

# Walker Chandiook & Co LLP

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## Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Sterling Tools Limited

### Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of Sterling Tools Limited ('the Company') for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
  - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2023.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Statement 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

## Independent Auditor's Report on Standalone Annual Financial Results of Sterling Tools Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

### Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, 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. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



# Walker ChandioK & Co LLP

## Independent Auditor's Report on Standalone Annual Financial Results of Sterling Tools Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

- Conclude on the appropriateness of the Board of Directors' 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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.

### Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For Walker ChandioK & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

*Ashish Gera*

**Ashish Gera**  
Partner  
Membership No. 508685  
UDIN: 23508685BGYCQO2461



**Place:** Faridabad  
**Date:** 08 May 2023



# STERLING TOOLS LIMITED

Regd. Office: Office No 515, DLF Tower A, Jasola, NEW DELHI-110025

Website: stlfasteners.com, E-mail: sterling@stlfasteners.com, CIN: L29222DL1979PLC009668

Part I

## Statement of standalone financial results for the quarter and financial year ended 31 March 2023

(₹ in lakhs, except per share data)

S. No.	Particulars	Three months ended 31 March 2023	Preceding three months ended 31 December 2022	Corresponding three months ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
		(Refer note 3)	(Unaudited)	(Refer note 3)	(Audited)	(Audited)
1	<b>Income</b>					
	(a) Revenue from operations	15,510.17	15,133.42	13,848.25	59,765.44	47,124.25
	(b) Other income	359.74	47.88	96.90	588.39	338.30
	<b>Total income</b>	<b>15,869.91</b>	<b>15,181.30</b>	<b>13,945.15</b>	<b>60,353.83</b>	<b>47,462.55</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	6,344.09	6,957.46	5,205.81	26,466.60	19,316.71
	(b) Changes in inventories of finished goods and work-in-progress	1,027.58	(485.07)	944.42	(1,029.24)	(329.84)
	(c) Employee benefits expense	1,168.96	1,108.98	955.12	4,540.59	4,160.11
	(d) Finance costs	203.14	223.73	160.39	812.48	662.65
	(e) Depreciation and amortisation expenses	761.92	766.70	695.65	3,087.32	2,700.77
	(f) Other expenses	5,220.10	5,221.84	4,985.23	21,148.43	16,985.57
	<b>Total expenses</b>	<b>14,725.79</b>	<b>13,793.64</b>	<b>12,946.62</b>	<b>55,026.18</b>	<b>43,495.97</b>
3	<b>Profit before exceptional items and tax (1-2)</b>	<b>1,144.12</b>	<b>1,387.66</b>	<b>998.53</b>	<b>5,327.65</b>	<b>3,966.58</b>
4	Exceptional items (refer note 6)	(329.23)	-	-	344.26	-
5	<b>Profit before tax (3+4)</b>	<b>814.89</b>	<b>1,387.66</b>	<b>998.53</b>	<b>5,671.91</b>	<b>3,966.58</b>
6	Tax expense					
	(a) Current tax (including earlier years)	265.62	392.80	232.94	1,427.62	1,040.72
	(b) Deferred tax	23.17	(13.96)	4.89	101.34	(46.95)
	<b>Total tax expenses</b>	<b>288.79</b>	<b>378.84</b>	<b>237.83</b>	<b>1,528.96</b>	<b>993.77</b>
7	<b>Profit for the period (5-6)</b>	<b>526.10</b>	<b>1,008.82</b>	<b>760.70</b>	<b>4,142.95</b>	<b>2,972.81</b>
8	Other comprehensive income					
	(A) (i) Items that will not be reclassified to the statement of profit and loss	73.08	(1.94)	275.11	67.26	315.69
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	(18.40)	0.49	(69.24)	(16.93)	(79.45)
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	(ii) Income-tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	<b>Total other comprehensive income</b>	<b>54.68</b>	<b>(1.45)</b>	<b>205.87</b>	<b>50.33</b>	<b>236.24</b>
9	<b>Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (7+8)</b>	<b>580.78</b>	<b>1,007.37</b>	<b>966.57</b>	<b>4,193.28</b>	<b>3,209.05</b>
10	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48
11	Other equity				39,424.50	35,591.47
12	Earnings per share*					
	(a) Basic	1.46	2.80	2.11	11.50	8.25
	(b) Diluted	1.46	2.80	2.11	11.50	8.25

