



STERLING TOOLS LIMITED

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

Part I

Statement of standalone unaudited financial results for the quarter and six months ended 30 September 2019

S. no.	Particulars	(₹ in lakhs, except per share data)					
		Three months ended 30 September 2019	Preceding three months ended 30 June 2019	Corresponding three months ended 30 September 2018	Year to date figures for current period ended 30 September 2019	Year to date figures for previous period ended 30 September 2018	Year ended 31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	8,924.01	10,430.88	13,934.90	19,354.89	27,062.21	51,220.35
	(b) Other income	199.95	138.35	168.06	338.30	354.33	636.29
	Total income	9,123.96	10,569.23	14,102.96	19,693.19	27,416.54	51,856.64
2	Expenses						
	(a) Cost of materials consumed	2,436.81	4,008.01	5,910.62	6,444.82	11,739.63	22,565.55
	(b) Changes in inventories of finished goods and work-in-progress	826.80	66.87	(256.78)	893.67	(705.09)	(1,880.71)
	(c) Employee benefits expense	920.58	954.80	828.56	1,875.38	1,755.27	3,583.11
	(d) Finance costs	128.60	139.48	68.93	268.08	142.05	366.38
	(e) Depreciation and amortisation expense	572.87	545.58	461.94	1,118.45	917.94	1,905.02
	(f) Consumption of stores and spares	703.71	727.81	1,146.19	1,431.52	2,214.00	4,307.85
	(g) Power and fuel	652.26	790.22	1,039.68	1,442.48	1,923.59	3,792.98
	(h) Other expenses	1,920.74	2,031.52	2,594.99	3,952.26	4,939.58	10,257.60
	Total expenses	8,162.37	9,264.29	11,794.13	17,426.66	22,926.97	44,897.78
3	Profit before tax (1-2)	961.59	1,304.94	2,308.83	2,266.53	4,489.57	6,958.86
4	Tax expense						
	(a) Current tax	(170.86)	499.92	778.33	329.06	1,552.93	2,356.10
	(b) Deferred tax	412.47	(70.19)	9.58	342.29	12.67	116.70
	Total tax expenses	241.61	429.73	787.91	671.35	1,565.60	2,472.80
5	Profit for the period (3-4)	719.98	875.21	1,520.92	1,595.18	2,923.97	4,486.06
6	Other comprehensive income						
	(A) (i) Items that will not be reclassified to the statement of profit and loss	(0.20)	(0.20)	(17.63)	(0.40)	(35.26)	(0.79)
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	0.07	0.07	6.16	0.14	12.32	0.28
	(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	-	-	-	-	-	-
	Total other comprehensive income	(0.13)	(0.13)	(11.47)	(0.26)	(22.94)	(0.51)
7	Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (5+6)	719.85	875.08	1,509.45	1,594.92	2,901.03	4,485.55
8	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48	720.48
9	Other equity						27,700.05
10	Earnings per share*						
	(a) Basic	2.00	2.43	4.22	4.43	8.12	12.45
	(b) Diluted	2.00	2.43	4.22	4.43	8.12	12.45

* not annualised except for the year ended 31 March 2019
See accompanying notes to the financial results



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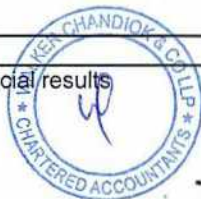
STERLING TOOLS LIMITED

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Part II
Statement of standalone assets and liabilities (₹ in lakhs)

