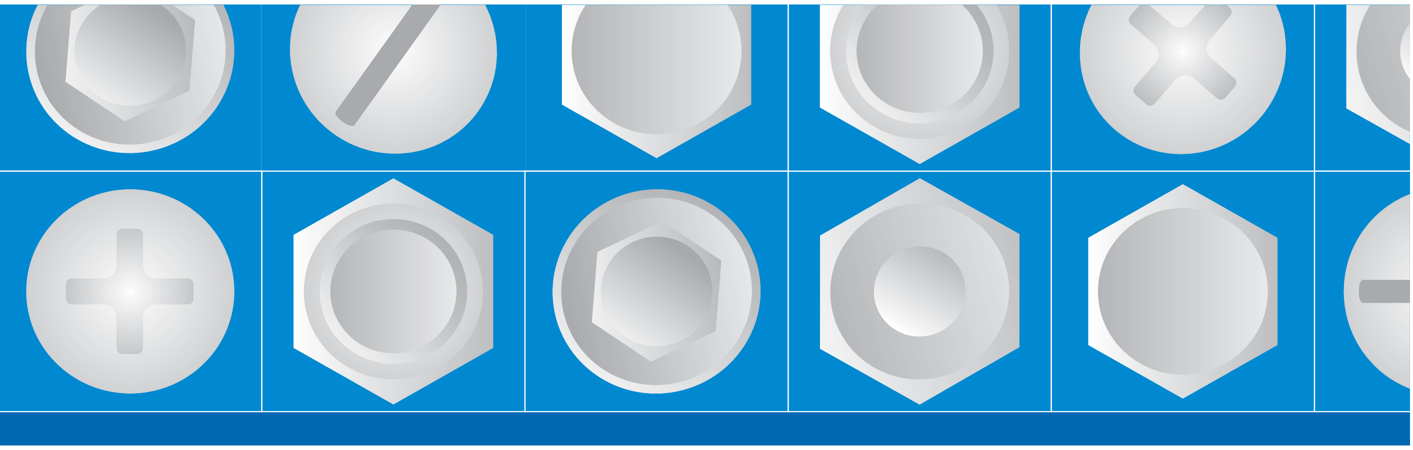
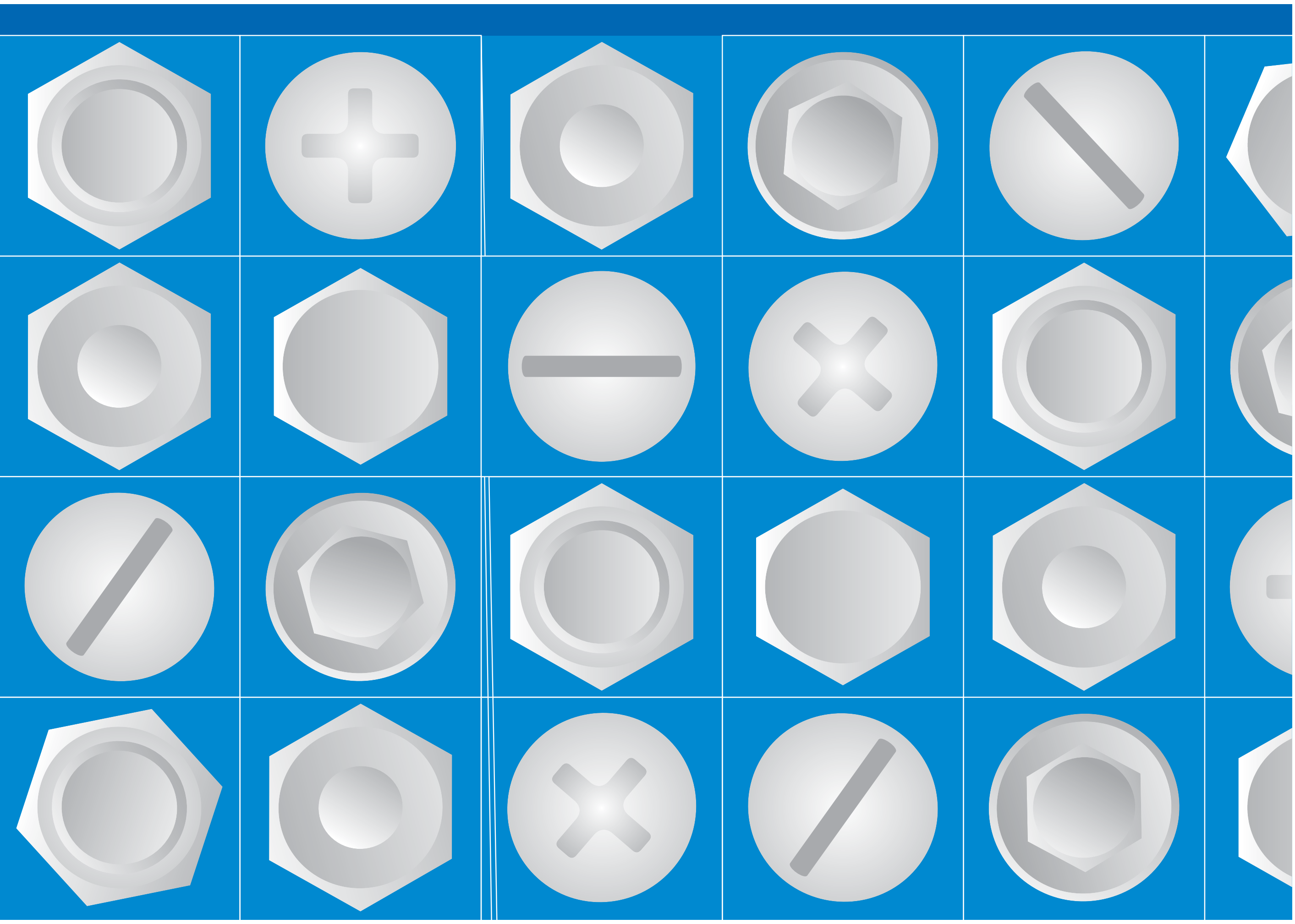