\* not annualised except for the year ended 31 March 2023 and 31 March 2022

See accompanying notes to the standalone financial results



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# STERLING TOOLS LIMITED

Regd. Office: Office No. 515, DLF Tower-A, Jasola, New Delhi-110025

Website: stfasteners.com, E-mail: csec@stfasteners.com, CIN: L29222DL1979PLC009668

## Part II

### Statement of standalone assets and liabilities

(₹ in lakhs)

Particulars	As at	As at
	31 March 2023	31 March 2022
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	25,641.78	26,581.40
(b) Capital work-in-progress	1,112.23	104.04
(c) Other intangible assets	50.52	39.02
(d) Financial assets		
(i) Investments	5,575.96	3,625.51
(ii) Other financial assets	466.53	425.55
(e) Income-tax assets (net)	63.44	8.63
(f) Other non-current assets	515.70	808.89
<b>Total non current assets</b>	<b>33,426.16</b>	<b>31,593.04</b>
<b>Current assets</b>		
(a) Inventories	12,442.57	10,236.60
(b) Financial assets		
(i) Investments	500.08	769.72
(ii) Trade receivables	6,524.25	5,695.42
(iii) Cash and cash equivalents	443.84	76.31
(iv) Bank balances other than (iii) above	4,195.62	1,878.96
(v) Loans	23.53	2,010.06
(vi) Other financial assets	149.98	277.14
(c) Other current assets	3,175.08	3,723.55
<b>Total current assets</b>	<b>27,454.95</b>	<b>24,667.76</b>
<b>TOTAL ASSETS</b>	<b>60,881.11</b>	<b>56,260.80</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	720.48	720.48
(b) Other equity	39,424.50	35,591.47
<b>Total equity</b>	<b>40,144.98</b>	<b>36,311.95</b>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	3,664.48	4,293.14
(ia) Lease liabilities	5.05	15.54
(ii) Other financial liabilities [other than those specified in item (b)]	19.32	33.26
(b) Provisions	137.28	125.13
(c) Deferred tax liabilities (net)	1,755.05	1,636.78
(d) Other non-current liabilities	884.30	1,586.63
<b>Total non current liabilities</b>	<b>6,465.48</b>	<b>7,690.48</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	8,714.40	8,042.40
(ia) Lease liabilities	15.84	45.35
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	964.62	800.81
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,897.99	1,795.63
(iii) Other financial liabilities [other than those specified in item (c)]	717.32	554.12
(b) Other current liabilities	1,877.27	965.60
(c) Provisions	83.21	54.46
<b>Total current liabilities</b>	<b>14,270.65</b>	<b>12,258.37</b>
<b>Total liabilities</b>	<b>20,736.13</b>	<b>19,948.85</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>60,881.11</b>	<b>56,260.80</b>

