,789,608)	(139,155)	(13,645,539)
Net cash from/ (used) in operating activities before extraordinary item	226,643	20,513,405	812,110	79,635,506
Proceeds from insurance Company (flood loss)	-	-	-	-
Net cash from/ (used) in operating activities	226,643	20,513,405	812,110	79,635,506
B. Cash flow from investing activities				
Purchase of assets (including capital work-in-progress and capital advances)	(153,129)	(13,859,706)	(88,672)	(8,695,176)
Net cash from/ (used) in investing activities	(153,129)	(13,859,706)	(88,672)	(8,695,176)
C. Cash flow from financing activities				
Redemption of Preference Shares	(500,000)	(45,255,000)	-	-
Unrealised foreign exchange gain/(loss)	-	-	(4,279)	(419,599)
Dividend Paid	(125,000)	(11,313,750)	(240,000)	(23,534,400)
Interest paid to banks and others	-	-	(2,332)	(228,676)
Preference dividend	-	-	(30,000)	(2,941,800)
Net cash generated from financing activities	(625,000)	(56,568,750)	(276,611)	(27,124,475)
D. Net cash flows during the year	(551,486)	(49,915,051)	446,827	43,815,855
E. Foreign Currency Translation Reserve Impact on cash flows	-	(10,239,270)	-	(247,896)
F. Cash and cash equivalents at the beginning	973,357	95,388,987	526,530	51,821,028
G. Cash and cash equivalents at the end	421,871	35,234,666	973,357	95,388,987
Cash and cash equivalents comprise of:				
Cash on hand	1,330	111,082	588	57,624
Balances with banks in current accounts	420,541	35,123,583	972,769	95,331,363
Cash and cash equivalents as per note 10	421,871	35,234,666	973,357	95,388,987

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

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 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

(i) Sale of products

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

(ii) Rental Income

The Company also earns rental income from operating leases of its investment properties. Rental income is recognised in accordance with terms of lease.

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 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.

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

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.

(a) Raw materials

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

(b) Work in process and Finished Goods

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

3.10 Income taxes

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

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

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

3.11 Cash and cash equivalents

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

3.12 Equity, reserves and dividend payments

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

Retained earnings includes all current and previous period retained profits.

All transactions with owners are recorded separately within equity.

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

3.13 Employee benefits

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

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

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

Retirement benefits

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 31st December 2016 has been translated from GBP to Indian Rupees by applying the year end interbank exchange rate of GBP 1 = Rs. 83.52 (2015: GBP 1 = 98). The incomes and expenses for the year ended 31st December 2016 has been translated from GBP to Indian Rupees by applying Average interbank exchange rate GBP 1 = Rs. 90.51 (2015: GBP 1 = 98.06). 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.