STERLING TOOLS LIMITED

Annual Report 2018-2019



New Delhi-110028

Corporate Office :
Plot No. 4, DLF Industrial Estate
Faridabad - 121 003 (Haryana)
Tel. : 0129-2270621-25
Fax : 0129-2277359

Works :
5-A, DLF Industrial Estate
Faridabad - 121 003 (Haryana)

49 K.M. Stone Delhi Mathura Road,
Village-Prithla, Tehsil-Palwal
Distt.-Palwal (Haryana)

81, Sector 25, Ballabhgarh
Faridabad (Haryana)

Plot No. 109 P1, 109 P2, 110
Vemagal Industrial Area
Harjenahalli Village
Kolar (District),
Karnataka-563102

Bankers
Oriental Bank of Commerce
State Bank of India
HDFC Bank Limited

Shri Atul Aggarwal
Whole Time Director

Dr. T.N. Kapoor
Director

Shri C.R. Sharma
Director

Ms. Malini Sud
Director

Shri Jaideep Wadhwa
Director

Shri Rahoul Kabir Bhandari
Director

Shri Akhill Aggarwal
Director

Shri N. Vijay Gopal
Chief Financial Officer

Compliance Officer
Ms. Vaishali Singh

New Delhi-110001

Internal Auditors
S.R. Dinodia & Co. LLP
Chartered Accountants
K-39, Connaught Place
New Delhi - 110 001

Secretarial Auditors
M/s. Santosh Kumar Pradha
Company Secretaries
706, 8th Floor, K.M. Trade To
Hotel Radisson blu, Kausha
Ghaziabad - 201010 U.P.

Registrar & Transfer Agen
MAS Services Limited
T-34, 2nd Floor,
Okhla Industrial Area,
Phase-II, New Delhi-110020

CONTENTS

year ended March 31, 2019.

