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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 2021, 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'), including relevant circulars issued by the SEBI from time to time.
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 applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, 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 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements 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.

Walker Chandniok & 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)

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual audited 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/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder 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, 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 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 management.

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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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 2021, 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 Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

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by RAJNI
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A Date: 2021.06.12
13:52:10 +05'30'

Rajni Mundra

Partner

Membership No.: 058644

UDIN: 21058644AAAACM6502

Place: New Delhi

Date: 12 June 2021



STERLING TOOLS LIMITED

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

Part I

Statement of standalone financial results for the quarter and financial year ended 31 March 2021

(₹ in lakhs, except per share data)

S. No.	Particulars	Three months ended 31 March 2021	Preceding three months ended 31 December 2020	Corresponding three months ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
		(Audited) (Refer note 3)	(Unaudited)	(Audited) (Refer note 3)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	12,641.98	11,105.68	8,582.87	35,295.04	36,424.15
	(b) Other income	128.27	137.11	126.57	518.38	609.13
	Total income	12,770.25	11,242.79	8,709.44	35,813.42	37,033.28
2	Expenses					
	(a) Cost of materials consumed	5,308.99	4,276.06	2,853.76	13,653.62	12,334.97
	(b) Changes in inventories of finished goods and work-in-progress	(934.66)	(457.22)	381.04	(1,525.82)	1,403.40
	(c) Employee benefits expense	982.02	935.69	800.25	3,607.90	3,627.54
	(d) Finance costs	194.59	187.24	179.13	760.25	626.34
	(e) Depreciation and amortisation expenses	710.88	672.24	655.56	2,631.61	2,421.84
	(f) Consumption of stores and spares	1,078.88	989.27	777.87	2,932.15	2,823.92
	(g) Power and fuel	1,066.50	957.27	693.84	3,072.80	2,818.81
	(h) Other expenses	3,003.37	2,081.58	1,646.95	7,321.74	7,277.95
	Total expenses	11,410.57	9,642.13	7,988.40	32,454.25	33,334.77
3	Profit before exceptional items and tax (1-2)	1,359.68	1,600.66	721.04	3,359.17	3,698.51
4	Exceptional items (refer note 6)	242.18	-	328.25	242.18	328.25
5	Profit before tax (3-4)	1,117.50	1,600.66	392.79	3,116.99	3,370.26
6	Tax expense					
	(a) Current tax	273.91	372.49	106.90	770.66	593.95
	(b) Deferred tax	(106.98)	11.09	(531.77)	(95.48)	(128.60)
	Total tax expenses	166.93	383.58	(424.87)	675.18	465.35
7	Profit for the period (5-6)	950.57	1,217.08	817.66	2,441.81	2,904.91
8	Other comprehensive income					
	(A) (i) Items that will not be reclassified to the statement of profit and loss	191.42	3.41	553.25	201.67	552.66
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	(48.18)	(0.86)	(139.30)	(50.76)	(139.09)
	(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	143.24	2.55	413.95	150.91	413.57
9	Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (7+8)	1,093.81	1,219.63	1,231.61	2,592.72	3,318.48
10	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48
11	Other equity				32,742.67	30,149.95
12	Earnings per share*					
	(a) Basic	2.64	3.38	2.27	6.78	8.06
	(b) Diluted	2.64	3.38	2.27	6.78	8.06

* not annualised except for the year ended 31 March 2021 and 31 March 2020
 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: stlfasteners.com, E-mail: csec@stlfasteners.com, CIN: L29222DL1979PLC009668

Part II

Statement of standalone assets and liabilities

(₹ in lakhs)