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Tangible Assets							
	Buildings		Plant and Equipment		Furniture and fixtures		Total	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹
Gross block								
As at 1 January 2015	68,913	6,782,417	2,957,508	291,077,937	86,184	8,482,229	3,112,605	306,342,583
Additions	-	-	51,867	5,082,966	17,340	1,699,320	69,207	6,782,286
Disposal	-	-	(76,398)	(7,487,004)	-	-	(76,398)	(7,487,004)
- Exchange variation (Op. Bal restated)	-	(28,943)	-	(1,242,153)	-	(36,197)	-	(1,307,293)
As at 31 December 2015	68,913	6,753,474	2,932,977	287,431,746	103,524	10,145,352	3,105,414	304,330,572
Additions	-	-	150,809	12,595,568	2,320	193,766	153,129	12,789,334
Disposal	-	-	-	-	-	-	-	-
Other Adjustments								
- Exchange variation (Op. Bal restated)	-	(997,860)	-	(42,469,507)	-	(1,499,028)	-	(44,966,395)
As at 31 December 2016	68,913	5,755,614	3,083,786	257,557,807	105,844	8,840,090	3,258,543	272,153,511
Accumulated depreciation/ amortisation								
As at 1 January 2015	101	9,941	1,245,660	122,597,857	78,226	7,699,003	1,323,987	130,306,801
For the year	3,220	315,786	179,530	17,604,712	2,903	284,636	185,653	18,205,134
Deduction on disposal	-	-	(75,249)	(7,374,402)	-	-	(75,249)	(7,374,402)
Other Adjustments								
- Exchange variation (Op. Bal restated)	-	(42)	-	(523,177)	-	(32,855)	-	(556,074)
- Restating to Closing rate - CY Depreciation	-	(193)	-	(10,772)	-	(174)	-	(11,139)
As at 31 December 2015	3,321	325,492	1,349,941	132,294,218	81,129	7,950,610	1,434,391	140,570,320
For the year	3,279	296,739	185,599	16,798,565	7,089	641,624	195,967	17,736,928
Deduction on sale or discards	-	-	-	-	-	-	-	-
Other Adjustments								
- Exchange variation (Op. Bal restated)	-	(48,093)	-	(19,547,146)	-	(1,174,743)	-	(20,769,982)
- Restating to Closing rate - CY Depreciation	-	(22,917)	-	(1,297,337)	-	(49,552)	-	(1,369,806)
As at 31 December 2016	6,600	551,221	1,535,540	128,248,300	88,218	7,367,939	1,630,358	136,167,460
Net block								
As at 1 January 2015	68,812	6,772,476	1,711,848	168,480,080	7,958	783,226	1,788,618	176,035,782
As at 31 December 2015	65,592	6,427,982	1,583,036	155,137,528	22,395	2,194,742	1,671,023	163,760,252
As at 31 December 2016	62,313	5,204,393	1,548,246	129,309,507	17,626	1,472,151	1,628,185	135,986,051
b) Capital Work-in-Progress								
As at 1 January 2015	-	-	-	-	-	-	-	-
As at 31 December 2015	-	-	-	-	-	-	-	-
As at 31 December 2016	-	-	-	-	-	-	-	-

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

6. INTANGIBLE ASSETS

Gross block	Technical Know-How	
	GBP	₹
As at 1 January 2015	69,417	6,832,021
Additions	19,465	1,907,570
Disposal	-	-
Exchange variation (op. bal. restated)	-	(29,155)
As at 31 December 2015	88,882	8,710,436
Additions	-	-
Disposal	-	-
Other Adjustments	-	-
- Exchange variation (Op. Bal restated)	-	(1,287,011)
As at 31 December 2016	88,882	7,423,425
Accumulated depreciation/ amortisation		
As at 1 January 2015	68,375	6,729,468
For the year	5,691	558,059
Other Adjustments	-	-
- Exchange variation (Op. Bal restated)	-	(29,059)
As at 31 December 2015	74,066	7,258,468

NOTES TO FINANCIAL STATEMENTS (Contd.)

Gross block	Technical Know-How	
	GBP	₹
For the year	6,705	606,909
Deduction on sale or discards	-	-
Other Adjustments	-	-
- Exchange variation (Op. Bal restated)	-	(1,072,476)
- Restating to Closing rate - CY Depreciation	-	(46,871)
As at 31 December 2016	80,771	6,746,030
Net block		
As at 1 January 2015	1,042	102,553
As at 31 December 2015	14,816	1,451,968
As at 31 December 2016	8,111	677,395
b) Capital Work-in-Progress		
As at 1 January 2015	-	-
As at 31 December 2015	-	-
As at 31 December 2016	-	-

