

**Independent Auditor's Report**

**To The Members of Sterling Fabory India Private Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Sterling Fabory India Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management & Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the



preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) As per the Company, in view of the MCA notification dated 13 June 2017, the Company is exempt from the requirements of clause (i) of section 143 (3) of the act and therefore the report on adequacy of internal financial controls with reference to financial statements of the company and operative effectiveness of such controls of the Company is not being made.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Dinodia & Co. LLP  
Chartered Accountants,  
Firm's Registration Number 001478N/N500005

  
(Sandeep Dinodia)  
Partner



Membership Number 083689  
UDIN: 20083689AAAABF9403

Place of Signature: New Delhi  
Date: 12 JUN 2020

**Annexure 'A': Independent Auditors' Report of even date on the financial statements of Sterling Fabry India Private Limited**

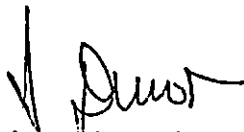
The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2020, we report that:

- i) In respect of fixed assets:
  - a) The Company has maintained adequate records showing full particulars including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at regular intervals. In accordance with this programme, all fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) No immovable properties are held in the name of the Company, Therefore, the provisions of clause 3(i)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- ii) In respect of its inventory:
  - a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion the frequency of physical verification followed by the management is reasonable.
  - b) No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) (a) to (c) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has no loans, investments, guarantees, and security covered under the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of clause 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits in contravention of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and any other statutory dues with appropriate authorities. Further there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.  
(b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of income tax or sales tax or service tax, duty of customs, duty of excise, value added tax, goods and services tax, and cess that have not been deposited on account of any dispute.



- viii) The Company does not have any loans or borrowings from any financial institution, banks government or debenture holders during the year. Therefore, the provisions of clause 3(viii) of the Order are not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of clause 3(ix) of the order are not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company is not a public company; therefore provisions of section 197, w.r.t Managerial Remuneration, read with Schedule V to the Companies Act, 2013 are not applicable to the Company
- xii) The Company is not a nidhi company hence the provisions of clause 3(xii) of the Order is not applicable to the Company.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards. Further the provisions of section 177 of the Act are not applicable to the Company.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3(xiv) of the Order is not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with them. Hence, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For S. R. Dinodia & Co. LLP,  
Chartered Accountants,  
Firm's Registration Number 001478N/N500005



(Sandeep Dinodia)  
Partner

Membership Number 083689

UDIN: 20081689AAAABF9403

Place of Signature: New Delhi

Date:

12 JUN 2020



**Sterling Fabry India Private Limited**  
**Balance Sheet As At March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

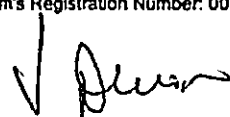
Particulars	Notes	(All amounts in ₹ in lakh, except otherwise specified)	
		As At March 31, 2020	As At March 31, 2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	36.59	28.04
(b) Right-of-Use Assets	4	46.37	-
(c) Other Intangible Assets	5	0.26	0.45
(d) Financial Assets			
(i) Other Financial Assets	6	5.72	5.22
(e) Deferred tax Assets (net)	7	40.44	22.83
(f) Other Non-Current Assets	8	0.66	1.18
<b>Total Non-Current Assets</b>		<b>130.04</b>	<b>57.72</b>
<b>Current Assets</b>			
(a) Inventories	9	192.30	283.16
(b) Financial Assets			
(i) Trade Receivables	10	238.86	356.43
(ii) Cash and Cash Equivalents	11	109.38	132.18
(iii) Bank Balances other than (ii) above	12	50.00	154.68
(iv) Other Financial Assets	6	0.19	5.52
(c) Current Tax Assets (Net)	13	2.79	4.12
(d) Other Current Assets	8	15.03	8.68
<b>Total Current Assets</b>		<b>608.55</b>	<b>944.76</b>
<b>Total Assets</b>		<b>738.59</b>	<b>1,002.48</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	681.00	681.00
(b) Other Equity	15	(229.31)	(105.82)
<b>Total Equity</b>		<b>451.69</b>	<b>575.18</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Other Financial Liabilities	16	22.37	-
(b) Provisions	17	13.90	12.44
<b>Total Non-Current Liabilities</b>		<b>36.27</b>	<b>12.44</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		24.16	3.10
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		179.72	382.18
(ii) Other Financial Liabilities	16	30.56	-
(b) Other current Liabilities	19	15.84	17.65
(c) Provisions	17	0.35	11.93
<b>Total Current Liabilities</b>		<b>250.63</b>	<b>414.85</b>
<b>Total Liabilities</b>		<b>286.90</b>	<b>427.30</b>
<b>Total Equity And Liabilities</b>		<b>738.59</b>	<b>1,002.48</b>
Summary of Significant Accounting Policies	2.3		

The accompanying notes are integral part of the financial statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP.  
Chartered Accountants  
Firm's Registration Number: 001478/N/NS00005

For and on behalf of the Board of Directors of  
Sterling Fabry India Private Limited

  
(Sandeep Dinodia)  
Partner

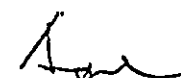
Membership Number 083089

Place of Signature: New Delhi

Date

12 JUN 2020



  
(Anil Aggarwal)  
Director  
DIN 08027214

  
(Atul Aggarwal)  
Director  
DIN 00125825

**Sterling Fabry India Private Limited**  
**Statement Of Profit & Loss For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)


Particulars	Notes	For the year ended March 31, 2020	For the year ended
I. Revenue From Operations	20	1,130.57	1,405.70
II. Other Income	21	13.97	19.58
III. Total Income (I + II)		<u>1,144.54</u>	<u>1,425.28</u>
IV. Expenses			
(a) Cost of Materials Consumed			
(b) Purchase of Stock-in-Trade	22	698.96	1,092.38
(c) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-In-Progress	23	58.04	(145.50)
(d) Employee Benefits Expense	24	294.94	257.72
(e) Finance Costs	25	13.44	6.68
(f) Depreciation and Amortisation Expense	26	39.54	9.79
(g) Other Expenses	27	171.02	173.75
Total Expenses		<u>1,275.94</u>	<u>1,394.82</u>
V. Profit/(Loss) Before Exceptional Items and Tax (III-IV)		<u>(131.40)</u>	<u>30.46</u>
VI. Exceptional Items		-	-
VII. Profit/(Loss) Before Tax (V-VI)		<u>(131.40)</u>	<u>30.46</u>
VIII Tax Expense:	33		
Current Tax		-	-
Deferred Tax		(11.40)	3.46
Tax adjustment for earlier years		1.84	0.89
Total Tax Expense		<u>(9.55)</u>	<u>4.35</u>
IX. Profit/(Loss) For The Year (VII-VIII)		<u>(121.84)</u>	<u>26.11</u>
X. Other Comprehensive Income			
(A) (i) Items that will not be reclassified to statement of Profit or Loss			
(a) Remeasurement of Defined Benefit Plans		2.62	1.44
(ii) Income tax relating to Items that will not be reclassified to statement of Profit or Loss		(0.68)	(0.37)
(B) (i) Items that will be reclassified statement of Profit or Loss		-	-
(ii) Income tax relating to Items that will be reclassified to statement of Profit or Loss		-	-
Total Other Comprehensive Income , Net of Tax		<u>1.94</u>	<u>1.07</u>
XI Total Comprehensive Income For The Year (X+XI) Comprising Profit (Loss) and Other comprehensive Income for the year		<u>(119.90)</u>	<u>27.18</u>
XII Earnings Per Equity Share: (Face Value ₹ 10 Per Share)	35		
1) Basic (amount in ₹)		(1.79)	0.38
2) Diluted (amount in ₹)		(1.79)	0.38
Summary of Significant Accounting Policies	2.3		