Financial Results

The Company's performance for the Financial Year 2018-2019 vis-à-vis 2017-2018 is summarize as under:

(Amount in Lacs

Particulars	Standalone		Consolidated	
	2018-2019	2017-2018	2018-2019	2017-2018
Profit Before Tax	6958.86	7492.62	6989.08	7536.17
Less: Current Tax	2356.10	2645.39	2360.98	2649.87
Deferred Tax	116.70	(18.88)	116.36	(18.88
Profit for the Year	4486.06	4866.11	4511.74	4905.18
Add: Other Comprehensive Income	(0.51)	(46.12)	(0.52)	(46.12
Total Comprehensive Income for the Year	4485.55	4819.99	4511.22	4859.06
Appropriations:				
Interim Dividend	720.48	720.48	720.48	720.48
Tax on Interim Dividend	148.10	146.67	148.10	146.67
Transfer to General Reserve	0.00	0.00	0.00	0.00
Balance Carried to Balance Sheet	3616.97	3952.84	3642.64	3991.9

Company's performance and Future outlook

The highlights of the Company's performance (Standalone) during the Financial Year 2018-19 ar as under:

- Profit before tax decreased by 7.12% at Rs. 6958.86 Lacs.
- Total Comprehensive Income decreased by 6.94% at Rs. 4485.55 Lacs.
- Cash Profit decreased by 2.86% at Rs. 6390.57 Lacs.

The fourth manufacturing facility at Vemagal Industrial Area, Kolar district, Bengaluru is no operational with an installed capacity of 6000 MT annually.

The Management looks the future with optimism and hopes to do better in times to come.

Dividend

Keeping in view the reward paying trends of the Company, the Directors had, in their meetin held on 11th August, 2018 recommended 100% interim dividend for the financial year 2018-201 against 100% dividend in the previous financial year. The interim dividend had already been pai

Transfer to General Reserve

The Company has not transferred any funds to General Reserves out of the amount availabl appropriation.

Deposits

The Company has not accepted any deposits during the year which come under the purvie Section 73 of the Companies Act, 2013 and as such no amount on account of principal or inte was outstanding as on the date of Balance Sheet.

Depository System

As the members are aware, the Company' shares are compulsorily tradable in electronic form on March 31, 2019, 99.70% of the Company's total paid-up Capital representing 35917614 sh are in dematerialized form. In view of numerous advantages offered by the Depository Syst members holding shares in physical mode are advised to avail of the facility of dematerializa from either of the Depositories.

Capital Structure and Listing

As on 31st March, 2019, the Company has Authorised Share Capital of Rs.10,00,00,000/-and Up Share Capital of Rs. 7,20,48,422/-. The equity shares of the Company are listed with Bom Stock Exchange Limited and National Stock Exchange of India Limited. There are no arrear account of payment of listing fees to the said Stock Exchanges.

The Promoters and Persons acting in concert with them hold 65.30% share capital of the Comp as on 31st March, 2019.

There is no change in share capital during the year.

Subsidiaries, Joint Venture and Associate Companies

As on date, the Company has one Joint Venture Company named Sterling Fabory India Ltd.- a Joint Venture on 50:50 basis with a Netherland based Company named Fabory Mas in Fasteners Group B.V.. There has been no change in the nature of business carried out by Joint Venture Company during Financial Year 2018-2019.

Further the Company has acquired 100% shareholding of Haryana Ispat Pvt. Ltd. on 25th Novem 2016. Hence the said Company is a wholly owned Subsidiary of our Company w.e.f. 25th Novem 2016.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement contai the salient features of financial statements of both the Companies Joint Venture Company na Sterling Fabory India Pvt. Ltd. and Wholly Owned Subsidiary Company named Haryana Ispat Ltd. by way of **Form AOC–1** is attached to the Accounts as an **Annexure-I.**

4 (Four) board meetings were conducted during the year in respect of which proper notices wer given and the proceedings were properly recorded. For details of the meetings of the Board an attendance of the Directors, please refer **Page No. 51** of Corporate Governance Report attache to this Annual Report.

Disclosure under Secretarial Standards (SS-1 & SS-2):

Adherence by a Company to the Secretarial Standards is mandatory as per Sub-section (10) o Section 118 of Companies Act, 2013. As per the disclosure requirement of para (9) of Secretaria Standard-1 (SS-1), the Company complies with the provisions of applicable Secretarial Standard in respect of the convening of the Board & General Meetings.

Extract of Annual Return

As provided under section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the extract o Annual Return in the prescribed form MGT-9 has been given by an **Annexure–II** attached to thi Report.

Directors and Key Managerial Personnel

Pursuant to the provisions of Section 149 of the Act, Mr. C.R. Sharma, Dr. T.N. Kapoor and Ms Malini Sud have been re-appointed as Independent Directors with effect from 01st April, 2019. The have submitted a declaration that each of them meets the criteria of independence as provided i Section 149(6) of the Act and there has been no change in the circumstances which may affec their status as Independent Director during the year.