See accompanying notes to the standalone financial results



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## Part III

### Standalone cash flow statement

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
	(Audited)	(Audited)
<b>A Cash flow from operating activities</b>		
Net profit before tax	5,671.91	3,966.58
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	3,087.32	2,700.77
Unrealised foreign exchange (gain)/loss	(1.80)	2.71
(Profit)/loss on disposal of property, plant and equipment (net)	(35.13)	1.80
Finance costs	1,127.00	638.84
Gain on termination of lease liability	(0.12)	-
Interest income	(181.05)	(173.06)
Amortisation of grant income	(175.87)	(219.20)
Gain on sale of mutual fund	(44.14)	(7.73)
Income from investment in equity instruments	(25.87)	(64.90)
Dividend received from subsidiary company	(254.00)	-
Gain on fair value of mutual fund	(0.08)	(20.19)
Liabilities no longer required, written back	(1.18)	(7.91)
Loss/(gain) on fair value of forward contracts	15.27	(15.27)
Bad debts written off	1.74	1.08
Provision for expected credit loss	7.80	102.66
Loss on disposal of joint venture	4.12	-
<b>Operating profit before working capital changes</b>	<b>9,195.92</b>	<b>6,906.18</b>
(Increase) in financial assets	(776.81)	(1,695.75)
Decrease/(increase) in other assets	562.57	(457.91)
Increase/(decrease) in financial liabilities	455.25	(376.31)
(Increase)/decrease in inventories	(2,205.96)	703.91
Increase in other liabilities	55.97	410.42
Increase/(decrease) in provisions	39.89	(12.85)
<b>Net cash generated from operations</b>	<b>7,326.83</b>	<b>5,477.69</b>
Income-tax paid (net of refunds)	(1,482.43)	(1,067.84)
<b>Net cash from operating activities (A)</b>	<b>5,844.40</b>	<b>4,409.85</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work-in progress and capital advances)	(2,964.23)	(4,827.18)
Proceeds from disposal of property, plant and equipment	75.30	47.55
Dividend received on investment in equity instruments	0.05	0.71
Dividend received from subsidiary company	254.00	-
Loan repayment from/(given to) subsidiary	2,000.00	(2,000.00)
Investment in fixed deposits	(4,058.62)	(1,769.35)
Maturity of fixed deposits	1,694.00	2,469.91
Gain on sale of equity instruments	25.82	61.78
Redemption of mutual funds	270.11	577.42
Interest received	228.55	174.36
Investment in subsidiary company	(2,000.00)	-
Proceeds from disposal of joint venture	113.70	-
Proceeds from sale of investments in equity instruments	43.76	-
Investment in equity instruments	-	(42.35)
<b>Net cash used in investing activities (B)</b>	<b>(4,317.56)</b>	<b>(5,307.15)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from non-current borrowings	1,754.25	2,589.50
Repayment of non-current borrowings	(2,028.21)	(1,726.80)
Final dividend paid	(360.25)	(360.25)
Proceeds from current borrowings (net)	315.99	968.13
Repayment of lease liabilities	(47.20)	(69.75)
Interest paid	(793.89)	(623.20)
<b>Net cash (used in)/from financing activities (C)</b>	<b>(1,159.31)</b>	<b>777.63</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>367.53</b>	<b>(119.67)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>76.31</b>	<b>195.98</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>443.84</b>	<b>76.31</b>
<b>Components of cash and cash equivalents:</b>		
Balances with scheduled banks in current accounts	441.28	73.43
Cash on hand	2.56	2.88
	<b>443.84</b>	<b>76.31</b>

#### Note:

1. The above standalone cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

See accompanying notes to the standalone financial results



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Website: stlfasteners.com, E-mail: csec@stlfasteners.com, CIN: L29222DL1979PLC009668

## Notes:

1. The standalone financial results of Sterling Tools Limited (the 'Company') for the year ended 31 March 2023 which have been extracted from the audited standalone financial statements and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 8 May 2023. The statutory auditors of the Company have expressed an unmodified audit opinion on these standalone financial results.
2. The above results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) specified under section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended).
3. Figures for the quarters ended 31 March 2023 and 31 March 2022 represents the balancing figures between the audited figures in respect of the full financial year and published year to date reviewed figures upto the third quarter of the years ended 31 March 2023 and 31 March 2022 respectively.
4. The Company is primarily in the business of manufacturing of fasteners (i.e. automotive components) which falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments and hence no additional disclosures have been furnished.
5. The Board of Directors have recommended a final dividend of ₹ 2 per share (face value of ₹ 2 per share) for the financial year 2022-23.
6. Exceptional items of ₹ 344.26 lakhs include:
  - a. insurance claim received from insurance company amounting to ₹ 673.49 lakhs pertaining to a fire incident in an earlier year at one of the Company's manufacturing facility.
  - b. estimated interest liability amounting to ₹ 329.23 lakhs recognised by the Company on foreclosure of one authorisation license under Export Promotion Capital Goods ('EPCG') scheme.
7. As at 31 March 2022, the Company's bill discounting facility from its bank aggregating to Rs. 1,540.55 lakh was netted off from trade receivable as the payment against these bills were regular from the customers. In the current year, the management has reassessed the accounting for the arrangement as per principles of Ind AS 109, Financial Instruments, and concluded that since the Bank has a recourse to the Company under the arrangement, aforesaid balances should be presented on gross basis. Accordingly, current borrowings and trade receivables as at 31 March 2022 have been restated by Rs. 1,540.55 lakh in accordance with Ind AS - 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' with no impact on the net cash flows, the statement of profit and loss and total comprehensive income for the year ended 31 March 2022.
8. Previous period/year figures have been regrouped/reclassified, where necessary, to conform to the current period's classification.