	As at 31 December 2016				As at 31 December 2015				As at 1 January 2015			
	Long-term GBP	₹	Short-term GBP	₹	Long-term GBP	₹	Short-term GBP	₹	Long-term GBP	₹	Short-term GBP	₹
7 OTHER ASSETS												
(Unsecured, considered good)												
Prepaid expenses	-	-	78,213	6,532,341	-	-	84,974	8,327,452	-	-	27,638	2,720,132
Others	-	-	79,865	6,670,294	-	-	88,652	8,687,896	-	-	59,718	5,877,446
Unamortised portion of leasehold land	14,988	1,251,798	-	-	21,037	2,061,626	-	-	27,086	2,665,804	-	-
	14,988	1,251,798	158,078	13,202,635	21,037	2,061,626	173,626	17,015,348	27,086	2,665,804	87,356	8,597,578
8 INVENTORIES												
Raw Materials and components	-	-	135,819	11,343,564	-	-	143,254	14,038,892	-	-	243,549	23,970,093
Work-in-process	-	-	240,492	20,085,907	-	-	298,461	29,249,178	-	-	359,777	35,409,252
Finished Goods	-	-	89,239	7,453,232	-	-	108,626	10,645,348	-	-	115,706	11,387,785
	-	-	465,550	38,882,703	-	-	550,341	53,933,418	-	-	719,032	70,767,130
9 TRADE RECEIVABLES												
(Unsecured, considered good unless otherwise stated)												
Trade receivables	-	-	1,205,115	100,651,180	-	-	1,152,477	112,942,746	-	-	1,210,045	119,092,629
	-	-	1,205,115	100,651,180	-	-	1,152,477	112,942,746	-	-	1,210,045	119,092,629
Doubtful	-	-	-	-	-	-	-	-	-	-	-	-
Less : Provision for bad and doubtful debts	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	1,205,115	100,651,180	-	-	1,152,477	112,942,746	-	-	1,210,045	119,092,629
10 CASH AND BANK BALANCES												
Cash and cash equivalents												
Cash on hand	-	-	1,330	111,082	-	-	588	57,624	-	-	891	87,718
Balances with banks in current accounts	-	-	420,541	35,123,583	-	-	972,769	95,331,363	-	-	525,639	51,733,310
	-	-	421,871	35,234,665	-	-	973,357	95,388,987	-	-	526,530	51,821,028

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31 December 2016			As at 31 December 2015			As at 01 January 2015		
	Number	GBP	₹	Number	GBP	₹	Number	GBP	₹
11 SHARE CAPITAL									
Issued, subscribed and fully paid up									
1,400,000 Common shares of GBP 1 each	1,400,000	1,400,000	116,928,000	1,400,000	1,400,000	137,200,000	1,400,000	1,400,000	137,788,000
	<u>1,400,000</u>	<u>1,400,000</u>	<u>116,928,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>137,200,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>137,788,000</u>
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		Nos.	% holding
Sundram International Limited, UK		1,400,000	100.00%		1,400,000	100.00%		1,400,000	100.00%
(Previously Held by Sundram Fasteners Limited, Chennai)									
		<u>1,400,000</u>	<u>100%</u>		<u>1,400,000</u>	<u>100.00%</u>		<u>1,400,000</u>	<u>100.00%</u>
c) Rights, preferences, restrictions									
Equity shares									
The Company has only one class of equity shares having a par value of GBP 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in GBP. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.									
		As at 31 December 2016 GBP	₹		As at 31 December 2015 GBP	₹		As at 01 January 2015 GBP	₹
d) Dividends									
Interim dividend declared and paid (for 31 December 2016/2015)									
GBP 0.9 per share (31 December 2015: GBP 1.7 per share, 1 January 2015: GBP 3.8 per share)		125,000	11,313,750		240,000	23,534,400		532,000	53,450,040
Dividend distribution tax		-	-		-	-		-	-
		<u>125,000</u>	<u>11,313,750</u>		<u>240,000</u>	<u>23,534,400</u>		<u>532,000</u>	<u>53,450,040</u>

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31 December 2016				As at 31 December 2015				As at 1 January 2015			
	Long-term		Short-term		Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹
12 DEFERRED TAX LIABILITY, NET												
The breakup of net deferred tax liability is as follows:												
Deferred tax liability arising on account of :												
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	207,081	20,595,021	-	-	227,874	22,432,935	-	-	241,150	23,733,983	-	-
Foreign exchange fluctuation	-	(3,299,616)	-	-	-	(101,283)	-	-	-	-	-	-
-Restatement of Opening balance												
A	207,081	17,295,405	-	-	227,874	22,331,652	-	-	241,150	23,733,983	-	-
Less: Deferred tax asset	B											
Net deferred tax liability (A-B)	207,081	17,295,405	-	-	227,874	22,331,652	-	-	241,150	23,733,983	-	-

Amount recognised in

	01 January 2016		Recognised in Other comprehensive Income		Recognised in Statement of Profit and loss		31 December 2016	
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Deferred tax liability arising on account of :								
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	227,874	22,331,652	-	-	(20,793)	(1,736,631)	207,081	20,595,021
Foreign exchange fluctuation	-	-	-	-	(3,299,616)	-	(3,299,616)	-
-Restatement of Opening balance								
Less: Deferred tax asset								
Total	227,874	22,331,652	-	-	(20,793)	(5,036,247)	207,081	17,295,405