The Board of Directors vide their meeting held on 07th February, 2019 recommended th appointment of Sh. Jaideep Wadhwa as Non-Executive Non-Independent Director which has bee duly approved by the Shareholders vide the Postal Ballot process concluded on 29th March, 2019

The Board of Directors vide their meeting held on 2nd August, 2019 subject to approval o shareholders, appointed Shri Rahoul Kabir Bhandari as Non-Executive Independent Director o the Company for a term of 5 Years w.e.f. 2nd August, 2019 to 1st August, 2024 and recommende to shareholders for regularization of his appointment as well.

The Board of Director vide their meeting held on 2nd August, 2019 subject to approval o shareholders, appointed Shri Akhill Aggarwal as Non-Executive Director of the Company an recommended to shareholders for regularization of his appointment as well.

Sh. Manohar Lal Aggarwal, the Promoter-Director cum Chairman resigned from the Board on 23r May, 2019 due to his falling health. He had served this Company for more than 40 years. Keepin in view the efforts made by Sh. Manohar Lal Aggarwal in the Company's growth during his tenur as Chairman cum Whole Time Director of the Company, the Board of Directors has granted th Honorary position of Chairman-Emeritus to Sh. Manohar Lal Aggarwal in recognition of his valuabl contribution as an Executive Chairman. This position is honorary and without any voting rights.

Mr. Anil Aggarwal retires by rotation and being eligible offers himself for re-appointment.

Policy on Directors' appointment and remuneration and other details

The Company's policy on Directors' appointment and remuneration including criteria for determi qualifications, positive attributes, independence of a Director and other matters provided in Sec 178(3) and Section 134(3) (e) of the Act has been disclosed in an Annexure–III attached to Report.

Policy on Board Diversity

The Company recognizes and embraces the benefits of having a diverse board, and sees increa diversity at board level as an essential element in maintaining a competitive advantage. a t diverse board will include and make good use of differences in the skills, regional and indu experience, background, race, gender and other distinctions between directors. These differer will be considered in determining the optimum composition of the board and when possible sh be balanced appropriately. All board appointments are made on merit, in the context of the sk experience, independence and knowledge which the board as a whole requires to be effective

The Nomination and Remuneration Committee reviews and assesses board composition on be of the board and recommends the appointment of new directors. The committee also oversees conduct of the annual review of board effectiveness.

The said Committee has adopted a formal policy on Board diversity which sets out a framewo promote diversity on Company's Board of Directors

Particulars of Loans, Guarantees or Investments under section 186

The Company has invested Rs. 4.01 crores in Equity Share Capital of Altigreen Propul Labs Private Limited, Bengaluru based company in EV components. However, no other loa guarantees or any other investments under section 186 has been made during the year.

Transactions with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year related parties were in its ordinary course of business and on an arms' length basis.

During the year, the Company had not entered into any contract/arrangement/transaction related parties which could be considered material in accordance with the policy of the Comp on materiality of related party transactions.

Information on transactions with Related Parties pursuant to Section 134(3)(h) of the Act read rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure–IV in Form AOC–2 the same forms part of this report.

Audit Committee - Meetings of the Committee & Attendance of Members:

The Committee's composition meets with requirements of Section 177 of the Companies 2013 and Regulation 18 of the Listing Regulations, 2015. Members of the Audit Commi experience and knowledge of Corporate Affairs, Income Tax & Finance.

- Shri. C. R. Sharma – Chairman (Non Executive Independent Director)
- Dr. T. N. Kapoor – Member (Non Executive Independent Director)
- Ms. Malini Sud – Member (Non Executive Independent Director)
- Shri Anil Aggarwal – Member (Managing Director)

All the recommendations made by the Audit Committee during the year had been accepted by th Board.

Four meetings were conducted during the year in respect of which proper notices were given an the proceedings were properly recorded. For details of the meetings of the Audit Committee an attendance of the Members, please refer **Page No. 56** of Corporate Governance Report attache to this Annual Report.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, boar committees, and individual directors pursuant to the provisions of the Act and SEBI Listin Regulations

Based on the guidance note on Board Evaluation issued by the Securities and Exchange Board c India on January 5, 2017, a structured questionnaire was prepared after taking into consideratio the various aspects of the Board's functioning, composition of the Board and its Committees culture, execution and performance of specific duties, obligations and governance.