Place: Faridabad  
Date: 8 May 2023

For and on behalf of the Board of Directors



Anil Aggarwal  
Managing Director  
DIN: 00027214



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**Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To the Board of Directors of Sterling Tools Limited

**Opinion**

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Sterling Tools Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the year ended 31 March 2023, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries as referred to in paragraph 12 below, the Statement:
  - (i) includes the annual financial results of the following entities
    - a) Haryana Ispat Private Limited, subsidiary; and
    - b) Sterling Gtake E-mobility Limited, subsidiary.
  - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
  - (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2023.



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**Chartered Accountants**

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



## **Independent Auditor's Report on Consolidated Annual Financial Results of Sterling Tools Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)**

### **Basis for Opinion**

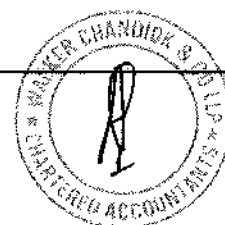
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Statement**

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, 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 results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

### **Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing specified under section 143(10) of the Act 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 this Statement.



## **Independent Auditor's Report on Consolidated Annual Financial Results of Sterling Tools Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)**

8. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, 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. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of Board of Directors'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 ability of the Group, 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 Statement 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 Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company 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.
10. 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.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.



# Walker ChandioK & Co LLP

## Independent Auditor's Report on Consolidated Annual Financial Results of Sterling Tools Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

### Other Matters

12. We did not audit the annual financial statements of two subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 7,867.74 Lakhs as at 31 March 2023, total revenues of ₹ 17,432.36 lakhs, total net profit after tax of ₹ 753.50 Lakhs, total comprehensive income of ₹ 754.32 Lakhs, and cash flows (net) of ₹ 10.31 lakhs for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors and the procedures performed by us as stated in paragraph 11 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

13. The Statement includes the consolidated financial results for the quarter ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year which were subject to limited review by us.

### For Walker ChandioK & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

*Ashish Gera*  
**Ashish Gera**

Partner

Membership No. 508685

UDIN: 23508685BGYCQP8990



Place: Faridabad

Date: 08 May 2023



# STERLING TOOLS LIMITED

Regd. Office: Office No. 515, DLF Tower-A, Jasola, New Delhi-110025  
Website: stlfasteners.com, E-mail: csec@stlfasteners.com, CIN: L29222DL1979PLC009668

## Statement of consolidated financial results for the quarter and financial year ended 31 March 2023

Part I

(₹ in lakhs, except per share data)