The accompanying notes are integral part of the financials statements

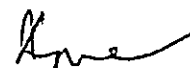
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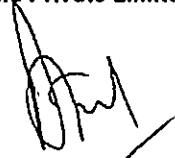
For S.R. Dinodia & Co. LLP,  
Chartered Accountants  
Firm's Registration Number: 001478N/N500005

For and on behalf of the Board of Directors of  
Sterling Fabry India Private Limited

  
(Sandeep Dinodia)  
Partner  
Membership Number 083689



  
(Anil Aggarwal)  
Director  
DIN 00027214

  
(Atul Aggarwal)  
Director  
DIN 00125825

Place of Signature: New Delhi  
Date: 12 JUN 2020

**Sterling Fabry India Private Limited**  
**Statement of Changes in Equity For The Year Ended March 31, 2020**

(All amounts in ₹ In lakh, except otherwise specified)

	No. of Shares (in Lakhs)	Amount
(A) Equity share capital		
Opening Balance as at April 01, 2018	68.10	681.00
Changes during the year	-	-
Closing Balance as at March 31, 2019	68.10	681.00
Changes during the year	-	-
Closing Balance as at March 31, 2020	68.10	681.00

	Reserves and surplus		Other Comprehensive Income	Other Equity
	Securities Premium	Retained earnings	Other Item of OCI	Total
Balance As At April 01, 2018	695.50	(828.50)	-	(133.00)
Profit For The Year	-	26.11	-	26.11
Remeasurement of defined benefit plan (net of tax)	-	1.07	-	1.07
Balance As At March 31, 2019	695.50	(801.32)	-	(105.82)
Impact on account of Ind AS 118 adoption (refer note no 35)	-	(3.58)	-	(3.58)
<u>Changes in other equity</u>				
Profit For The Year	-	(121.84)	-	(121.84)
Remeasurement of defined benefit plan (net of tax)	-	1.94	-	1.94
Balance As At March 31, 2020	695.50	(924.81)	-	(229.31)

Summary of Significant Accounting Policies Note 2.3

The accompanying notes are an integral part of the financial statements

As per our Audit Report of even date attached

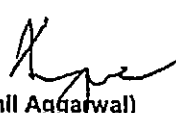
For S.R. Dinodia & Co. LLP,  
Chartered Accountants  
Firm's Registration Number: 001478N/N500005


For and on behalf of the Board of Directors of  
Sterling Fabry India Private Limited

  
(Sandeep Dinodia)  
Partner



Membership Number 083689

  
(Anil Aggarwal)  
Director  
DIN 00027214

  
(Atul Aggarwal)  
Director  
DIN 00125825

Place of Signature: New Delhi  
Date:

12 JUN 2020



**Sterling Fabory India Private Limited**  
**Statement of Cash Flows For The Year Ended March 31, 2020**


Particulars	(All amounts in ₹ in lakh, except otherwise specified)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>A. Cash Flow From Operating Activities</b>		
Net Profit Before Tax	(131.40)	30.46
Adjustments for :		
Depreciation & Amortization (Net)	39.54	9.79
Interest Income	(12.82)	(16.69)
Interest on Lease Liability	6.73	-
Finance Costs	12.86	6.56
Gain on Sale of Property, Plant & Equipment	(0.87)	-
Unrealized Foreign Exchange Gain & Loss	2.12	0.44
Operation Profit Before Working Capital Changes	<u>(83.84)</u>	<u>30.55</u>
Adjustment For :		
(Increase)/ Decrease in Financial Assets	122.59	(34.70)
(Increase)/ Decrease in Other Assets	(8.15)	(1.60)
(Increase)/ Decrease in Inventory	90.86	(132.50)
Increase / (Decrease) in Financial Liabilities	(181.83)	126.78
Increase / (Decrease) in Other Liabilities	(1.81)	(5.97)
(Increase)/ Decrease in Provisions	<u>(7.49)</u>	<u>5.50</u>
Not Cash Generated From Operations	<u>(69.67)</u>	<u>(11.94)</u>
Direct Taxes Paid (Net of Refund Received)	(3.83)	0.89
Net Cash From Operating Activities	(A) <u>(73.50)</u>	<u>(11.05)</u>
<b>B. Cash Flow From Investing Activities</b>		
Expenditure on Property, Plant & Equipment (net)	(19.01)	(7.84)
Interest Received	12.63	11.17
Bank Deposits	104.68	5.32
Net cash Used In Investing Activities	(B) <u>98.30</u>	<u>8.65</u>
<b>C. Cash Flow From Financing Activities</b>		
Payment of Lease Liability	(34.74)	-
Borrowing Costs	(12.86)	(6.56)
Net Cash Used In Financing Activities	(C) <u>(47.60)</u>	<u>(6.56)</u>
Net Increase In Cash & Cash Equivalent (A+B+C)	(22.80)	(8.95)
Cash And Cash Equivalents At The Beginning Of The Year	132.18	141.14
Cash And Cash Equivalents At The End Of The Year	<u>109.38</u>	<u>132.18</u>
<b>Cash and cash equivalents includes</b>		
Cash on hand	0.65	0.57
Balances With Scheduled Banks :		
- Current Accounts	38.73	71.61
- Deposits with original maturity of three months or less	70.00	60.00
	<u>109.38</u>	<u>132.18</u>
Note:-		
All figures in brackets represent outflows.		
Summary of Significant Accounting Policies	2.3	

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP,

Chartered Accountants

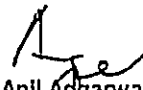
Firm's Registration Number: 001478N/N500005

  
(Sandeep Dinodia)  
Partner

Membership Number 083689



For and on behalf of the Board of Directors of  
Sterling Fabory India Private Limited

  
(Anil Aggarwal)  
Director  
DIN 00027214

  
(Atul Aggarwal)  
Director  
DIN 00125825

Place of Signature New Delhi

Date: 12 JUN 2020

# Sterling Fabory India Private Limited

## Notes To Financial Statements For The Year Ended March 31,2020

### Note 1 : Corporate Information

Sterling Fabory India Private Limited was formed as a Joint Venture Company (herein referred to as 'the Company') on 9th March 2010 and is registered with the Registrar of Companies, National Capital Territory, Delhi & Haryana in India and has its registered office at UNIT NO. 515, DLF Tower A, Jasola District Centre, New Delhi South Delhi DL 110025. The company is dealing in the sale of fasteners.