In a separate meeting of independent directors, the performance of non-independent directors, th board as a whole and the Chairman of the Company was evaluated, taking into account the view of Executive Directors and Non-executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance c individual directors on the basis of criteria such as the contribution of the individual director to th board and committee meetings like preparedness on the issues to be discussed, meaningful an constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of th Nomination and Remuneration Committee, the performance of the board, its committees, an individual directors was also discussed. Performance evaluation of independent directors wa done by the entire board, excluding the independent director being evaluated.

Material changes and commitments

In terms of Section 134(3)(l) of the Companies Act, 2013, no material changes and commitment which could affect the Company's financial position have occurred between the end of the financia year of the Company and date of this report.

The Company' domestic credit rating has been improved from A+ to AA- by ICRA on 25th July, 2
which reflects the Company's financial discipline and prudence.

Corporate Social Responsibility

Composition of the Corporate Social Responsibility Committee has been disclosed in the Corpo Governance Report, attached to this report. The brief outline of the Corporate Social Responsib (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activ during the year are set out in **Annexure–V** of this report in the format prescribed in the Compa (Corporate Social Responsibility Policy) Rules, 2014. The policy on CSR is available on the web of the Company, (www.stlfasteners.com/new/news.asp).

Particulars of Employees

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amend a statement showing the names and other particulars of the employees drawing remuneratio excess of the limits set out in the said rules are provided in the Annual Report, which forms pa this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Person Rules, 2014 are provided in the Annual Report, which forms part of this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, Annual Report excluding the aforesaid information is being sent to the members of the Comp The said information is available for inspection on all working days, during business hours, at Registered Office of the Company. Any member interested in obtaining such information may w to the Company Secretary and the same will be furnished on request.

The information required under Section 197 of the Act read with rule 5(1) of the Compa (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been given by wa **Annexure–VI** to this Report.

Capital Expenditure

As on March 31, 2019, the Gross Fixed Assets including intangible assets stood at Rs. 3189 Lacs and Net Fixed Assets stood at Rs. 18171.05 Lacs. Additions during the year amounte Rs. 5268.35 Lacs.

Conservation of energy, technology absorption and foreign exchange earnir and outgo

Information pursuant to the provisions of Section 134(3) (m) of the Companies Act, 2013 read Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technol absorption & foreign exchange earnings and outgo is given by way of **Annexure-VII** to this Rep

Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying wit the Company as on 28th September, 2018 (date of last Annual General Meeting) on the Ministry c Corporate Affairs' website.

Corporate Governance and Management Discussion & Analysis Report

A separate section on corporate governance practices followed by the Company, together with certificate from the auditors confirming its compliance, forms a part of this Annual Report, as pe SEBI Regulations. Further, as per Regulation 34 read with Schedule V of the Listing Regulations a Management Discussion and Analysis Report is annexed to this report.

Director's Responsibility Statement

Pursuant to the requirement under section 134(3) (c) of the Companies Act, 2013 with respect t the Director's Responsibility Statement, it is hereby confirmed that:

(i) in the preparation of the accounts for the Financial Year ended 31st March, 2019, the applicabl accounting standards have been followed and there are no material departures.

(ii) the Directors have selected accounting policies in consultation with Statutory Auditors an applied them consistently and made judgements and estimates that are reasonable an prudent so as to give a true and fair view of the state of affairs of the Company at the end c the financial year and of the profit of the Company for the financial year under review.

(iii) the directors have taken proper and sufficient care to the best of their knowledge and abilit for the maintenance of adequate accounting records in accordance with the provisions c the Companies Act, 2013. The directors have confirmed that there are adequate control systems for safeguarding the assets of the Company and for preventing and detecting frau and other irregularities.

(iv) the Directors have prepared the accounts for the Financial Year ended 31st March, 2019 on 'going concern' basis.

(v) the directors have laid down internal financial controls to be followed by the company and tha such internal financial controls are adequate and are operating effectively.

(vi) the directors have devised proper systems to ensure compliance with the provisions of a applicable laws and that such systems are adequate and operating effectively.

Industrial Relations

During the year under review, harmonious industrial relations were maintained in your Company.