Particulars	As at	As at
	30 September 2019 (Unaudited)	31 March 2019 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	25,370.01	18,152.64
(b) Capital work-in-progress	49.93	4,680.96
(c) Intangible assets	35.06	18.41
(d) Right of use assets	139.30	-
(e) Financial assets		
(i) Investments	2,288.13	2,288.13
(ii) Loans	365.64	311.99
(f) Other non-current assets	473.12	1,208.61
Total non current assets	28,721.19	26,660.74
Current assets		
(a) Inventories	7,137.38	8,248.76
(b) Financial assets		
(i) Investments	5,084.89	4,945.77
(ii) Trade receivables	2,178.51	4,219.34
(iii) Cash and cash equivalents	100.77	358.83
(iv) Bank balances other than (iii) above	31.62	29.46
(v) Loans	30.64	33.59
(vi) Other financial assets	243.46	296.36
(c) Other current assets	1,304.96	1,377.88
Total current assets	16,112.23	19,509.99
TOTAL ASSETS	44,833.42	46,170.73
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	28,426.39	27,700.05
Total equity	29,146.87	28,420.53
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,263.65	5,394.55
(ii) Lease liabilities	142.25	-
(iii) Other financial liabilities (other than those specified in item (b))	31.44	30.58
(b) Provisions	157.24	137.04
(c) Deferred tax liabilities (net)	1,980.79	1,638.51
(d) Other non-current liabilities	1,637.54	1,738.12
Total non current liabilities	10,212.91	8,938.80
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	852.76	3,229.74
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	53.64	54.91
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,588.14	2,992.57
(iii) Other financial liabilities (other than those specified in item (c))	1,462.25	1,717.84
(b) Other current liabilities	300.48	606.96
(c) Provisions	153.74	125.10
(d) Current tax liabilities (net)	62.63	84.28
Total current liabilities	5,473.64	8,811.40
TOTAL EQUITY AND LIABILITIES	44,833.42	46,170.73

See accompanying notes to the financial results





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Part III
Standalone cash flow statement

(₹ in lakhs)

Particulars	For the period ended 30 September 2019	For the period ended 30 September 2018
	(Unaudited)	(Unaudited)
A Cash flow from operating activities		
Net profit before tax	2,266.53	4,489.57
Adjustments for:		
Depreciation and amortisation expense	1,118.45	917.94
Unrealised foreign exchange gain (net)	(5.65)	(29.75)
Loss on disposal of property, plant and equipment (net)	2.18	2.87
Remeasurement loss on defined benefit plans	(0.26)	(22.94)
Finance costs	265.38	139.78
Gain on sale of mutual fund	(2.37)	(10.84)
Dividend income on mutual fund	(56.89)	(42.01)
Gain on fair value of mutual fund	(92.56)	(82.07)
Liabilities no longer required, written back	(0.22)	-
(Loss)/gain on foreign exchange fluctuation	43.51	(46.07)
Bad debts recovered	-	(1.70)
Operating profit before working capital changes	3,538.10	5,314.78
Decrease/(increase) in financial assets	2,002.95	(1,377.52)
Decrease/(increase) in other assets	85.18	(20.95)
Decrease/(increase) in inventory	1,111.37	(1,366.99)
(Decrease)/increase in financial liabilities	(411.75)	467.26
(Decrease)/increase in other liabilities	(407.06)	308.39
Increase in provisions	48.84	33.67
Net cash generated from operations	5,967.63	3,358.64
Income-tax paid (net)	(350.70)	(1,100.57)
Net cash generated from operating activities (A)	5,616.93	2,258.07
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work- in progress and payment for capital advances)	(3,236.59)	(2,501.02)
Proceeds from disposal of property, plant and equipment	19.25	10.36
Gain on sale of mutual fund	2.37	10.84
Redemption of mutual fund	10.32	652.30
Net cash used in investing activities (B)	(3,204.65)	(1,827.52)
C Cash flows from financing activities		
Proceeds from non-current borrowings	1,400.00	1,200.00
Repayment of non-current borrowings	(539.41)	(453.89)
Interim dividend paid including dividend distribution tax	(868.58)	(868.58)
Repayment of current borrowings (net)	(2,376.97)	(198.24)
Interest paid	(285.38)	(130.65)
Net cash used in financing activities (C)	(2,670.34)	(451.36)
Net decrease in cash and cash equivalents (A+B+C)	(258.06)	(20.81)
Cash and cash equivalents at the beginning of the period	358.83	100.84
Cash and cash equivalents at the end of the period	100.77	80.03

See accompanying notes to the financial results

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Notes:

1. The standalone financial results of Sterling Tools Limited (the 'Company') for the quarter and six months ended 30 September 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 November 2019. The statutory auditors of the Company have carried out a limited review of the aforesaid results.
2. The cash flow statement for the six months period ended 30 September 2018 has been reviewed by the Audit Committee and approved by the Board of Directors at their aforementioned respective meetings. However, the same was not subjected to limited review by the statutory auditors of the Company.
3. These standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
4. The Company has adopted Indian Accounting Standard 116 - Leases with effect from 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit for the quarter and six months period ended 30 September 2019.
5. The Company's business falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments and hence no additional disclosures are being furnished.