Particulars	As at	As at
	31 March 2021	31 March 2020
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	24,400.72	25,167.97
(b) Capital work-in-progress	-	63.62
(c) Right-of-use assets	77.09	131.17
(d) Other intangible assets	55.40	37.36
(e) Financial assets		
(i) Investments	3,301.06	2,798.88
(ii) Loans	424.40	422.72
(f) Income-tax assets (net)	80.13	-
(g) Other non-current assets	748.18	1,186.12
Total non current assets	29,086.98	29,807.84
Current assets		
(a) Inventories	10,940.51	5,943.90
(b) Financial assets		
(i) Investments	1,275.48	564.07
(ii) Trade receivables	4,155.80	2,806.56
(iii) Cash and cash equivalents	195.98	1,049.27
(iv) Bank balances other than (iii) above	2,471.21	27.73
(v) Loans	35.94	37.83
(vi) Other financial assets	296.06	2,575.31
(c) Other current assets	3,242.96	1,731.35
Total current assets	22,613.94	14,736.02
TOTAL ASSETS	51,700.92	44,543.86
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	32,742.67	30,149.95
Total equity	33,463.15	30,870.43
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,774.83	4,806.72
(ii) Lease liabilities	32.58	46.06
(iii) Other financial liabilities (other than those specified in item (b))	28.05	26.39
(b) Provisions	144.39	153.19
(c) Deferred tax liabilities (net)	1,604.28	1,649.00
(d) Other non-current liabilities	1,832.56	1,534.01
Total non current liabilities	7,416.69	8,215.37
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,105.53	575.72
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	809.31	175.07
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,181.47	1,915.25
(iii) Lease liabilities	49.29	89.62
(iv) Other financial liabilities (other than those specified in item (c))	2,008.09	2,307.32
(b) Other current liabilities	528.44	268.11
(c) Provisions	40.30	71.19
(d) Current tax liabilities (net)	98.65	55.78
Total current liabilities	10,821.08	5,458.06
TOTAL EQUITY AND LIABILITIES	51,700.92	44,543.86

See accompanying notes to the financial results



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Part III Standalone cash flow statement

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
	(Audited)	(Audited)
A Cash flow from operating activities		
Net profit before tax	3,116.99	3,370.26
Adjustments for:		
Depreciation and amortisation expenses	2,631.61	2,421.84
Unrealised foreign exchange loss/(gain)	7.65	(6.17)
Interest on delayed payment of advance tax	20.35	4.87
Loss/(profit) on disposal of property, plant and equipment	89.91	(4.09)
Remeasurement of defined benefit plans	54.11	13.66
Finance costs	713.37	601.32
Interest on lease liabilities	10.29	12.99
Interest income	(223.70)	(22.34)
Amortisation of grant income	(233.95)	(207.60)
Gain on sale of mutual fund	(6.91)	(70.76)
Dividend income on mutual fund	-	(125.22)
Gain on fair value of mutual fund	(11.89)	(9.67)
Liabilities no longer required written back	(15.84)	(45.20)
(Gain)/loss on fair value of forward contracts	(5.84)	70.37
Bad debts written off	12.79	1.37
Provision for export incentive receivable	32.05	-
Provision for diminution in the value of investments	242.18	328.25
Operating profit before working capital changes	6,433.17	6,333.88
Decrease/(increase) in financial assets	882.80	(987.70)
(Increase) in other assets	(1,499.95)	(353.93)
Increase/(decrease) in financial liabilities	1,189.29	(1,115.15)
(Increase)/decrease in inventories	(4,996.61)	2,304.86
Increase/(decrease) in other liabilities	792.83	(335.36)
(Decrease) in provisions	(39.70)	(37.76)
Net cash generated from operations	2,761.83	5,808.84
Income-tax paid (net)	(828.27)	(627.32)
Net cash from operating activities (A)	1,933.56	5,181.52
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in progress and payment for capital advances)	(1,587.79)	(4,596.90)
Proceeds from disposal of property, plant and equipment	19.95	43.35
Investment in fixed deposit	(2,448.91)	-
(Investment in)/redemption of mutual funds	(692.61)	4,587.35
Interest received	225.25	14.34
Investment in equity instruments	(596.80)	(300.00)
Net cash used in investing activities (B)	(5,080.91)	(251.86)
C Cash flows from financing activities		
Proceeds from non-current borrowings	625.00	1,400.00
Repayment of non-current borrowings	(2,058.08)	(1,308.98)
Interim dividend paid including dividend distribution tax	-	(868.58)
Proceeds from current borrowings (net)	4,529.80	(2,654.02)
Repayment of lease liabilities	(77.04)	(86.61)
Interest paid	(725.62)	(721.03)
Net cash from/(used in) financing activities (C)	2,294.06	(4,239.22)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(853.29)	690.44
Cash and cash equivalents at the beginning of the year	1,049.27	358.83
Cash and cash equivalents at the end of the year	195.98	1,049.27