The Shareholding of the company is jointly held by M/s. Sterling Tools Limited, India and M/s. Fabory Masters in Fasteners Group B.V., Netherland in the ratio of 50:50.

### Note 2.1 : Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements are approved for issue by the Company's Board of Directors on 12th June, 2020.

### Note 2.2 : Basis of Preparation

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and relevant presentation requirements of the Companies Act 2013. The financial statements have been prepared in accordance with the historical cost convention except for certain financial instruments that are measured at fair value as required under relevant Ind AS.

The financial statements are presented in Indian Rupees ₹, which is also company's functional currency and all values are rounded to the nearest lakh (upto two decimals) except otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### Going Concern

The board of directors have considered the financial position of the Company at 31 March 2020 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements with respect to planned cost and cash improvement actions remains on course. Also, the board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations. In view of above, going concern assumption holds good.

### Note 2.3 : Significant accounting policies

#### a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### Revenue

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that they operating on a principal to principal basis in all its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

#### Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.



# Sterling Fabory India Private Limited

## Notes To Financial Statements For The Year Ended March 31,2020

### b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

#### Assets:

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

#### Liabilities:

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### c) Revenue

Company derives revenue primarily from sale of traded goods.

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding the amount collected on behalf of third parties (for example, taxes and duties collected on behalf of government). The company has concluded that it is principal in its revenue arrangements.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated e.g. warranties. In determining the transaction price for the sale of products, the Company considers the effect of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of products provide the customers with volume rebates that give rise to variable consideration.

Generally, the Company does not receive short term or long term advances from its customers except in certain scenarios. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of promised good or service to the customer and when the customer pays for good or service will be one year or less. The company does not expect to have any contracts where the period between the transfer of promised goods and services to the customer and payment by the customer exceeds one year except where the payment terms might provide the entity or the customer with protection from the other party failing to adequately complete some or all of its obligations under the contract. As a consequence, it does not adjust any of the transaction prices for the time value of money.

#### Other Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable and where no significant uncertainty as to measurability or collectability exists..

### d) Property, Plant and Equipment

The Company had applied for one time transition exemption of considering the carrying cost on the transition date as the deemed cost under Ind AS.

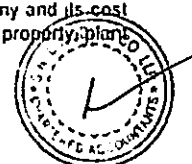
Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes non-refundable taxes, duties, freight, insurance, labour cost, allocable borrowing costs and other directly attributable cost to the construction / acquisition of the assets. Subsequent expenditure relating to property, plant and equipment is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gain or loss arising on account of sale of property, plant and equipment are measured as the difference between the net proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss in the year in which the asset is sold.

The Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined separately. Identification of significant components is matter of judgement and decided on case to case basis on the facts and circumstances of each cases. The Company capitalise these cost as a separate component of the asset with consequent expensing of net carrying value of replaced part.

Depreciation on Property Plant and Equipment is provided on straight-line method over the useful lives of assets specified in Schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. Leasehold improvements are amortised over the lease term or the useful life of the assets.

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.



# Sterling Fabory India Private Limited

## Notes To Financial Statements For The Year Ended March 31,2020

### e) Intangible Assets

The Company had applied for one time transition exemption of considering the carrying cost on the transition date as the deemed cost under Ind Software which are not an integral part of related hardware, is treated as intangible asset and amortized over a period of three years or its licensed period, whichever is less.

### f) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes purchase price, freight inwards, custom duty and other expenditure incurred in bringing such inventories to their present location and condition but does not include those expenditure which are subsequently recoverable by the enterprise from concerned revenue authorities. The cost is ascertained on FIFO basis.

### g) Employee's Benefits

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19 – Employees Benefits issued by the Company (Indian Accounting Standard) Rules, 2015.

**Short Term Employee Benefits:** All employees' benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus are recognized in the period in which the employee renders the related services at undiscounted amount.

#### Defined Contribution Plan

For Defined Contribution Retirement Benefit Schemes, payments are charged as an expense as they fall due.

#### Defined Benefit Plan

The cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

#### Post Employment Benefit Plans

For Defined Benefit Schemes, the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

### h) Foreign Currency Transactions

**Initial Recognition:** The transactions in foreign currency are initially accounted for at the rate prevailing as on the transaction date.

**Conversion:** Monetary items denominated in foreign currency are reported using the closing exchange rate on each Balance Sheet Date. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

**Exchange Difference:** The Exchange difference arising on the settlement of monetary items or reporting these items at rates different from rates at which these were initially recorded/ reported in previous financial statements are recognized as income/expense in the period in which they arise.

### i) Taxes on Income : Tax expense comprises current and deferred tax.

#### Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefits will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.



# Sterling Fabory India Private Limited

## Notes To Financial Statements For The Year Ended March 31,2020

### Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

### J) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity

#### Financial Assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### Debt Instruments at amortised cost

The category applies to the Company's trade and other receivables, cash and cash equivalents, security deposits and other loans and advances, etc.

A debt instrument is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

##### Equity Instruments

All equity investments in the scope of Ind AS 109 are measured at fair value.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

##### De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### Financial Liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, security deposits received etc.

##### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

##### Financial liabilities at Amortized cost

##### Loans and borrowings

##### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.



# Sterling Fabory India Private Limited

## Notes To Financial Statements For The Year Ended March 31,2020

### k) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### l) Impairment

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

#### Impairment of Non Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of the other assets or CGUs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

The Company's corporate assets (eg. Central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate assets belongs.

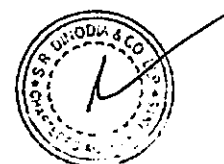
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to CGU, and then to reduce the carrying amounts of any other assets of the CGUs (or group of CGUs) on a pro-rata basis.

### m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are neither recognized nor disclosed in the financial statements.



# Sterling Fabory India Private Limited

## Notes To Financial Statements For The Year Ended March 31,2020

### n) Earning per share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating Diluted Earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### o) Leases

#### Accounting - As a lessee

The company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

#### Transition

Effective from April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%

### p) Operating Segment

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief

Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

### q) Cash Flow Statement

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Indian Accounting Standard 7 - Cash Flow Statement.