Place: Faridabad
Date: 14 November 2019



For and on behalf of the Board of Directors


(Anil Aggarwal)
Managing Director

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Sterling Tools Limited ('the Company') for the quarter ended 30 September 2019 and the year to date results for the period 1 April 2019 to 30 September 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Walker Chandiook & Co LLP

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

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644

UDIN: 19058644AAAADL8353



Place: Faridabad
Date: 14 November 2019



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Part I

Statement of consolidated unaudited financial results for the quarter and six months ended 30 September 2019

(₹ in lakhs, except per share data)

S. no.	Particulars	Three months ended 30 September 2019	Preceding three months ended 30 June 2019	Corresponding three months ended 30 September 2018	Year to date figures for current period ended 30 September 2019	Year to date figures for previous period ended 30 September 2018	Year ended 31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited) (Refer note 2)	(Unaudited)	(Unaudited) (Refer note 2)	(Audited)
1	Income						
	(a) Revenue from operations	8,924.01	10,430.88	13,934.90	19,354.89	27,062.21	51,220.35
	(b) Other income	204.68	142.65	172.57	347.33	363.32	654.45
	Total income	9,128.89	10,573.53	14,107.47	19,702.22	27,425.53	51,874.80
2	Expenses						
	(a) Cost of materials consumed	2,436.81	4,008.01	5,910.61	6,444.82	11,739.63	22,565.55
	(b) Changes in inventories of finished goods and work-in-progress	826.79	66.87	(256.79)	893.67	(705.09)	(1,880.71)
	(c) Employee benefits expense	920.57	954.80	828.56	1,875.38	1,755.27	3,583.11
	(d) Finance costs	128.61	139.48	68.93	268.08	142.05	366.48
	(e) Depreciation and amortisation expense	572.87	545.58	461.94	1,118.45	917.94	1,905.02
	(f) Consumption of stores and spares	703.71	727.81	1,146.19	1,431.52	2,214.00	4,307.85
	(g) Power and fuel	652.26	790.22	1,039.68	1,442.48	1,923.59	3,792.98
	(h) Other expenses	1,921.45	2,031.82	2,595.33	3,953.28	4,940.23	10,259.03
	Total expenses	8,163.07	9,264.59	11,794.45	17,427.68	22,927.62	44,899.31
3	Share of (loss)/profit of joint venture	(22.20)	(14.58)	(3.38)	(36.78)	2.45	13.59
4	Profit before tax (1-2+3)	943.42	1,294.36	2,309.64	2,237.76	4,500.36	6,989.08
5	Tax expense						
	(a) Current tax	(170.51)	501.04	778.87	330.53	1,554.63	2,360.98
	(b) Deferred tax	412.47	(70.19)	9.58	342.29	12.67	116.36
	Total tax expenses	241.96	430.85	788.45	672.82	1,567.30	2,477.34
6	Profit for the period (4-5)	701.46	863.51	1,521.19	1,564.94	2,933.06	4,511.74
7	Other comprehensive income						
	(A) (i) Items that will not be reclassified to the statement of profit and loss	(0.20)	(0.20)	(17.63)	(0.40)	(35.26)	(0.79)
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	0.07	0.07	6.16	0.14	12.32	0.28
	(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	-	-	-	-	-	-
	Total other comprehensive income	(0.13)	(0.13)	(11.47)	(0.26)	(22.94)	(0.51)
8	Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (6+7)	701.33	863.38	1,509.72	1,564.68	2,910.12	4,511.23
9	Profit for the period attributable to						
	(a) Owners of the Company	701.46	863.51	1,521.19	1,564.94	2,933.06	4,511.74
	(b) Non controlling interest	-	-	-	-	-	-
10	Other comprehensive income attributable to						
	(a) Owners of the Company	(0.13)	(0.13)	(11.47)	(0.26)	(22.94)	(0.51)
	(b) Non controlling interest	-	-	-	-	-	-
11	Total comprehensive income attributable to						
	(a) Owners of the Company	701.33	863.38	1,509.72	1,564.68	2,910.12	4,511.23
	(b) Non controlling interest	-	-	-	-	-	-
12	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48	720.48
13	Other equity						27,329.19
14	Earnings per share*						
	(a) Basic	1.95	2.40	4.22	4.34	8.14	12.52
	(b) Diluted	1.95	2.40	4.22	4.34	8.14	12.52