Components of cash and cash equivalents:

Balances with scheduled banks in current accounts	192.39	93.91
Cash on hand	3.59	5.36
Balances with banks in deposit accounts with original maturity upto three months	-	950.00
	195.98	1,049.27

Note:

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

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 year ended 31 March 2021 which have extracted from the audited financial statements have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 June 2021. The statutory auditors of the Company have expressed an unmodified audit opinion on these financial results.
2. The above results have been prepared in accordance with the recognition and measurement principles of the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended).
3. Figures for the quarters ended 31 March 2021 and 31 March 2020 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 2021 and 31 March 2020 respectively.
4. The Company's business falls within a single operating business segment in terms of the Indian Accounting Standard 108 - Operating Segments and hence, no additional disclosures have been furnished.
5. During the year, the Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised the tax provision for the year ended 31 March 2021 on the basis of the rates prescribed in the aforementioned section.
6. Exceptional items includes provision for diminution in the value of investment in the joint venture company, Sterling Fabory India Private Limited. Owing to the current operations of the joint venture company, the management has performed an impairment assessment and basis the same, has recorded a provision of diminution in the value of investments amounting to Rs. 242.18 lakh (previous year - Rs. 328.25 lakh).
7. Due to the outbreak of Coronavirus Disease 2019 (COVID - 19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Company remained suspended from 22 March 2020 till 10 May 2020. The Company in compliance with the necessary instructions/guidelines, resumed its operations from 11 May 2020 in a phased manner, while ensuring health and safety of all the stakeholders.

This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Company during the year ended 31 March 2021. Further, the recent second wave of COVID - 19 has resulted in partial lockdown/restriction in various states. However, the Company is closely monitoring the impact of the aforementioned pandemic and believes that there will not be any adverse impact on the long-term operations and performance of the Company.

8. The Indian Parliament has approved the Code on Social Security, 2020 which could have a likely impact on the contributions made by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company shall assess and evaluate the likely financial impact once the subject rules are notified and shall subsequently furnish the same in the financial results, as appropriate.
9. The Board of Directors have recommended a final dividend of Re. 1 per equity share of face value Rs 2 each for the financial year 2020-21.

For and on behalf of the Board of Directors



(Anil Aggarwal)
Managing Director

Place: Faridabad
Date: 12 June 2021



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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'), and its joint venture for the year ended 31 March 2021, 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'), including relevant circulars issued by the SEBI from time to time.
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 and joint venture, 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;
 - b. Sterling Gtake E-mobility Limited, subsidiary; and
 - c. Sterling Fabory India Private Limited, joint venture.
 - (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 applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, 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 and its joint venture, for the year ended 31 March 2021.

Walker Chandiook & 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)

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group and its joint venture, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 and that obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter 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 audited 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 after tax and other comprehensive income, and other financial information of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder 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 and its joint venture, 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 its joint venture, 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 and of its joint venture, are responsible for assessing the ability of the Group and of its joint venture, 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 and of its joint venture, are responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

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.