### r) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.







**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

**Note 4 : Right Of Use Assets**

<b>Particulars</b>	<b>Buildings</b>	<b>Total</b>
<b>Gross Carrying Value</b>		
As At April 1, 2019	108.83	108.83
Add: Additions made during the year	-	-
Less: Disposals/adjustments during the year	-	-
As At March 31, 2020	108.83	108.83
<b>Depreciation</b>		
As At April 1, 2019	34.45	34.45
Add: Depreciation charge for the year	28.02	28.02
Less: Disposals/adjustments during the year	-	-
As At March 31, 2020	62.46	62.46
Net Carrying Value as at April 01, 2019	74.38	74.38
Net Carrying Value as at March 31, 2020	46.37	46.37



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# Sterling Fabory India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

(All amounts in ₹ in lakh, except otherwise specified)

### Note 5 : Other Intangible Assets

Particulars	Computer Software	Total
<b>Gross Carrying Value (Deemed Cost)</b>		
As At April 1, 2018	0.70	0.70
Add: Additions made during the year	0.43	0.43
Less: Disposals/adjustments during the year	-	-
As At March 31, 2019	1.13	1.13
Add: Additions made during the year	-	-
Less: Disposals/adjustments during the year	-	-
As At March 31, 2020	1.13	1.13
<b>Amortisation and Impairments</b>		
As At April 1, 2018	0.43	0.43
Add: Depreciation charge for the year	0.24	0.24
Less: Disposals/adjustments during the year	-	-
As At March 31, 2019	0.67	0.67
Add: Depreciation charge for the year	0.19	0.19
Less: Disposals/adjustments during the year	-	-
As At March 31, 2020	0.86	0.86
Net Carrying Value As At 1 April , 2018	0.27	0.27
Net Carrying Value as at 31 March, 2019	0.45	0.45
Net Carrying Value as at 31 March, 2020	0.26	0.26



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**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

**Note 6 : Other Financial Asset**

	Non-Current				Current			
	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
Security Deposits *		5.72		5.22		-		-
Interest Accrued on FDR		-		-		0.19		5.52
		<b>5.72</b>		<b>5.22</b>		<b>0.19</b>		<b>5.52</b>

\* The Company has determined its security deposits not to be in the nature of loans, and accordingly have been classified as part of other financial

**Note 7 : Deferred Tax Assets (Net)**

	As March 31, 2020	At March 31, 2019
Deferred tax assets		
Gross Deferred Tax Assets		34.80
Minimum Alternate Tax Credit Entitlement		5.63
<b>Total deferred tax assets (Net)</b>	<b>40.44</b>	<b>22.83</b>

**a) Movement in Gross Deferred Tax Assets**

	As March 31, 2019	At March 31, 2019	IndAS 116 adopted; 'Recognised in opening Retained Earnings	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As March 31, 2020	At March 31, 2020
Ind AS 116 Adoption Impact		-	1.26	-	-		1.26
Property, Plant & Equipment. Impact of difference between Depreciation as per Income Tax Act & Depreciation/Amortization as per Companies Act		2.97	-	0.67	-		3.64
Provision for employee benefits		6.33	-	(1.47)	(0.46)		4.40
Provision for Slow/Non Moving of Inventories		2.2	-	8.67	-		10.87
Unabsorbed Depreciation		11.08	-	2.57	-		13.65
Impact of other expenditures charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on current basis		0.25	-	0.95	-		1.20
		<b>22.83</b>	<b>1.26</b>	<b>11.40</b>	<b>(0.46)</b>		<b>35.03</b>

**Note 8 : Other 'Non- Current' & 'Current Assets'**

	Non-Current				Current			
	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
Advance to Suppliers		-		-		0.88		2.21
Prepaid Expenses		0.02		0.01		3.24		1.86
Deferred Assets		0.64		1.17		0.53		0.53
Balance with Revenue Authorities		-		-		3.87		3.98
Advance to Employee		-		-		0.50		0.10
Recoverable input tax credit		-		-		6.00		-
		<b>0.66</b>		<b>1.18</b>		<b>15.03</b>		<b>8.68</b>



# Sterling Fabry India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

(All amounts in ₹ in lakh, except otherwise specified)

### Note 9 : Inventories

(As taken, valued and certified by the management)

	As March 31, 2020	At March 31, 2019
Stock-in-Trade	207.63	287.61
Stock-in-Trade : Goods in Transit	24.86	2.91
Packing Material	1.61	1.11
	<u>234.10</u>	<u>291.64</u>
Less: Provisions for Slow and Non moving Inventories- Stock in Trade	41.79	8.48
	<u>192.30</u>	<u>283.16</u>

### Note 10 : Trade Receivables

Trade Receivables Considered Good- Unsecured  
 Trade Receivables Considered Good- Secured  
 Trade Receivables which have significant increase in Credit Risk; and  
 Trade Receivables - credit impaired

	As March 31, 2020	At March 31, 2019
	238.86	356.43
	-	-
	-	-
	-	-
	<u>238.86</u>	<u>356.43</u>

### Note 11 : Cash and Cash Equivalents

Balances With Scheduled Banks :

- Current Accounts
- Deposits with original maturity of three months or less

Cash on hand

	As March 31, 2020	At March 31, 2019
	38.73	71.61
	70.00	60.00
	0.65	0.57
	<u>109.38</u>	<u>132.18</u>

### Note 12 : Bank Balance other than Cash and Cash Equivalent

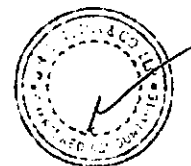
	Non-Current		Current	
	As March 31, 2020	At March 31, 2019	As March 31, 2020	At March 31, 2019
Deposit Accounts With Original Maturity Of More Than 3 Months But Less Than 12 Months	-	-	50.00	154.68
Deposits with original maturity of more than 12 months	-	-	-	-
	-	-	<u>50.00</u>	<u>154.68</u>
Less: Amount disclosed under " Other Financial Assets"	-	-	-	-
	-	-	<u>50.00</u>	<u>154.68</u>

### Note 13 : Current Tax Assets(Not)

Advance Income Tax & TDS (Net of Provision ₹ Nil, March 31, 2019 : ₹ Nil)

	As March 31, 2020	At March 31, 2019
	2.79	4.12
	<u>2.79</u>	<u>4.12</u>

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**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

**Note 14 : Share Capital**

	As March 31, 2020	At March 31, 2019
<b>Authorised:</b>		
80 lakh (March 31, 2019: 80 lakh) equity shares of ₹10/- each	800.00	800.00
<b>Issued, Subscribed &amp; Paid Up:</b>		
68.10 lakh (March 31, 2019: 68.10 lakh) equity shares of ₹10/- each	681.00	681.00
	<b>681.00</b>	<b>681.00</b>

**a) Reconciliation of Authorised, Issued and Subscribed Share Capital:**

**I. Reconciliation Of Authorised Share Capital**

	March 31, 2020		March 31, 2019	
	No. of Shares*	Amount	No. of Shares*	Amount
Balance As At April 1, 2018	80.00	800.00	80.00	800.00
Increase/(decrease) during the year	-	-	-	-
Balance As At March 31, 2019	80.00	800.00	80.00	800.00
Increase/(decrease) during the	-	-	-	-
Balance As At March 31, 2020	80.00	800.00	80.00	800.00

**II. Reconciliation of Issued and Subscribed Share Capital**

	March 31, 2020		March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the Beginning Of The Year	68.10	681.00	68.10	681.00
Add: Increase/(Decrease) During The Year	-	-	-	-
Outstanding at the End Of The Year	68.10	681.00	68.10	681.00

**b) Terms/rights Attached to Equity Shares**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. 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. No dividend is proposed by Board of Directors of the Company

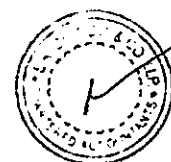
**c) Details of shareholders holding more than 5% shares in the company**

	March 31, 2020		March 31, 2019	
	No. of Shares*	% holding	No. of Shares*	% holding
Sterling Tools Limited	34.05	50.00%	34.05	50.00%
Fabory Masters in Fasteners Group B.V.	34.05	50.00%	34.05	50.00%

\* No of shares in Lakhs.