S. No.	Particulars	Three months ended 31 March 2023	Preceding three months ended 31 December 2022	Corresponding three months ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
		(Refer note 3)	(Unaudited)	(Refer note 3)	(Audited)	(Audited)
1	<b>Income</b>					
	(a) Revenue from operations	21,167.02	20,783.43	16,942.79	77,197.80	50,958.32
	(b) Other income	99.68	62.31	66.49	290.01	302.65
	<b>Total income</b>	<b>21,266.70</b>	<b>20,845.74</b>	<b>17,009.28</b>	<b>77,487.81</b>	<b>51,260.97</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	10,676.53	10,918.78	8,603.65	40,036.50	23,432.91
	(b) Changes in inventories of finished goods and work-in-progress	420.45	133.37	275.01	(1,172.53)	(1,029.22)
	(c) Employee benefits expense	1,398.03	1,292.59	1,041.26	5,211.28	4,455.96
	(d) Finance costs	222.92	234.73	174.81	883.69	686.74
	(e) Depreciation and amortisation expenses	790.50	789.12	708.59	3,171.59	2,733.55
	(f) Other expenses	6,430.62	5,629.54	5,294.88	23,368.96	17,442.69
	<b>Total expenses</b>	<b>19,939.05</b>	<b>18,998.13</b>	<b>16,098.20</b>	<b>71,499.49</b>	<b>47,722.63</b>
3	<b>Profit before share of profit/(loss) of investment accounted for using equity method, exceptional items and tax (1-2)</b>	<b>1,327.65</b>	<b>1,847.61</b>	<b>911.08</b>	<b>5,988.32</b>	<b>3,538.34</b>
4	Share of profit/(loss) of investment accounted for using equity method	-	-	0.57	-	(61.66)
5	<b>Profit before exceptional items and tax (3+4)</b>	<b>1,327.65</b>	<b>1,847.61</b>	<b>911.65</b>	<b>5,988.32</b>	<b>3,476.68</b>
6	Exceptional items (refer note 6)	(329.23)	-	-	344.26	-
7	<b>Profit before tax (5+6)</b>	<b>998.42</b>	<b>1,847.61</b>	<b>911.65</b>	<b>6,332.58</b>	<b>3,476.68</b>
8	<b>Tax expense</b>					
	(a) Current tax (including earlier years)	401.46	416.26	233.74	1,590.02	1,043.95
	(b) Deferred tax	(180.90)	39.62	(10.48)	(45.24)	(120.83)
	<b>Total tax expenses</b>	<b>220.56</b>	<b>455.88</b>	<b>223.26</b>	<b>1,544.78</b>	<b>923.12</b>
9	<b>Profit for the period (7-8)</b>	<b>777.86</b>	<b>1,391.73</b>	<b>688.39</b>	<b>4,787.80</b>	<b>2,553.56</b>
10	<b>Other comprehensive income</b>					
	(A) (i) Items that will not be reclassified to the statement of profit and loss	70.87	1.26	277.34	68.25	317.92
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	(18.02)	(0.06)	(69.62)	(17.10)	(79.83)
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	(ii) Income-tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	<b>Total other comprehensive income</b>	<b>52.85</b>	<b>1.20</b>	<b>207.72</b>	<b>51.15</b>	<b>238.09</b>
11	<b>Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (9+10)</b>	<b>830.71</b>	<b>1,392.93</b>	<b>896.11</b>	<b>4,838.95</b>	<b>2,791.65</b>
12	<b>Profit/(loss) for the period attributable to</b>					
	(a) Owners of the Holding Company	777.86	1,391.73	688.39	4,787.80	2,553.70
	(b) Non controlling interests	-	-	-	-	(0.14)
13	<b>Other comprehensive income attributable to</b>					
	(a) Owners of the Holding Company	52.85	1.20	207.72	51.15	238.09
	(b) Non controlling interests	-	-	-	-	-
14	<b>Total comprehensive income/(loss) attributable to</b>					
	(a) Owners of the Holding Company	830.71	1,392.93	896.11	4,838.95	2,791.79
	(b) Non controlling interests	-	-	-	-	(0.14)
15	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48
16	Other equity	-	-	-	39,322.26	34,857.86
17	<b>Earnings per share*</b>					
	(a) Basic	2.16	3.86	1.91	13.29	7.09
	(b) Diluted	2.16	3.86	1.91	13.29	7.09

\* not annualised except for the year ended 31 March 2023 and 31 March 2022

See accompanying notes to the consolidated financial results



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# STERLING TOOLS LIMITED

Regd. Office: Office No. 515, DLF Tower-A, Jasola, New Delhi-110025  
Website: stlfasteners.com, E-mail: csec@stlfasteners.com, CIN: L29222DL1979PLC009668

