



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 I

Statement of standalone unaudited financial results for the quarter and nine months ended 31 December 2019

(₹ in lakhs, except per share data)

| S. No. | Particulars | Three months ended | Preceding three | Corresponding three | Year to date figures | Year to date figures | Year ended |
|--------|--|--------------------|-------------------|---------------------|----------------------|----------------------|------------------|
| | | 31 December 2019 | months ended | months ended | for current period | for previous period | 31 March 2019 |
| | | (Unaudited) | 30 September 2019 | 31 December 2018 | ended | ended | (Audited) |
| | | | (Unaudited) | (Unaudited) | 31 December 2019 | 31 December 2018 | |
| 1 | Income | | | | | | |
| | (a) Revenue from operations | 8,486.38 | 8,924.01 | 12,328.35 | 27,841.27 | 39,390.56 | 51,220.35 |
| | (b) Other income | 144.27 | 199.95 | 110.09 | 482.57 | 464.41 | 636.29 |
| | Total income | 8,630.65 | 9,123.96 | 12,438.44 | 28,323.84 | 39,854.97 | 51,856.64 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 3,036.39 | 2,436.81 | 6,063.63 | 9,481.21 | 17,803.26 | 22,565.55 |
| | (b) Changes in inventories of finished goods and work-in-progress | 128.69 | 826.80 | (1,337.83) | 1,022.36 | (2,042.92) | (1,880.71) |
| | (c) Employee benefits expense | 951.91 | 920.58 | 913.48 | 2,827.29 | 2,668.76 | 3,583.11 |
| | (d) Finance costs | 179.13 | 128.60 | 64.71 | 447.21 | 206.76 | 366.38 |
| | (e) Depreciation and amortisation expenses | 647.83 | 572.87 | 482.89 | 1,766.28 | 1,400.83 | 1,905.02 |
| | (f) Consumption of stores and spares | 614.53 | 703.71 | 1,095.15 | 2,046.05 | 3,309.15 | 4,307.85 |
| | (g) Power and fuel | 682.49 | 652.26 | 1,033.59 | 2,124.97 | 2,957.18 | 3,792.98 |
| | (h) Other expenses | 1,678.74 | 1,920.74 | 2,779.24 | 5,631.00 | 7,718.82 | 10,257.60 |
| | Total expenses | 7,919.71 | 8,162.37 | 11,094.86 | 25,346.37 | 34,021.84 | 44,897.78 |
| 3 | Profit before tax (1-2) | 710.94 | 961.59 | 1,343.58 | 2,977.47 | 5,833.13 | 6,958.86 |
| 4 | Tax expense | | | | | | |
| | (a) Current tax | 157.99 | (170.86) | 469.57 | 487.05 | 2,022.50 | 2,356.10 |
| | (b) Deferred tax | 60.89 | 412.47 | 47.22 | 403.17 | 59.89 | 116.70 |
| | Total tax expenses | 218.88 | 241.61 | 516.79 | 890.22 | 2,082.39 | 2,472.80 |
| 5 | Profit for the period (3-4) | 492.06 | 719.98 | 826.79 | 2,087.25 | 3,750.74 | 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) | (0.59) | (52.89) | (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 | 0.21 | 18.48 | 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) | (0.38) | (34.41) | (0.51) |
| 7 | Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (5+6) | 491.93 | 719.85 | 815.32 | 2,086.87 | 3,716.33 | 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 | 1.37 | 2.00 | 2.30 | 5.79 | 10.41 | 12.45 |
| | (b) Diluted | 1.37 | 2.00 | 2.30 | 5.79 | 10.41 | 12.45 |

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

Notes:

- The standalone financial results of Sterling Tools Limited (the 'Company') for the quarter and nine months ended 31 December 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 February 2020. The statutory auditors of the Company have carried out a limited review of the aforesaid results.
- 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, and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and other accounting principles generally accepted in India.
- 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 nine months period ended 31 December 2019.
- 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 February 2020



SIGNED FOR
IDENTIFICATION
PURPOSES

For and on behalf of the Board of Directors



Anil Aggarwal
(Anil Aggarwal)
Managing Director

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
L-41 Connaught Circus
New Delhi 110001
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 31 December 2019 and the year to date results for the period 1 April 2019 to 31 December 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.
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'), and as per the presentation requirements of 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 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, and as per the presentation requirements of 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 ChandioK & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644
UDIN:20058644AAAAAJ3025



Place: Faridabad
Date: 14 February 2020



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Part I

Statement of consolidated unaudited financial results for the quarter and nine months ended 31 December 2019