**Note 15 : Other Equity**

	As March 31, 2020	At March 31, 2019
Security Premium	695.50	695.50
Retained Earnings	(924.81)	(801.32)
Total	<b>(229.31)</b>	<b>(105.82)</b>



**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

a) For Movement during the period in Other Equity, refer "Statement of Change in Equity".

b) Nature and Purpose of Other Equity

(i) Security Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve will be utilised in accordance with provisions of the Companies Act 2013.

(i) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. All the profits made by the Company are transferred to retained earnings from statement of profit and loss.



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**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

Note 16 : Other Financial Liabilities *	March 31, 2020		March 31, 2019	
	Non-current	Current	Non-current	Current
Lease Liability	22.37	30.28	-	-
Creditors for Capital Expenditure	-	0.27	-	-
	<b>22.37</b>	<b>30.56</b>	<b>-</b>	<b>-</b>

\* The above amount does not include any amount due to be transferred to Investor Education & Protection Fund.

Note 17 : Provisions	March 31, 2020		March 31, 2019	
	Non-current	Current	Non-current	Current
Provisions For Employee Benefits				
Compensated Absences (Refer Note No. 28)	4.60	0.24	5.12	3.58
Gratuity (Refer Note No. 28)	9.30	0.11	7.32	8.35
	<b>13.90</b>	<b>0.35</b>	<b>12.44</b>	<b>11.93</b>

Note 18 : Trade Payables	As	At	As	At
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Total outstanding dues to micro enterprises and small enterprises			24.16	3.10
- Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Sub-note 'a' below)			179.72	382.18
			<b>203.89</b>	<b>385.28</b>

(i) Trade payables to related parties amounts to ₹ 89.10 lacs as at March 31, 2020 (March 31, 2019 : ₹ 124.19 Lacs)

(ii) As per Schedule III of the Companies Act, 2013 and as certified by the management, the amount due to Micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under

	Principal Amount	Interest	Total
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	24.16	-	24.16
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

(iii) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

(iv) This information has been compiled in respect of parties to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Management as at March 31, 2020.

Note 19 : Other Current Liabilities	As	At	As	At
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance From Customer			6.52	7.93
Statutory Dues			9.33	9.72
			<b>15.84</b>	<b>17.65</b>



**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

Note 20 : Revenue From Operations	For The Year Ended March 31, 2020	For The Year Ended March 31, 2019
Sale of Products		
- Finished Goods	-	-
- Traded Goods	1,120.57	1,395.70
Other Operating Revenues		
- Service Income	10.00	10.00
	<b>1,130.57</b>	<b>1,405.70</b>

a) Details of products sold	For The Year Ended March 31, 2020	For The Year Ended March 31, 2019
Traded goods sold		
Fasteners	1,120.57	1,395.70

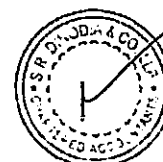
Note 21 : Other Income	For The Year Ended March 31, 2020	For The Year Ended March 31, 2019
Interest on		
- Fixed Deposits	12.32	16.69
- Others*	0.50	0.45
Other Non Operating Income		
-Miscellaneous Scrap	0.07	0.29
-Sundry Balances Written Back	0.21	0.22
-Profit on Sale of Property Plant and Equipment (Net Gain)	0.87	-
-Miscellaneous Income	-	1.93
	<b>13.97</b>	<b>19.58</b>

\* Represents interest income under effective interest rate method on security deposits at amortised cost.

Note 22 : Purchase of Stock-in-trade	For The Year Ended March 31, 2020	For The Year Ended March 31, 2019
Purchase of Fasteners	698.96	1,092.38
	<b>698.96</b>	<b>1,092.38</b>

Note 23 : Changes in Inventories of Finished Products, Stock-in-Trade and Work-In-Progress	For The Year Ended March 31, 2020	For The Year Ended March 31, 2019
Inventories at the beginning of the year		
- Traded Goods	290.53	145.03
	<b>290.53</b>	<b>145.03</b>
Inventories at the end of the year		
- Traded Goods	232.49	290.53
	<b>232.49</b>	<b>290.53</b>
(Increase)/ decrease in inventories *	<b>58.04</b>	<b>(145.50)</b>

\* The above figure includes expense of ₹ .74 lakh (31 March, 2019: ₹ .04 lakh) on account of write-down of inventories to net realisable value in current financial year





**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

**Note 24 : Employee Benefits Expense**

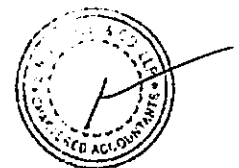
	For The Year Ended March 31, 2020	For The Year Ended March 31, 2019
Salary, Wages & Bonus	267.45	232.79
Contribution to Provident & Other Funds	17.10	14.71
Gratuity Expenses (Refer Note No. 28)	3.65	4.64
Compensated Absences (Refer Note No. 28)	1.94	1.81
Staff Welfare Expenses	4.79	3.77
	<b>294.94</b>	<b>257.72</b>

**Note 25 : Finance Costs**

	For The Year Ended March 31, 2020	For The Year Ended March 31, 2019
Interest on		
- Delayed payment of Income Tax	0.39	0.12
- Lease liability	6.73	-
- Other	0.19	-
Other borrowing cost	6.13	6.56
	<b>13.44</b>	<b>6.68</b>

**Note 26 : Depreciation**

	For The Year Ended March 31, 2020	For The Year Ended March 31, 2019
Depreciation expense on Property Plant and Equipment	11.34	9.55
Amortization expense on Intangible Assets	0.19	0.24
Amortization expense on Right of Use Assets	28.02	-
	<b>39.54</b>	<b>9.80</b>



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**Sterling Fabry India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

**Note 27 : Other Expenses**

	For The Year Ended March 31, 2020	For The Year Ended March 31, 2019
Packing Materials Consumed	5.14	6.31
Job Work Charges	7.21	6.25
Electricity & Water Expenses	5.66	6.05
Rent	0.69	35.35
Repairs & Maintenance charges	3.75	1.49
Insurance	1.18	3.91
Legal & Professional Charges	5.03	2.09
Rates and taxes	0.85	0.22
Payment to Auditors (Refer note 'a' below)	5.44	2.42
Travelling & conveyance expenses	20.92	15.98
Freight Outward	23.03	28.68
Communication Expenses	7.47	6.59
Watch & Ward Expenses	25.37	26.72
Bank Charges	3.64	2.11
Exchange Fluctuation (Net)	3.59	0.44
Bad Debts written off	2.04	3.29
Provision for non moving stock-in-trade	33.32	8.48
Recruitment Expenses	5.49	7.89
Miscellaneous Expenses	11.22	9.49
	<b>171.02</b>	<b>173.75</b>

**a) Details of Payments to Auditors:**

**As Auditor:**

- Statutory audit	2.10	1.50
- Tax audit	1.10	0.90
<b>In other capacity</b>		
- Taxation Matters	-	-
- Other Services	2.00	-
- Out of pocket expenses	0.24	0.02
	<b>5.44</b>	<b>2.42</b>

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**Sterling Fabroy India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ In lakh, except otherwise specified)

**Note 28 : Gratuity And Other Post-Employment Benefit Plans**

**a) Defined Contribution Plans**

The Company makes contribution towards provident fund/ pension fund. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to the defined contribution scheme.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Provident Fund	16.80	14.35
ESI Contribution	0.12	0.30
Labour Welfare Fund	0.17	0.05
<b>Total</b>	<b>17.10</b>	<b>14.71</b>

**b) Defined benefit plans**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

**i) Gratuity scheme**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

**ii) Compensated absences**

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 60 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences). Leave encashment include earned leaves. These have been provided on accrual basis, based on year end actuarial valuation.