Amount recognised in

	01 January 2015		Recognised in Other comprehensive Income		Recognised in Statement of Profit and loss		31 December 2015	
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Deferred tax liability arising on account of :								
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	241,150	23,733,983	-	-	(13,276)	(1,301,048)	227,874	22,432,935
Foreign exchange fluctuation	-	-	-	-	(101,283)	-	(101,283)	-
-Restatement of Opening balance								
Less: Deferred tax asset								
Total	241,150	23,733,983	-	-	(13,276)	(1,402,331)	227,874	22,331,652

	As at 31 December 2016				As at 31 December 2015				As at 1 January 2015			
	Long-term		Short-term		Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹
13 TRADE PAYABLES												
Dues to micro and small enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Dues to others												
Trade payables-class B	-	-	744,038	62,142,063	-	-	777,495	76,194,510	-	-	794,773	78,221,558
	-	-	744,038	62,142,063	-	-	777,495	76,194,510	-	-	794,773	78,221,558

Terms and conditions of the above financial liabilities:

Trade payables-class B includes non-interest bearing payables and have an average term of six months.

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31 December 2016				As at 31 December 2015				As at 1 January 2015			
	Long-term		Short-term		Long-term		Short-term		Long-term		Short-term	
	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹	GBP	₹
14 OTHER FINANCIAL LIABILITIES												
Financial liabilities at fair value through profit or loss												
Redeemable Preference shares	-	-	-	-	500,000	49,000,000	-	-	500,000	49,210,000	-	-
Others												
Non statutory dues	-	-	35,360	2,953,271	-	-	44,995	4,409,510	-	-	72,333	7,118,975
Outstanding liabilities	-	-	70,277	5,869,505	-	-	146,797	14,386,105	-	-	100,298	9,871,329
	-	-	105,637	8,822,776	500,000	49,000,000	191,792	18,795,615	500,000	49,210,000	172,631	16,990,304
15 OTHER CURRENT LIABILITIES												
Statutory dues	-	-	130,064	10,862,918	-	-	183,125	17,946,250	-	-	213,816	21,043,771
Others (Government Grant due with in one year)	-	-	-	-	-	-	-	-	-	-	8,458	832,436
	-	-	130,064	10,862,918	-	-	183,125	17,946,250	-	-	222,274	21,876,207
					Year ended 31 December 2016				Year ended 31 December 2015			
					GBP		₹		GBP		₹	
16 REVENUE FROM OPERATIONS												
Sales of Products												
Domestic Sales					17,165		1,553,604		17,864		1,751,744	
Export Sales					7,562,443		684,476,741		8,088,581		793,166,253	
					<u>7,579,608</u>		<u>686,030,345</u>		<u>8,106,445</u>		<u>794,917,997</u>	
Other Operating Revenue (Refer Note 17)					45,481		4,116,462		58,744		5,760,436	
Revenue from operations (Net)					<u>7,625,089</u>		<u>690,146,807</u>		<u>8,165,189</u>		<u>800,678,433</u>	
17 OTHER OPERATING REVENUE												
Scrap Sales					45,481		4,116,462		50,286		4,931,045	
Others (Amortization of Govt. grants)					-		-		8,458		829,391	
					<u>45,481</u>		<u>4,116,462</u>		<u>58,744</u>		<u>5,760,436</u>	
18 OTHER INCOME												
Miscellaneous Income					6,631		600,172		-		-	
					<u>6,631</u>		<u>600,172</u>		<u>-</u>		<u>-</u>	
19 COST OF RAW MATERIALS AND COMPONENTS CONSUMED												
Opening stock of raw materials and components					143,254		12,965,920		243,549		23,882,415	
Add : Purchases during the year					1,982,623		179,447,169		2,427,625		238,052,908	
Less: Closing stock of raw materials and components					135,819		12,292,935		143,254		14,047,487	
					<u>1,990,058</u>		<u>180,120,154</u>		<u>2,527,920</u>		<u>247,887,836</u>	
20 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS												
Finished goods												
Opening stock					108,626		9,831,739		115,706		11,346,130	
Less: Closing stock					89,239		8,077,012		108,626		10,651,866	
					<u>19,387</u>		<u>1,754,727</u>		<u>7,080</u>		<u>694,264</u>	
Work in progress												
Opening stock					298,461		27,013,705		359,777		35,279,733	
Less: Closing stock					240,492		21,766,947		298,461		29,267,086	
					<u>57,969</u>		<u>5,246,758</u>		<u>61,316</u>		<u>6,012,647</u>	
Excise duty on closing stock of finished goods					-		-		-		-	
Exchange fluctuation between closing and average rate					-		-		-		-	
					<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
Net decrease in inventories					<u>77,356</u>		<u>7,001,485</u>		<u>68,396</u>		<u>6,706,911</u>	