(₹ in lakhs, except per share data)

| S. No. | Particulars | Three months ended | Preceding three | Corresponding three | Year to date figures | Year to date figures | Year ended |
|--------|--|--------------------|-------------------|---------------------|----------------------|----------------------|------------------|
| | | 31 December 2019 | months ended | months ended | for current period | for previous period | 31 March 2019 |
| | | (Unaudited) | 30 September 2019 | 31 December 2018 | ended | ended | |
| | | | (Unaudited) | (Unaudited) | 31 December 2019 | 31 December 2018 | (Audited) |
| | | | | (Refer note 2) | (Unaudited) | (Unaudited) | |
| | | | | | (Refer note 2) | (Refer note 2) | |
| 1 | Income | | | | | | |
| | (a) Revenue from operations | 8,486.38 | 8,924.01 | 12,328.35 | 27,841.27 | 39,390.56 | 51,220.35 |
| | (b) Other income | 147.84 | 204.68 | 114.70 | 495.17 | 478.02 | 654.45 |
| | Total income | 8,634.22 | 9,128.69 | 12,443.05 | 28,336.44 | 39,868.58 | 51,874.80 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 3,036.39 | 2,436.81 | 6,063.63 | 9,481.21 | 17,803.26 | 22,565.55 |
| | (b) Changes in inventories of finished goods and work-in-progress | 128.69 | 826.79 | (1,337.82) | 1,022.36 | (2,042.92) | (1,880.71) |
| | (c) Employee benefits expense | 951.91 | 920.57 | 913.48 | 2,827.29 | 2,668.76 | 3,583.11 |
| | (d) Finance costs | 179.13 | 128.61 | 64.71 | 447.21 | 206.76 | 366.48 |
| | (e) Depreciation and amortisation expenses | 647.83 | 572.87 | 482.89 | 1,766.28 | 1,400.83 | 1,905.02 |
| | (f) Consumption of stores and spares | 614.53 | 703.71 | 1,095.15 | 2,046.05 | 3,309.15 | 4,307.85 |
| | (g) Power and fuel | 682.49 | 652.26 | 1,033.59 | 2,124.97 | 2,957.18 | 3,792.98 |
| | (h) Other expenses | 1,679.00 | 1,921.45 | 2,779.74 | 5,632.28 | 7,719.97 | 10,259.03 |
| | Total expenses | 7,919.97 | 8,163.07 | 11,095.37 | 25,347.65 | 34,022.99 | 44,899.31 |
| 3 | Share of (loss)/profit of joint venture | (20.98) | (22.20) | (4.89) | (57.76) | (2.44) | 13.59 |
| 4 | Profit before tax (1-2+3) | 693.27 | 943.42 | 1,342.79 | 2,931.03 | 5,843.15 | 6,989.08 |
| 5 | Tax expense | | | | | | |
| | (a) Current tax | 158.52 | (170.51) | 470.20 | 489.05 | 2,024.83 | 2,360.98 |
| | (b) Deferred tax | 60.89 | 412.47 | 47.22 | 403.17 | 59.89 | 116.36 |
| | Total tax expenses | 219.41 | 241.96 | 517.42 | 892.22 | 2,084.72 | 2,477.34 |
| 6 | Profit for the period (4-5) | 473.86 | 701.46 | 825.37 | 2,038.81 | 3,758.43 | 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) | (0.59) | (52.89) | (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 | 0.21 | 18.48 | 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) | (0.38) | (34.41) | (0.51) |
| 8 | Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (6+7) | 473.73 | 701.33 | 813.90 | 2,038.43 | 3,724.02 | 4,511.23 |
| 9 | Profit for the period attributable to | | | | | | |
| | (a) Owners of the Company | 473.86 | 701.46 | 825.37 | 2,038.81 | 3,758.43 | 4,511.74 |
| | (b) Non controlling interest | - | - | - | - | - | - |
| 10 | Other comprehensive income attributable to | | | | | | |
| | (a) Owners of the Company | (0.13) | (0.13) | (11.47) | (0.38) | (34.41) | (0.51) |
| | (b) Non controlling interest | - | - | - | - | - | - |
| 11 | Total comprehensive income attributable to | | | | | | |
| | (a) Owners of the Company | 473.73 | 701.33 | 813.90 | 2,038.43 | 3,724.02 | 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 | 1.32 | 1.95 | 2.29 | 5.66 | 10.43 | 12.52 |
| | (b) Diluted | 1.32 | 1.95 | 2.29 | 5.66 | 10.43 | 12.52 |

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

Notes:

- The consolidated financial results of Sterling Tools Limited (the 'Holding Company') for the quarter and nine months ended 31 December 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 February 2020. The statutory auditors of the Holding Company have carried out a limited review of the aforesaid results.
- The consolidated financial results for the quarter and nine months period ended 31 December 2018 have 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.
- 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, and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and other accounting principles generally accepted in India.
- 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 nine months period ended 31 December 2019.
- 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.

Place: Faridabad
 Date: 14 February 2020



SIGNED FOR IDENTIFICATION PURPOSES

For and on behalf of the Board of Directors

(Anil Aggarwal)
 Managing Director

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(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 31 December 2019 and the consolidated year to date results for the period 1 April 2019 to 31 December 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 31 December 2018 and the corresponding period from 1 April 2018 to 31 December 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.
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'), and as per the presentation requirements of 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, and as per the presentation requirements of 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 revenues of ₹ 3.57 lakh and ₹ 12.61 lakh, net profit after tax of ₹ 2.78 lakh and ₹ 9.33 lakh, total comprehensive income of ₹ 2.78 lakh and ₹ 9.33 lakh for the quarter and nine months period ended 31 December 2019 respectively, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 20.79 lakh and ₹ 57.71 lakh, and total comprehensive loss of ₹ 20.98 lakh and ₹ 57.76 lakh for the quarter and nine months period ended on 31 December 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 Mundry..
Rajni Mundra
Partner
Membership No.: 058644
UDIN: 20058644AAAAAK9421



Place: Faridabad
Date: 14 February 2020

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 1

List of entities included in the Statement

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