Walker Chandiook & 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)

8. As part of an audit in accordance with the Standards on Auditing, 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 management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture, 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 and its joint venture 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 and its joint venture, 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 Chandiook & 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 ₹ 982.83 lakh as at 31 March 2021, total revenues of ₹ 37.69 lakh, total net (loss) after tax of ₹ 221.31 lakh, total comprehensive (loss) of ₹ 221.31 lakh, and cash flows (net) of ₹ (202.42) lakh for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net (loss) after tax of ₹ 50.94 lakh and total comprehensive (loss) of ₹ 50.80 lakh for the year ended 31 March 2021, in respect of the joint venture, whose annual financial statements have not been audited by us. 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 and joint venture 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 these matters 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 2021, 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 Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

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by RAJNI
MUNDRA
Date: 2021.06.12
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Rajni Mundra

Partner

Membership No.: 058644

UDIN: 21058644AAAACL4759

Place: New Delhi

Date: 12 June 2021



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 I

Statement of consolidated financial results for the quarter and financial year ended 31 March 2021

(₹ in lakhs, except per share data)

S. no.	Particulars	Three months ended 31 March 2021 (Audited) (Refer note 3)	Preceding three months ended 31 December 2020 (Unaudited)	Corresponding three months ended 31 March 2020 (Audited) (Refer note 3)	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
1	Income					
	(a) Revenue from operations	12,649.12	11,117.11	8,582.88	35,314.10	36,424.15
	(b) Other income	132.12	141.76	129.17	537.01	624.34
	Total income	12,781.24	11,258.87	8,712.05	35,851.11	37,048.49
2	Expenses					
	(a) Cost of materials consumed	5,332.81	4,289.54	2,853.76	13,694.87	12,334.97
	(b) Changes in inventories of finished goods and work-in-progress	(948.44)	(463.50)	381.04	(1,549.20)	1,403.40
	(c) Employee benefits expense	1,047.65	985.89	814.23	3,790.72	3,641.52
	(d) Finance costs	194.59	187.24	179.23	760.25	626.44
	(e) Depreciation and amortisation expenses	715.34	673.18	655.59	2,637.65	2,421.87
	(f) Consumption of stores and spares	1,078.88	989.27	777.87	2,932.15	2,823.92
	(g) Power and fuel	1,067.68	959.82	693.92	3,076.57	2,818.89
	(h) Other expenses	3,041.14	2,107.27	1,684.64	7,423.54	7,316.92
	Total expenses	11,529.65	9,728.71	8,040.28	32,766.55	33,387.93
3	Profit before share of (loss)/profit of investment accounted for using equity method and tax (1-2)	1,251.59	1,530.16	671.77	3,084.56	3,660.56
4	Share of (loss)/profit of investment accounted for using equity method	(29.81)	6.39	(2.19)	(50.80)	(59.95)
5	Profit before tax (3+4)	1,221.78	1,536.55	669.58	3,033.76	3,600.61
6	Tax expense					
	(a) Current tax	275.07	373.34	108.12	774.33	597.17
	(b) Deferred tax	(103.87)	11.82	(450.17)	(91.48)	(47.00)
	Total tax expenses	171.20	385.16	(342.05)	682.85	550.17
7	Profit for the period (5-6)	1,050.58	1,151.39	1,011.63	2,350.91	3,050.44
8	Other comprehensive income					
	(A) (i) Items that will not be reclassified to the statement of profit and loss	191.42	3.41	553.25	201.67	552.66
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	(48.18)	(0.86)	(139.30)	(50.76)	(139.09)
	(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	143.24	2.55	413.95	150.91	413.57
9	Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (7+8)	1,193.82	1,153.94	1,425.58	2,501.82	3,464.01
10	Profit/(loss) for the period attributable to					
	(a) Owners of the Company	1,050.50	1,151.79	1,012.45	2,351.18	3,051.26
	(b) Non controlling interests	0.08	(0.40)	(0.82)	(0.27)	(0.82)
11	Other comprehensive income attributable to					
	(a) Owners of the Company	143.24	2.55	413.95	150.91	413.57
	(b) Non controlling interests	-	-	-	-	-
12	Total comprehensive income/(loss) attributable to					
	(a) Owners of the Company	1,193.74	1,154.34	1,426.40	2,502.09	3,464.83
	(b) Non controlling interests	0.08	(0.40)	(0.82)	(0.27)	(0.82)
13	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48
14	Other equity				32,426.79	29,925.44
15	Earnings per share*					
	(a) Basic	2.92	3.20	2.81	6.53	8.47
	(b) Diluted	2.92	3.20	2.81	6.53	8.47