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Year ended 31 December 2016		Year ended 31 December 2015	
	GBP	₹	GBP	₹
21 EMPLOYEE BENEFITS EXPENSE				
Salaries and wages	1,807,420	163,589,560	1,873,335	183,699,230
Contribution to provident and other funds	280,888	25,423,189	177,256	17,381,723
Staff welfare expenses	36,409	3,295,348	28,020	2,747,606
	<u>2,124,717</u>	<u>192,308,097</u>	<u>2,078,611</u>	<u>203,828,559</u>
22 FINANCE COSTS				
Interest expenses	-	-	2,332	228,676
Preference dividend	-	-	30,000	2,941,800
Applicable net loss on foreign currency transactions and translation including borrowing cost	-	-	4,279	419,599
	<u>-</u>	<u>-</u>	<u>36,611</u>	<u>3,590,075</u>
23 DEPRECIATION AND AMORTIZATION EXPENSE				
Depreciation of tangible assets	195,967	17,736,928	185,653	18,205,134
Amortization of intangible assets	6,705	606,909	5,691	558,059
	<u>202,672</u>	<u>18,343,837</u>	<u>191,344</u>	<u>18,763,193</u>
24 OTHER EXPENSES				
Stores and tools consumed	547,269	49,533,291	492,917	48,335,456
Power & fuel	341,577	30,916,111	307,839	30,186,651
Rent	131,303	11,884,206	119,937	11,761,016
Rates & taxes [excluding taxes on Income]	52,061	4,711,996	51,417	5,041,951
Insurance	145,684	13,185,862	151,074	14,814,331
Repairs and maintenance				
- Building	24,165	2,187,179	26,143	2,563,577
- Plant & Equipment	315,853	28,587,893	257,917	25,291,296
Sub-contract expenses	1,221,214	110,532,047	1,043,904	102,365,226
Audit fee	16,000	1,448,160	16,200	1,588,572
Net Foreign exchange loss(net off gain)	5,504	498,197	-	-
Miscellaneous expenses (Under this head there is no expenditure which is in excess of 1% of Revenue from Operations or Rs. 10 lakhs whichever is higher)	218,379	19,765,629	181,570	17,804,859
	<u>3,019,009</u>	<u>273,250,571</u>	<u>2,648,918</u>	<u>259,752,935</u>
25 INCOME TAX				
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of Cramlington Precision Forge Limited at 20% and the reported tax expense in profit or loss are as follows:				
Profit or loss section				
Accounting profit before tax	217,909	19,722,836	613,389	60,148,924
Accounting profit before income tax				
i) At UK's statutory income tax rate of 20% (31 December 2015: 20.25%)	43,582	3,944,567	124,211	12,180,157
Other adjustments	10,640	963,066	1,668	163,536
	<u>54,222</u>	<u>4,907,633</u>	<u>125,879</u>	<u>12,343,694</u>
Tax expense comprises of:				
Current income tax:				
Current income tax charge (net of Minum alternate tax)	75,015	6,789,608	139,155	13,645,539
Adjustments in respect of current income tax of previous year	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(20,793)	(1,881,975)	(13,276)	(1,301,845)
Income tax expense	<u>54,222</u>	<u>4,907,633</u>	<u>125,879</u>	<u>12,343,694</u>

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

26 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Ultimate Holding Company

Sundram Fasteners Ltd

(B) Holding Company

Sundram International Limited, UK

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

(A) Fellow Subsidiaries

Sundram Fasteners (Zhejiang) Limited, Republic Of China

Sundram International Inc., Michigan, USA

TVS Upasana Limited, Chennai

Sundram Non Conventional Energy Systems Limited, Chennai

Sundram Precision components Limited, Chennai

Sundram Fasteners Investments Limited, Chennai.