## Part II

### Statement of consolidated assets and liabilities

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	27,385.16	28,003.78
(b) Capital work-in-progress	1,117.72	104.04
(c) Other intangible assets	130.03	43.87
(d) Investments accounted for using the equity method	-	115.19
(e) Financial assets		
(i) Investments	1,531.86	1,463.59
(ii) Other financial assets	469.42	428.09
(f) Deferred-tax assets (net)	134.65	131.81
(g) Income-tax assets (net)	64.60	13.98
(h) Other non-current assets	536.32	844.53
<b>Total non current assets</b>	<b>31,369.76</b>	<b>31,148.88</b>
<b>Current assets</b>		
(a) Inventories	16,341.63	11,611.55
(b) Financial assets		
(i) Investments	500.08	769.72
(ii) Trade receivables	8,136.50	6,273.54
(iii) Cash and cash equivalents	460.24	82.40
(iv) Bank balances other than (iii) above	5,026.96	2,342.26
(v) Loans	25.60	10.43
(vi) Other financial assets	152.28	277.54
(c) Other current assets	3,679.57	4,147.95
<b>Total current assets</b>	<b>34,322.86</b>	<b>25,515.39</b>
<b>TOTAL ASSETS</b>	<b>65,692.62</b>	<b>56,664.27</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	720.48	720.48
(b) Other equity	39,322.26	34,857.86
<b>Total equity attributable to owners of the Holding Company</b>	<b>40,042.74</b>	<b>35,578.34</b>
Non controlling interest	-	-
<b>Total equity</b>	<b>40,042.74</b>	<b>35,578.34</b>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	3,664.48	4,293.14
(i)a Lease liabilities	5.05	15.54
(ii) Other financial liabilities [other than those specified in item (b)]	19.32	33.26
(b) Provisions	694.54	204.53
(c) Deferred tax liabilities (net)	1,755.05	1,780.35
(d) Other non-current liabilities	884.30	1,586.63
<b>Total non current liabilities</b>	<b>7,022.74</b>	<b>7,913.45</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	9,592.49	8,282.05
(i)a Lease liabilities	15.84	45.35
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	964.62	801.77
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,871.08	2,383.10
(iii) Other financial liabilities [other than those specified in item (c)]	830.26	556.10
(b) Other current liabilities	1,925.60	1,012.02
(c) Provisions	355.67	92.09
(d) Current tax liabilities (net)	71.58	-
<b>Total current liabilities</b>	<b>18,627.14</b>	<b>13,172.48</b>
<b>Total liabilities</b>	<b>25,649.88</b>	<b>21,085.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>65,692.62</b>	<b>56,664.27</b>