	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
<b>Change in benefit obligation</b>				
1 Opening defined benefit obligation	15.67	8.70	12.46	7.85
2 Acquisition Adjustment	-	-	-	-
3 Add: Interest cost	0.87	0.47	0.93	0.59
4 Add: Current service cost	2.79	1.47	3.71	2.68
5 Add: Past Service cost	-	-	-	-
6 Less: Benefits paid	(8.15)	(4.94)	-	(0.97)
7 Add: Actuarial (gain) / loss	(1.76)	(0.86)	(1.44)	(1.46)
<b>Present value of obligation as at the end of the year</b>	<b>9.41</b>	<b>4.84</b>	<b>15.67</b>	<b>8.70</b>

d) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
<b>Cost for the year included under employee benefit</b>				
Add: Current service cost	2.79	1.47	3.71	2.68
Add: Past service cost	-	-	-	-
Add: Interest cost	0.87	0.47	0.93	0.59
Less: Return on plan assets	-	-	-	-
Add: Actuarial (gain) / loss*	-	-	-	(1.46)
<b>Net cost</b>	<b>3.66</b>	<b>1.94</b>	<b>4.64</b>	<b>1.81</b>

\* Transferred to OCI



**Sterling Fabry India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

o) Changes in the fair value of the plan assets are as follows:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	-	-	-	-
Add: Investment income	-	-	-	-
Add: Expected return on plan assets	-	-	-	-
Add: Employer's Contribution	-	-	-	-
Add: Employee's Contribution	-	-	-	-
Less: Benefits paid	-	-	-	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-
Fair value of plan assets at the end	-	-	-	-

f) Detail of actuarial gain/loss recognised in OCI is as follows:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
1 Actuarial gain / (loss) for the year – obligation	(1.76)	(0.86)	(1.44)	-
2 Actuarial gain / (loss) for the year - plan assets	-	-	-	-
3 Total gain / (loss) for the year	(1.76)	(0.86)	(1.44)	-
4 Actuarial gain / (loss) recognised in the year	(1.76)	(0.86)	(1.44)	-
5 Unrecognised actuarial gains / (losses) at the end of year	-	-	-	-

g) Principal actuarial assumptions at the balance sheet date are as follows:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
<b>Economic assumptions</b>				
1 Discount rate	6.67%	6.67%	7.50%	7.50%
2 Rate of increase in compensation levels	5.00%	5.00%	7.00%	7.00%
<b>Demographic assumptions</b>				
1 Expected average remaining working lives of employees (years)	20	-	22	-
2 Retirement Age (years)	58	58	58	58
3 Mortality Rate	Indian Assured Lives Mortality (2012-14) (modified)		Indian Assured Lives Mortality (2006-08) (modified)	
<b>Withdrawal Rate</b>				
All Ages	1%	1%	10%	10%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Present value of obligation	9.41	4.84	15.67	8.70
Less: Fair value of plan assets	-	-	-	-
Net (assets) / liability	9.41	4.84	15.67	8.70



**Sterling Fabry India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

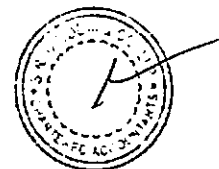
(All amounts in ₹ in lakh, except otherwise specified)

i) A quantitative sensitivity analysis for significant assumption as is as shown below:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity	Earned leave	Gratuity	Earned leave
<b>A. Discount rate</b>				
Decrease on DBO due to 1% increase in Discount Rate	1.20	0.47	0.63	0.23
Increase on DBO due to 1% decrease in Discount Rate	1.44	0.55	0.57	0.26
<b>B. Salary escalation rate</b>				
Increase on DBO due to 1% increase in Salary Escalation Rate	1.50	0.58	0.63	0.26
Decrease on DBO due to 1% decrease in Salary Escalation Rate	1.26	0.50	0.57	0.24
<b>C. Withdrawal Rate</b>				
Effect on DBO due to 1% increase in Withdrawal Rate	0.12	0.07	-	-
Effect on DBO due to 1% decrease in Withdrawal Rate	0.15	0.08	-	-

ii) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Earned leave	Gratuity	Earned leave
1 year	0.11	0.24	8.35	3.58
2 to 5 years	1.92	1.45	2.80	2.43
Above 5 years	7.38	3.15	4.52	2.69



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# Sterling Fabory India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

(All amounts in ₹ in lakh, except otherwise specified)

### Note 29: Capital Management

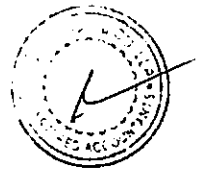
For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

	As March 31, 2020	At March 31, 2019
Trade Payables (Refer Note No. 18 )	203.89	385.28
Other Financial Liabilities	52.93	-
Other Payables (Refer Note No. 19 )	15.84	17.65
Less: Cash and Cash Equivalents (Refer Note No. 11)	109.38	132.18
<b>Net debt</b>	<b>163.28</b>	<b>270.75</b>
Equity share capital (Refer Note No. 14)	681.00	681.00
Other equity (Refer Note No. 15)	(229.31)	(105.82)
<b>Total Capital</b>	<b>451.69</b>	<b>575.18</b>
Capital and net debt	614.97	845.93
<b>Gearing ratio</b>	<b>27%</b>	<b>32%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements



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# Sterling Fabory India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

(All amounts in ₹ in lakh, except otherwise specified)

### Note 30 : Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables , lease liabilities,current borrowing, other current financial liabilities etc. represent the best estimate of fair value.

The management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments.

#### a) Fair value of Financial Assets:

Financial assets measured at amortised cost	Carrying Values				Fair Values			
	As	At	As	At	As	At	As	At
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Security Deposits		5.72		5.22		5.72		5.22
Interest Accrued on Fixed Deposits		0.19		5.52		0.19		5.52
Trade Receivables- Considered		238.86		356.43		238.86		356.43
Cash and Cash Equivalents		109.38		132.18		109.38		132.18
Other Bank Balances		50.00		154.68		50.00		154.68
		404.15		654.03		404.15		654.03

#### b) Fair Value of Financial Liabilities:

Financial Liabilities Measured At Amortised Cost	Carrying Values				Fair Values			
	As	At	As	At	As	At	As	At
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Lease Liabilities		52.65		-		52.65		-
Creditors for Capital Expenditure		0.27		-		0.27		-
Trade payables		203.89		385.28		203.89		385.28
		256.81		385.28		256.81		385.28

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, Interest accrued on FDR approximate their carrying amounts largely due to the short-term maturities of these instruments.