TVS Infotech Limited, Chennai

TVS Infotech Inc., Michigan, USA

(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	INR	GBP	INR	GBP	INR
Purchases						
Fixed Assets (Intangibles)	-	-	-	-	-	-
	-	-	-	-	(19,465)	(1,907,570)
Sales						
Goods and Materials	5,850	529,494	-	-	-	-
	(4,510)	(442,251)	-	-	-	-
Shares (Redemption of Preference shares)	500,000	47,495,000	-	-	-	-
	-	-	-	-	-	-
Dividend Paid / Payable						
-Equity	125,000	11,313,750	-	-	-	-
	(240,000)	(23,534,400)	-	-	-	-
-Preference	-	-	-	-	-	-
	(30,000)	(2,941,800)	-	-	-	-
Outstanding balances						
Due to the Company	975	81,442	-	-	-	-
	(14,310)	(1,402,380)	-	-	-	-
Due by the Company	-	-	-	-	-	-
	-	-	-	-	-	-

(Previous year figures are in brackets)

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

27 - DISCLOSURE ON FINANCIAL INSTRUMENT

Particulars	31-Dec-16			31-Dec-15			01-Jan-15						
	FVTPL GBP ₹	FVOCI ₹	Amortised Cost GBP ₹	Total GBP ₹	FVTPL GBP ₹	FVOCI GBP ₹	Amortised Cost GBP ₹	Total GBP ₹	FVTPL GBP ₹	FVOCI ₹	Amortised Cost GBP ₹	Total GBP ₹	
Financial Assets													
Current assets													
Trade receivables	-	-	1,205,115	1,205,115	-	-	1,152,477	1,152,477	-	-	-	1,210,045	1,210,045
Cash and Cash equivalents	-	-	421,871	421,871	-	-	93,357	93,357	-	-	-	526,530	526,530
Total Financial Assets	-	-	1,626,986	1,626,986	-	-	2,125,834	2,125,834	-	-	-	1,736,575	1,736,575
Financial Liabilities													
Non-current liabilities													
Other financial liabilities	-	-	-	-	-	-	500,000	49,000,000	-	-	-	500,000	49,210,000
Current liabilities													
Trade payables	-	-	744,038	744,038	-	-	777,495	76,194,510	-	-	-	794,773	78,221,558
Other financial liabilities	-	-	105,637	105,637	-	-	191,792	18,795,615	-	-	-	172,631	16,990,304
Total Financial Liabilities	-	-	849,675	849,675	-	-	1,469,287	143,990,125	-	-	-	1,467,404	144,421,862