* not annualised except for the year ended 31 March 2021 and 31 March 2020

See accompanying notes to the financial results

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STERLING TOOLS LIMITED

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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 2021 (Audited)	31 March 2020 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	25,584.70	26,159.94
(b) Capital work-in-progress	34.67	63.62
(c) Right-of-use assets	77.09	131.17
(d) Other intangible assets	60.82	37.87
(e) Financial assets		
(i) Investments	1,316.98	1,168.02
(ii) Loans	426.94	423.62
(f) Income-tax assets (net)	80.56	-
(g) Other non-current assets	755.58	1,189.62
Total non current assets	28,337.34	29,173.86
Current assets		
(a) Inventories	10,968.68	5,943.90
(b) Financial assets		
(i) Investments	1,275.48	564.07
(ii) Trade receivables	4,163.29	2,806.56
(iii) Cash and cash equivalents	512.63	1,568.34
(iv) Bank balances other than (iii) above	2,720.11	27.73
(v) Loans	35.94	38.72
(vi) Other financial assets	305.65	2,575.31
(c) Other current assets	3,310.95	1,735.98
Total current assets	23,292.73	15,260.61
TOTAL ASSETS	51,630.07	44,434.47
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	32,426.79	29,925.44
Total equity attributable to owners of the Company	33,147.27	30,645.92
Non controlling interests	0.67	4.18
Total equity	33,147.94	30,650.10
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,774.83	4,806.72
(ii) Lease liabilities	32.58	46.06
(iii) Other financial liabilities (other than those specified in item (b))	28.05	26.39
(b) Provisions	148.98	153.19
(c) Deferred tax liabilities (net)	1,689.54	1,730.26
(d) Other non-current liabilities	1,832.56	1,534.01
Total non current liabilities	7,506.54	8,296.63
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,105.53	575.72
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	809.32	175.07
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,243.73	1,938.75
(iii) Lease liabilities	49.29	89.62
(iv) Other financial liabilities (other than those specified in item (c))	2,089.44	2,309.33
(b) Other current liabilities	536.85	270.21
(c) Provisions	40.36	71.19
(d) Current tax liabilities (net)	101.07	57.85
Total current liabilities	10,975.59	5,487.74
TOTAL EQUITY AND LIABILITIES	51,630.07	44,434.47