* not annualised except for the year ended 31 March 2019
 See accompanying notes to the financial results

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Part II

Statement of consolidated assets and liabilities

(₹ in lakhs)

Particulars	As at	As at
	30 September 2019 (Unaudited)	31 March 2019 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	26,359.61	19,142.24
(b) Capital work-in-progress	49.93	4,680.96
(c) Intangible assets	35.06	18.41
(d) Right of use assets	139.30	-
(e) Financial assets		
(i) Investments	652.19	688.97
(ii) Loans	365.64	311.99
(iii) Other financial assets	0.90	0.90
(f) Other non-current assets	473.12	1,208.61
Total non current assets	28,075.75	26,052.08
Current assets		
(a) Inventories	7,137.38	8,248.76
(b) Financial assets		
(i) Investments	5,084.89	4,945.77
(ii) Trade receivables	2,178.51	4,219.34
(iii) Cash and cash equivalents	101.69	386.14
(iv) Bank balances other than (iii) above	143.62	117.46
(v) Loans	153.74	151.63
(vi) Other financial assets	253.33	301.98
(c) Other current assets	1,304.96	1,377.88
Total current assets	16,358.12	19,748.96
TOTAL ASSETS	44,433.87	45,801.04
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	28,025.31	27,329.19
Total equity	28,745.79	28,049.67
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,263.65	5,394.55
(ii) Lease liabilities	142.25	-
(iii) Other financial liabilities (other than those specified in item (b))	31.44	30.58
(b) Provisions	157.24	137.05
(c) Deferred tax liabilities (net)	1,980.45	1,638.17
(d) Other non-current liabilities	1,637.54	1,738.12
Total non current liabilities	10,212.57	8,938.47
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	852.76	3,229.74
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	53.64	54.91
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,588.55	2,992.93
(iii) Other financial liabilities (other than those specified in item (c))	1,462.26	1,717.84
(b) Other current liabilities	300.48	606.96
(c) Provisions	153.74	125.10
(d) Current tax liabilities (net)	64.08	85.42
Total current liabilities	5,475.51	8,812.90
TOTAL EQUITY AND LIABILITIES	44,433.87	45,801.04

See accompanying notes to the financial results





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Part III
Consolidated cash flow statement (₹ in lakhs)

Particulars	For the period ended	For the period ended
	30 September 2019	30 September 2018
	(Unaudited)	(Unaudited)
A Cash flow from operating activities		
Net profit before tax	2,237.76	4,500.36
Adjustments for:		
Depreciation and amortisation expense	1,118.45	917.94
Unrealised foreign exchange gain (net)	(5.65)	(29.75)
Loss on disposal of property, plant and equipment (net)	2.18	2.87
Remeasurement loss on defined benefit plans	(0.26)	(22.94)
Finance costs	265.38	139.78
Gain on sale of mutual fund	(2.37)	(10.84)
Dividend income on mutual fund	(56.89)	(42.01)
Gain on fair value of mutual fund	(92.56)	(82.07)
Liabilities no longer required, written back	(0.22)	-
(Loss)/gain on foreign exchange fluctuation	43.51	(46.07)
Bad debts recovered	-	(1.70)
Operating profit before working capital changes	3,509.33	5,325.57
Decrease/(increase) in financial assets	1,993.63	(1,380.55)
Decrease/(increase) in other assets	85.18	(20.94)
Decrease/(increase) in inventory	1,111.37	(1,366.99)
(Decrease)/increase in financial liabilities	(411.75)	465.81
(Decrease)/increase in other liabilities	(406.66)	308.39
Increase in provisions	48.84	33.67
Net cash generated from operations	5,929.94	3,364.96
Income-tax paid (net)	(352.17)	(1,102.28)
Net cash generated from operating activities (A)	5,577.77	2,262.68
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work- in progress and payment for capital advances)	(3,236.59)	(2,501.03)
Proceeds from disposal of property, plant and equipment	19.25	10.36
Maturity of fixed deposit	-	40.00
Investment in fixed deposit	(24.00)	-
Gain on sale of mutual fund	2.37	10.84
Redemption of mutual fund	10.32	652.30
Share of loss/(profit) for the investment in joint venture	36.78	(2.45)
Net cash used in investing activities (B)	(3,191.87)	(1,789.98)
C Cash flows from financing activities		
Proceeds from non-current borrowings	1,400.00	1,200.00
Repayment of non-current borrowings	(539.41)	(479.68)
Interim dividend paid including dividend distribution tax	(868.58)	(868.58)
Repayment of current borrowings (net)	(2,376.98)	(202.82)
Interest paid	(285.38)	(130.65)
Net cash used in financing activities (C)	(2,670.35)	(481.73)
Net decrease in cash and cash equivalents (A+B+C)	(284.45)	(9.03)
Cash and cash equivalents at the beginning of the period	386.14	101.85
Cash and cash equivalents at the end of the period	101.69	92.82