Cramlington Precision Forge Limited, United Kingdom

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

28- DISCLOSURE ON FIRST TIME ADOPTION OF IND AS

Reconciliation of Balance sheet

Particulars	Foot note	As at 31st December 2015			As at 1st January 2015		
		IGAAP GBP	Adjustments GBP	Ind AS GBP	IGAAP GBP	Adjustments GBP	Ind AS GBP
ASSETS							
Non-current assets							
Property, plant and equipment	i)	1,692,060	(2,061,626)	1,671,023	1,815,704	(2,665,804)	1,788,618
Intangible assets		14,816	-	14,816	1,042	-	1,042
Capital work-in-progress		-	-	-	102,553	-	102,553
Other non-current assets	i)	-	21,037	21,037	-	27,086	27,086
		1,706,876	-	1,706,876	1,816,746	-	1,816,746
		167,273,846	-	167,273,846	178,804,139	-	178,804,139
Current assets							
Inventories		550,341	-	550,341	719,032	-	719,032
Financial assets							
- Trade receivables		1,152,477	-	1,152,477	1,210,045	-	1,210,045
- Cash and cash equivalents		973,357	-	973,357	526,530	-	526,530
Other current assets		173,626	-	173,626	87,356	-	87,356
		2,849,801	-	2,849,801	2,542,963	-	2,542,963
		279,280,500	-	279,280,499	250,278,365	-	250,278,365
Total assets		4,556,677	-	4,556,677	4,359,709	-	4,359,709
		446,554,346	-	446,554,345	429,082,504	-	429,082,504
EQUITY AND LIABILITIES							
Equity							
Equity Share capital	ii)	1,900,000	(500,000)	1,400,000	1,900,000	(500,000)	1,400,000
Other equity		1,276,391	-	1,276,391	1,028,881	-	1,028,881
		3,176,391	(500,000)	2,676,391	2,928,881	(500,000)	2,428,881
		311,286,319	(500,000)	310,786,318	288,260,452	(500,000)	287,760,452
Liabilities							
Non-current liabilities							
Financial liabilities							
- Other financial liabilities	ii)	-	500,000	500,000	-	500,000	500,000
Deferred tax liabilities (Net)		227,874	-	227,874	241,150	-	241,150
		227,874	500,000	727,874	241,150	500,000	741,150
		22,331,652	-	22,331,652	23,733,983	-	23,733,983
		227,874	500,000	727,874	241,150	500,000	741,150
Current liabilities							
Financial liabilities							
- Trade payables	iii)	777,495	-	777,495	794,773	-	794,773
- Other financial liabilities	iii)	374,917	(191,792)	183,125	394,905	(172,631)	110,494
Other current liabilities		1,152,412	-	1,152,412	1,189,678	-	1,189,678
		1,302,286	500,000	1,802,286	1,408,227	500,000	1,902,286
		135,268,027	500,000	135,768,027	140,822,952	500,000	141,322,952
Total liabilities		4,556,677	-	4,556,677	4,359,709	-	4,359,709
		446,554,346	-	446,554,345	429,082,504	-	429,082,504

TRANSLATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (Contd.)

28- DISCLOSURE ON FIRST TIME ADOPTION OF IND AS

Reconciliation of profit or loss for the year ended 31 December 2015

Particulars	Foot note	As at 31st December 2015					
		IGAAP		Adjustments		Ind AS	
		GBP	₹	GBP	₹	GBP	₹
Revenue from operations		8,165,189	800,678,433	-	-	8,165,189	800,678,433
Other income		-	-	-	-	-	-
Total Income		8,165,189	800,678,433	-	-	8,165,189	800,678,433
Expenses							
Cost of materials consumed		2,527,920	247,881,818	-	6,018	2,527,920	247,887,836
Changes in inventories of finished goods, stock-in-trade and work in progress		68,396	6,702,808	-	4,103	68,396	6,706,911
Employee benefits expense		2,078,611	203,828,559	-	-	2,078,611	203,828,559
Finance costs	ii)	6,611	648,275	30,000	2,941,800	36,611	3,590,075
Depreciation and amortization expense	i)	197,393	19,356,357	(6,049)	(593,164)	191,344	18,763,193
Other expenses	i)	2,642,870	259,159,770	6,049	593,164	2,648,918	259,752,935
Total expenses		7,521,801	737,577,587	-	2,951,921	7,551,800	740,529,509
Profit before tax		643,389	63,100,846	-	(2,951,921)	613,389	60,148,924
Tax expense							
a) Current tax		139,155	13,645,539	-	-	139,155	13,645,539
b) Deferred tax		(13,276)	(1,301,845)	-	-	(13,276)	(1,301,845)
c) Adjustment of tax relating to earlier periods		-	-	-	-	-	-
Profit for the year		517,510	50,757,151	-	(2,951,921)	487,510	47,805,230

28- Disclosure on First Time Adoption of Ind AS

Footnotes to the reconciliations

i) Property, plant and equipment

The amount paid (net of amortisation) to acquire the rights of leasehold land was disclosed under Property, plant and equipment under IGAAP. However under Ind AS the same has been treated as an operating lease based on the terms and conditions of the lease agreement and hence Unamortised portion of leasehold land has been disclosed under Other non-current assets. The amortisation of these assets is recognised as rental expenses over the period of lease.

ii) Share Capital & Finance Cost

Preference share capital was disclosed under Share capital under IGAAP, however under Ind AS the same has been disclosed as Other Financial Liabilities under non-current liabilities. Consequently, preference dividend has been reclassified from statement of changes in equity (appropriation) to finance cost.

iii) Reclassification of items in accordance with Ind AS

Current liabilities under IGAAP have been reclassified to:

- Other financial liabilities
- Other current liabilities