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**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

**Note 31 : Fair Value Hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

**a) Quantitative Disclosures Fair Value Measurement Hierarchy For Assets As At March 31, 2020:**

	As March 31, 2020	At March 31, 2020	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial Assets Measured At Amortised Cost</b>						
Security deposits		5.72	-	-	5.72	5.72
Interest accrued on fixed deposits		0.19	-	-	0.19	0.19
<b>Trade Receivable:</b>						
Trade Receivables- Considered Good		238.86	-	-	238.86	238.86
Cash and Cash Equivalents		109.38	-	-	109.38	109.38
Other Bank Balances		50.00	-	-	50.00	50.00
<b>Total</b>		<b>404.15</b>	<b>-</b>	<b>-</b>	<b>404.15</b>	<b>404.15</b>

**b) Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities As At March 31, 2020:**

	As March 31, 2020	At March 31, 2020	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial Liabilities Measured at Amortised Cost</b>						
Lease Liabilities		52.65	-	-	52.65	52.65
Creditors for Capital Expenditure		0.27	-	-	0.27	0.27
Trade payables		203.89	-	-	203.89	203.89
<b>Total</b>		<b>256.81</b>	<b>-</b>	<b>-</b>	<b>256.81</b>	<b>256.81</b>





**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

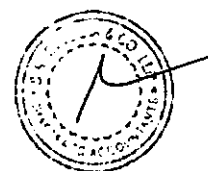
**c) Quantitative Disclosures Fair Value Measurement Hierarchy for Assets As At March 31, 2019:**

	As March 31, 2019	At March 31, 2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial Assets Measured At Amortised Cost</b>						
Security deposits		5.22	-	-	5.22	5.22
Interest accrued on fixed deposits		5.52	-	-	5.52	5.52
Trade Receivables- Considered Good		356.43	-	-	356.43	356.43
Cash and Cash Equivalents		132.18	-	-	132.18	132.18
Other Bank Balances		154.68	-	-	154.68	154.68
<b>Total</b>		<b>654.03</b>	<b>-</b>	<b>-</b>	<b>654.03</b>	<b>654.03</b>

**d) Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities As At March 31, 2019:**

	As March 31, 2020	At March 31, 2020	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial Liabilities Measured at Amortised</b>						
Trade payables		385.28	-	-	385.28	385.28
<b>Total</b>		<b>385.28</b>	<b>-</b>	<b>-</b>	<b>385.28</b>	<b>385.28</b>

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, Security Deposits and Interest accrued on FDR approximate their carrying amounts largely due to the short-term maturities of these instruments.



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# Sterling Fabory India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

(All amounts in ₹ in lakh, except otherwise specified)

### Note 32: Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

#### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019

#### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market

#### ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency)

Unhedged Foreign Currency Exposure	Currency in Lakh		
	USD	EUR	GBP
<b>31 March 2020</b>			
Trade payables and other financial liabilities	-	0.56	-
Net exposure of recognised financial liabilities	-	0.56	-
Trade receivables	-	-	-
Net exposure of recognised financial assets	-	0.56	-
<b>31 March 2019</b>			
Trade payables and other financial liabilities	0.01	0.46	0.00
Net exposure of recognised financial liabilities	0.01	0.46	0.00
Trade receivables	-	-	-
Net exposure of recognised financial assets	0.01	0.46	0.00

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currencies against INR at the end of the year, would have affected the measurement of financial asset and financial liability denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant

	Profit / (Loss) * in lakh	
	Strengthening	Weakening
<b>31 March 2020</b>		
USD (5% movement)	-	-
EUR (5% movement)	(2.33)	2.33
GBP (5% movement)	-	-
<b>31 March 2019</b>		
USD (5% movement)	(0.02)	0.02
EUR (5% movement)	(1.79)	1.79
GBP (5% movement)	-	-



# Sterling Fabory India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

(All amounts in ₹ in lakh, except otherwise specified)

### B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments

#### i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2020	-	34.26	126.14	48.05	30.41	238.86
Trade Receivables as of March 31, 2019	-	37.07	175.48	42.95	100.94	356.43

#### ii) Financial instruments and cash

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

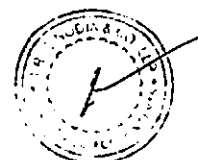
The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted

As at March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	203.89	-	-	-	203.89
Lease liabilities	-	7.16	23.13	22.37	-	52.65
Creditors for capital expenditure	-	0.27	-	-	-	0.27
<b>Total</b>	-	<b>211.32</b>	<b>23.13</b>	<b>22.37</b>	-	<b>256.81</b>

As at March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	385.28	-	-	-	385.28
<b>Total</b>	-	<b>385.28</b>	-	-	-	<b>385.28</b>



**Sterling Fabory India Private Limited**  
**Notes to Financial Statements For The Year Ended March 31, 2020**

(All amounts in ₹ in lakh, except otherwise specified)

**Note 33 : Income Tax Expense**

The major components of income tax expense for the year ended March 31, 2020 are

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	-	-
Deferred tax	(11.40)	3.46
Income tax adjustment for earlier years	1.84	0.89
<b>Total Income tax expense/(Income) reported in the statement of profit or loss</b>	<b>(9.55)</b>	<b>4.35</b>

**OCI section**

*Deferred tax related to items recognised in OCI during the year:*

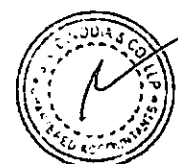
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net loss/(gain) on remeasurements of defined benefit plans	0.68	0.37
	<b>0.68</b>	<b>0.37</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit before income tax	(131.40)	30.46
At India's statutory income tax rate of 26% (March 31, 2019 : 26%)	(34.16)	7.92
Adjustment in respect of current income tax for previous year	1.84	0.89
Tax Effect of Expenses not deductible for tax purposes	(0.13)	0.03
Other adjustments including tax rate change	(0.73)	3.38
Tax Effect of carry forward/ set off from brought forward losses	23.63	(7.87)
At the income tax rate of 26% (March 31, 2019 : 26%)	(9.55)	4.35
Income tax expense reported in the statement of profit and loss	(9.55)	4.35
Variance	-	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Company has done accounting for taxes in accordance with IND AS 12. Probability to realise the deferred tax assets on carry forward losses in the near future is not established, hence DTA on carried forward losses has not been created by the Company



# Sterling Fabory India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

(All amounts in ₹ in lakh, except otherwise specified)

### Note 34 : Earning Per Share (EPS)

For the year ended For the year ended  
March 31, 2020 March 31, 2019

#### Basic/ Diluted Earning Per Share

Profit attributable to Equity Shareholders	(A)	(121.84)	26.11
Weighted average equity Shares outstanding at the end of the year	(B)	68.10	68.10
Earning per share - Basic/Diluted	(A/B)	(1.79)	0.38

### Note 35 : Leases

#### Operating lease commitments - Company as lessee

The Company adopted IndAS116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

On transition, the adoption of the new standard with modified retrospective method, resulted in recognition of 'Right of Use' asset of ₹ 108.83 Lakh and a lease liability of ₹ 108.83 Lakh as on 01.04.2019. The cumulative effect of applying the standard amounting to ₹ 3.58 Lakh was debited to retained earnings (net of taxes). Application of Ind AS116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease

During the year, company has taken three premises on operating leases. One lease is for five years lease term commencing from 15.06.2017 and another lease is for three year lease term commencing from 01.07.2018 third lease being short term lease and lease term has completed during the current year.