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Part III

Consolidated cash flow statement

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
	(Audited)	(Audited)
<b>A Cash flow from operating activities</b>		
Net profit before tax	6,332.58	3,476.68
<b>Adjustments for:</b>		
Share of loss of investment in joint venture	-	61.66
Depreciation and amortisation expenses	3,171.59	2,733.55
Unrealised foreign exchange loss	84.56	1.51
(Profit)/loss on disposal of property, plant and equipment (net)	(33.63)	3.72
Finance costs	1,168.48	647.88
Gain on termination of lease liability	(0.12)	-
Interest income	(142.79)	(136.68)
Amortisation of grant income	(175.87)	(219.20)
Gain on sale of mutual fund	(44.14)	(7.73)
Gain on fair value of mutual fund	(0.08)	(20.19)
Income from investment in equity instruments	(28.51)	(64.90)
Liabilities no longer required, written back	(1.18)	(7.91)
Loss/(gain) on fair value of forward contracts	15.27	(15.27)
Bad debts written off	1.74	1.08
Provision for warranty	701.10	112.68
Loss on disposal of joint venture	4.12	-
Provision for expected credit loss	7.80	102.66
<b>Operating profit before working capital changes</b>	<b>11,060.92</b>	<b>6,669.54</b>
(Increase) in financial assets	(1,814.88)	(2,239.98)
Decrease/(increase) in other assets	482.49	(814.03)
Increase in financial liabilities	2,753.54	151.06
(Increase) in inventories	(4,730.08)	(642.87)
Increase in other liabilities	57.88	448.44
Increase/(decrease) in provisions	52.47	(10.93)
<b>Net cash generated from operations</b>	<b>7,862.34</b>	<b>3,561.23</b>
Income-tax paid (net of refunds)	(1,575.64)	(1,078.93)
<b>Net cash from operating activities (A)</b>	<b>6,286.70</b>	<b>2,482.30</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work- in progress and capital advances)	(3,320.58)	(5,179.21)
Proceeds from disposal of property, plant and equipment	70.72	53.82
Investment in fixed deposits	(7,459.65)	(1,969.35)
Maturity of fixed deposits	4,724.98	2,468.81
Redemption of mutual funds	270.11	577.42
Gain on sale of equity instruments	25.82	61.78
Dividend on investment in equity instruments	0.05	0.71
Interest received	192.32	107.11
Proceeds from disposal of joint venture	113.70	-
Proceeds from sale of investments in equity instruments	43.76	-
Investment in equity instruments	-	(42.35)
<b>Net cash used in investing activities (B)</b>	<b>(5,338.77)</b>	<b>(3,921.26)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from non-current borrowings	1,754.25	2,589.50
Repayment of non-current borrowings	(2,028.21)	(1,726.80)
Final dividend paid	(360.25)	(360.25)
Proceeds from current borrowings (net)	954.42	1,157.72
Repayment of lease liabilities	(47.20)	(69.75)
Interest paid	(828.80)	(581.69)
Share issue expenses	(14.30)	-
<b>Net cash (used in)/from financing activities (C)</b>	<b>(570.09)</b>	<b>1,008.73</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>377.84</b>	<b>(430.23)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>82.40</b>	<b>512.63</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>460.24</b>	<b>82.40</b>
<b>Components of cash and cash equivalents:</b>		
Balances with scheduled banks in current accounts	456.99	77.44
Cash on hand	3.25	4.96
	<b>460.24</b>	<b>82.40</b>

Note:

1. The above consolidated cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

See accompanying notes to the consolidated financial results



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## Notes:

1. The consolidated financial results of Sterling Tools Limited (the 'Holding Company') for the year ended 31 March 2023 have been extracted from the audited consolidated financial statements and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 8 May 2023. The statutory auditors of the Holding Company have expressed an unmodified audit opinion on these consolidated financial results.
2. The above results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) specified under section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended).
3. Figures for the quarters ended 31 March 2023 and 31 March 2022 represents the balancing figures between the audited figures in respect of the full financial year and published year to date reviewed figures upto the third quarter of the years ended 31 March 2023 and 31 March 2022 respectively.
4. The Group is primarily in the business of manufacturing of automotive components which falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments and hence no additional disclosures have been furnished.
5. The Board of Directors of the Holding Company have recommended final dividend of Rs. 2 per share (face value of Rs. 2 per share) for the financial year 2022-23.
6. Exceptional items of ₹ 344.26 lakhs include:
  - a. insurance claim received from insurance company amounting to ₹ 673.49 lakhs pertaining to a fire incident in an earlier year at one of the Holding Company's manufacturing facility.
  - b. estimated interest liability amounting to ₹ 329.23 lakhs recognised by the Holding Company on foreclosure of one authorisation license under Export Promotion Capital Goods ('EPCG') scheme.
7. As at 31 March 2022, the Holding Company's bill discounting facility from its bank aggregating to Rs. 1,540.55 lakh was netted off from trade receivable as the payment against these bills were regular from the customers. In the current year, the management has reassessed the accounting for the arrangement as per principles of Ind AS 109, Financial Instruments, and concluded that since the Bank has a recourse to the Holding Company under the arrangement, aforesaid balances should be presented on gross basis. Accordingly, current borrowings and trade receivables as at 31 March 2022 have been restated by Rs. 1,540.55 lakh in accordance with Ind AS - 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' with no impact on the net cash flows, the statement of profit and loss and total comprehensive income for the year ended 31 March 2022.
8. Previous period/year figures have been regrouped/reclassified, where necessary, to conform to the current period's classification.

For and on behalf of the Board of Directors



  
Anil Aggarwal  
Managing Director  
DIN: 00027214

Place: Faridabad  
Date: 8 May 2023



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