See accompanying notes to the financial results



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Part III

Consolidated cash flow statement

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	(Audited)	(Audited)
A Cash flow from operating activities		
Net profit before tax	3,033.76	3,600.61
Adjustments for:		
Share of loss for the investment in joint venture	50.80	59.95
Depreciation and amortisation expenses	2,637.65	2,421.87
Unrealised foreign exchange loss/(gain)	7.65	(6.17)
Interest on delayed payment of advance tax	20.35	4.97
Loss/(profit) on disposal of property, plant and equipment	89.91	(4.09)
Remeasurement of defined benefit plans	54.11	13.66
Finance costs	713.37	601.32
Interest on lease liabilities	10.29	12.99
Interest income	(242.32)	(35.08)
Amortisation of grant income	(233.95)	(207.60)
Gain on sale of mutual fund	(6.91)	(67.17)
Dividend income on mutual fund	-	(131.28)
Gain on fair value of mutual fund	(11.89)	(9.67)
Liabilities no longer required, written back	(15.84)	(45.20)
(Gain)/loss on fair value of forward contracts	(5.84)	70.37
Bad debts written off	12.79	1.37
Provision for export incentive receivable	32.05	-
Operating profit before working capital changes	6,145.98	6,280.85
Decrease/(increase) in financial assets	864.64	(870.18)
(Increase) in other assets	(1,564.09)	(358.57)
Increase/(decrease) in financial liabilities	1,228.08	(1,092.03)
(Increase)/decrease in inventories	(5,024.78)	2,304.86
Increase/(decrease) in other liabilities	799.14	(333.25)
(Decrease) in provisions	(35.03)	(37.77)
Net cash generated from operations	2,413.94	5,893.91
Income-tax paid (net)	(831.76)	(629.61)
Net cash from operating activities (A)	1,582.18	5,264.30
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work- in progress and payment for capital advances)	(1,749.26)	(4,601.25)
Proceeds from disposal of property, plant and equipment	19.95	43.35
(Investment in)/maturity of fixed deposit	(2,697.81)	88.00
(Investment in)/redemption of mutual funds	(692.61)	4,589.81
Proceeds from equity instruments	-	5.00
Interest received	244.25	32.31
Investment in equity instruments	(56.47)	-
Net cash (used in)/from investing activities (B)	(4,931.95)	157.22
C Cash flows from financing activities		
Proceeds from non-current borrowings	625.00	1,400.00
Repayment of non-current borrowings	(2,058.08)	(1,308.98)
Interim dividend paid including dividend distribution tax	-	(868.58)
Proceeds from current borrowings (net)	4,529.80	(2,654.02)
Repayment of lease liabilities	(77.04)	(86.61)
Interest paid	(725.62)	(721.13)
Net cash from/(used in) financing activities (C)	2,294.06	(4,239.32)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,055.71)	1,182.20
Cash and cash equivalents at the beginning of the year	1,568.34	386.14
Cash and cash equivalents at the end of the year	512.63	1,568.34

Components of cash and cash equivalents :

Balances with scheduled banks in current accounts	231.92	412.98
Cash on hand	5.71	5.46
Balances with banks in deposit accounts with original maturity upto three months	275.00	1,149.90
	512.63	1,568.34

Note:

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

See accompanying notes to the 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 2021 which have extracted from the audited financial statements have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 June 2021. The statutory auditors of the Holding Company have expressed an unmodified audit opinion on these financial results.
2. The above results have been prepared in accordance with the recognition and measurement principles of the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended).
3. Figures for the quarters ended 31 March 2021 and 31 March 2020 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 2021 and 31 March 2020 respectively.
4. The Group's business falls within a single operating business segment in terms of the Indian Accounting Standard 108 - Operating Segments and hence, no additional disclosures have been furnished.
5. During the year, the Holding Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognised the tax provision for the year ended 31 March 2021 on the basis of the rates prescribed in the aforementioned section.
6. Due to the outbreak of Coronavirus Disease 2019 (COVID - 19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Holding Company remained suspended from 22 March 2020 till 10 May 2020. The Holding Company in compliance with the necessary instructions/guidelines, resumed its operations from 11 May 2020 in a phased manner, while ensuring health and safety of all the stakeholders.

This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Holding Company during the year ended 31 March 2021. Further, the recent second wave of COVID - 19 has resulted in partial lockdown/restriction in various states. However, the Holding Company is closely monitoring the impact of the aforementioned pandemic and believes that there will not be any adverse impact on the long-term operations and performance of the Holding Company.

7. The Indian Parliament has approved the Code on Social Security, 2020 which could have a likely impact on the contributions made by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group shall assess and evaluate the likely financial impact once the subject rules are notified and shall subsequently furnish the same in the financial results, as appropriate.
8. The Board of Directors of the Holding Company have recommended a final dividend of Re. 1 per equity share of face value Rs 2 each for the financial year 2020-21.

Place: Faridabad
Date: 12 June 2021

For and on behalf of the Board of Directors




(Anil Aggarwal)
Managing Director





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