Following is movement in lease liabilities during the year ended March 31, 2020

Particulars	For Year ended March 31, 2020
Balance as at April 01, 2019	79.22
Additions	-
Finance cost accrued during the year	6.73
Payment of Lease Liabilities	33.30
Balance as at March 31, 2020	52.65

#### Detail of contractual maturities of lease liabilities as as following:

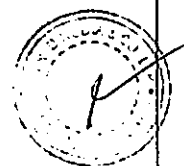
Particulars	For Year ended March 31, 2020
Less Than One Year	30.28
One to Five Years	22.37
More than five years	-
Total	52.65

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### Note 36 : Related Party Disclosures

#### a) Name of the Related Parties and Description of Relationship:

Ultimate Holding company of Fabory Masters in Fasteners Group B.V	Grainger International Holdings B.V.
Joint Venturer	Sterling Tools Ltd M/s. Borstlap Master (Fasteners Group) Fabory Masters in Fasteners Group B V
Key Management Personnel	Mr. Johan Emiel Dewandeleer - Director Mr. Ronald Ernest Baarslag - Director Mr. Anil Aggarwal - Director Mr. Atul Aggarwal - Director Mr. Dhaneshwar- Company Secretary (Resignation 31.05.2019) Ms. Priyanka Daga - Company Secretary (Appointment 10.12.2019, Resignation 21.01.2020)
Enterprises owned or significantly influenced by KMP or their relatives	Sterling Technologies Private Limit Sterling Automobiles Private Limit Fabory Netherlands Fabory USA Grand Rapids Fabory Shanghai



# Sterling Fabory India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

(All amounts in ₹ in lakh, except otherwise specified)

### b) Transactions during the year with related party

Particulars	Joint Venturers	Key Management Personnel	Enterprises owned or significantly influenced by KMP or their relatives
Purchase of Property, Plant & Equipment	-	-	13.66
	-	-	-
Sale of Material	-	-	49.35
	(95.01)	-	(-)
Purchase of Material	128.84	-	96.25
	(245.46)	-	(93.20)
Expenses Paid	-	-	0.13
	(-)	-	(0.49)
Rent paid	-	-	18.00
	(-)	-	(19.50)
Remuneration	-	0.44	-
	(-)	(1.29)	-
Reimbursable Expenses	-	-	0.14
	(-)	-	-

\*Figures in brackets represents corresponding amounts of previous years.

### c) Details of Transactions With Related Parties:

Enterprise over which KMP can exercise significant influence	For the year ended <sup>2</sup> or the year ended	
	March 31, 2020	March 31, 2019
<b>Share Capital</b>		
Sterling Tools Limited	-	-
M/s. Borstlap Master (Fasteners Group)	-	-
<b>Purchase of Property, Plant &amp; Equipment</b>		
Sterling Automobile Pvt. Ltd.	13.66	-
<b>Sale of Material</b>		
Sterling Tools Ltd	49.35	95.01
<b>Purchase of Material</b>		
Sterling Tools Ltd (including Goods in Transit)	128.84	245.46
Fabory Netherlands(Including Goods in transit)	95.91	92.67
Fabory Shanghai	0.35	0.54
<b>Expenses paid</b>		
Sterling Automobile Pvt. Ltd.- Vehicle Repairs	0.13	0.49
<b>Rent paid</b>		
Sterling Technologies Pvt. Ltd.	18.00	19.50
<b>Reimbursable Expenses Incurred by others</b>		
Sterling Automobile Pvt. Ltd.	0.14	-
<b>KMP- Remuneration</b>		
<b>Salary and Perquisites *</b>		
- Mr. Dhaneswar :Company Secretary	0.22	1.29
- Ms. Priyanka Daga :Company Secretary	0.22	-



# Sterling Fabory India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

(All amounts in ₹ in lakh, except otherwise specified)

### Receivables/(Payables) 'Net Balances' as at March 31, 2020

Sterling Tools Ltd	(43.56)	(89.61)
Fabory Netherlands	(45.31)	(34.58)

#### Notes:

-All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash within 12 month of reporting date. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

\* Does not include expense in respect of gratuity and compensated absences as the same is determined on an actuarial basis for the company as a whole.

### Note 37 : Contingent Liability

For the year ended or the year ended  
March 31, 2020 March 31, 2019

#### Contingent Liability

C - Form liability	-	0.36
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### Note 38 : Unhedged Foreign Currency Exposure

a) Foreign currency exposure not hedged by derivative instruments or otherwise:-

Particulars	March 31, 2020		March 31, 2019	
	Foreign Currency amt in Lakh	₹ Amount in Lakh	Foreign Currency amt in Lakh	₹ Amount in Lakh
Foreign currency exposure not hedged (Buy)				
Euro	0.56	46.59	0.46	35.75
GBP	-	-	0.00	0.02
US Dollar	-	-	0.01	0.46

### Note 39 : Segment Information

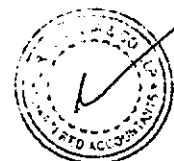
1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the company's performance, allocates resources based on the analysis of the various performance indicator of the company as a single unit), the operations of the Company falls under dealing in sales of fasteners, which is considered to be the only reportable segment.

2. Major Customers: Revenue from One customers of the Company's trading business is more than 10 percent of the Company's total revenue. Revenue from 3 major customers of the Company's trading business is ₹ 382.73 lakhs (March 31).

Note 40 : The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year.

Note 43 : In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2020.

Note 44: The outbreak of COVID-19 in India does not have or likely to have a significant adverse impact on the Company. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due for payment.



# Sterling Fabory India Private Limited

## Notes to Financial Statements For The Year Ended March 31, 2020

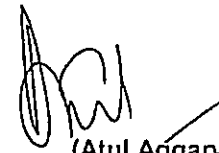
(All amounts in ₹ In lakh, except otherwise specified)

Note 45 : The closing balances of certain trade receivables and trade payables are subject to confirmation.

Note 46 : Figures have been rounded off to the nearest lakh except otherwise stated.

For and on behalf of the Board of Directors of  
Sterling Fabory India Private Limited

  
(Anil Aggarwal)  
Director  
DIN 00027214

  
(Atul Aggarwal)  
Director  
DIN No. 00125825

Place of Signature. *Fari debad*  
Dated: 12 JUN 2020