See accompanying notes to the 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

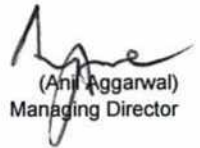
Notes:

1. The consolidated financial results of Sterling Tools Limited (the 'Holding Company') for the quarter and six months ended 30 September 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 November 2019. The statutory auditors of the Holding Company have carried out a limited review of the aforesaid results.
2. The consolidated financial results for the quarter and six months period ended 30 September 2018 and the cash flow statement for the six months period ended 30 September 2018 has been reviewed by the Audit Committee and approved by the Board of Directors at their aforementioned respective meetings. However, the same was not subjected to limited review by the statutory auditors of the Holding Company.
3. These consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
4. The Group has adopted Indian Accounting Standard 116 - Leases with effect from 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit for the quarter and six months period ended 30 September 2019.
5. The Group's business falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments and hence no additional disclosures are being furnished.

For and on behalf of the Board of Directors

Place: Faridabad
Date: 14 November 2019




(Anil Aggarwal)
Managing Director

Walker Chandiook & Co LLP

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(Formerly Walker, Chandiook & Co)
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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date 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

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Sterling Tools Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') and its joint venture (refer Annexure 1 for the list of subsidiary and joint venture included in the Statement) for the quarter ended 30 September 2019 and the consolidated year to date results for the period 1 April 2019 to 30 September 2019, 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), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30 September 2018 and the corresponding period from 1 April 2018 to 30 September 2018, as reported in the Statement have been approved by the Holding Company's Board of Directors, but have not been subjected to audit or review. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes the interim financial information of the subsidiary, which has not been reviewed by its auditor, whose interim financial information reflects total assets of ₹ 248.03 lakh as at 30 September 2019, and total revenues of ₹ 4.73 lakh and ₹ 9.03 lakh, net profit after tax of ₹ 3.68 lakh and ₹ 6.55 lakh, total comprehensive income of ₹ 3.68 lakh and ₹ 6.55 lakh for the quarter and six months period ended 30 September 2019 respectively, cash outflow (net) of ₹ 26.40 lakh for the period ended 30 September 2019 as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 22.20 lakh and ₹ 36.92 lakh, and total comprehensive loss of ₹ 22.20 lakh and ₹ 36.78 lakh for the quarter and six months period ended on 30 September 2019 respectively, in respect of its joint venture, based on its interim financial information, which has not been reviewed by its auditor, and has been furnished to us by the Holding Company's management. Our conclusion on the Statement, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), read with SEBI Circular, in so far as it relates to the aforesaid subsidiary and joint venture, are based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rajni Munda

Rajni Munda
Partner
Membership No.: 058644

UDIN: 19058644AAA DM8099



Place: Faridabad
Date: 14 November 2019

Annexure I to the Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of Sterling Tools Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Annexure I

List of entities included in the Statement

1. Haryana Ispat Private Limited, subsidiary; and
2. Sterling Fabory India Private Limited, joint venture.