Statutory Disclosures

Your Directors have made necessary disclosures, as required under various provisions of th Companies Act, 2013 and under SEBI Listing Regulations.

confirmed that they are not disqualified from continuing as Auditors of the Company from conclusion of the forthcoming Annual General Meeting of the Company until the conclu: of the 43rd Annual General Meeting of the Company. Further consequent to amendmer Section 139 of Companies Act, 2013 vide Notification No. S.O. 1833(E) dated 7th May 2(ratification of the appointment of Statutory Auditor in every Annual General Meeting is longer required.

II) Report

The Auditors' Report and Notes on Accounts for the financial year 2018-2019 are : explanatory and therefore do not call for any further comments. The Auditors' Report doe contain any qualification, reservation, adverse remark or disclaimer. During the year ur review, the auditors have not reported to the Board, under sub-section (12) of section of the Companies Act, 2013 any instances of fraud committed against the Company by officers or employees, the details of which would need to be mentioned in the Board's re

Secretarial Auditors' Report

M/s Santosh Kumar Pradhan, Company Secretaries was appointed as the Secretarial Audito the Company for the Financial Year 2018-2019, who has conducted the Secretarial Audit of Company for the year 2018-2019. The Secretarial Auditors had observed that the compositio Board was not in alliance with the provision of Regulation 17(1) of SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 during the period from 07th February, 2019 to 2 May, 2019 which was later on regularized on 23rd May, 2019. Besides the said observation, Secretarial Auditors' Report doesn't contain any qualification, reservation or adverse remarks. said Secretarial Audit Report is annexed as **Annexure–VIII** to this Report.

Cost Auditors

Appointment

The Company has appointed M/s Jitender, Navneet & Co., the Cost Auditors to conduct the (audit of the Company' cost records for the financial year 2019-2020.

Report

The Company has maintained the cost records as specified by the Central Government ur sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and s accounts and records are made and maintained as per rule 8(5)(ix) of the Companies Accou Rules, 2014.

The Cost Auditors' Report is self explanatory and hence don't call for any further explanatio clarification by the Board of Directors. As such the observations/suggestions by Cost Auditors concerned, the same will be complied with to the extent possible by the Company.

Internal Financial Control Systems and their adequacy

Your Company has an effective internal control and risk-mitigation system, which are consta assessed and strengthened with new/revised standard operating procedures. The Compa internal control system is commensurate with its size, scale and complexities of its operations.

The internal audit is entrusted to M/s S.R. Dinodia & Co., LLP, a firm of Chartered Accountants The main thrust of internal audit is to test and review controls, appraisal of risks and busines processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness c the internal control systems and suggests improvements to strengthen the same. The Compan has a robust Management Information System, which is an integral part of the control mechanism

The Audit Committee of the Board of Directors, Statutory Auditors and the Management Personne are periodically apprised of the internal audit findings and corrective actions taken. Audit play a key role in providing assurance to the Board of Directors. Significant audit observations an corrective actions taken by the management are presented to the Audit Committee of the Boarc To maintain its objectivity and independence, the Internal Audit function reports to the Chairman c the Audit Committee.

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEE Regulations 2015), our audit committee has concluded that, as of March 31, 2019, our interna financial controls were adequate and operating effectively

Safety, Health and Environment (SHE) Measures

Protection of the environment is the prime concern of your Company. Your Company complies wit the relevant laws and regulations as well as take any additional measures considered necessary t prevent pollution, maximize recycle, reduce waste, discharges and emissions. Company Conserv natural resources by their responsible and efficient use in all its operations and plant trees.

Quality Management System

Sterling Tools Limited has four manufacturing Units, Wire Processing Unit and thee fastene manufacturing plants. All the Units are certified to ISO 9001 standard.

Both the Fastener manufacturing units are certified to the following standards:

- IATF 16949
- ISO 14001
- OSHAS 18001

STL laboratory at DLF plant is certified to ISO 17025 for Chemical Testing, Mechanical Testing an Instrument Calibration. STL Tech Centre is also certified for Mechanical and Special testing as pe ISO 17025

Cash Flow Analysis

In compliance with the provisions of Regulation 34 of the Listing Regulations, 2015, the Cash Flo Statement for the year ended 31st March, 2019 is annexed hereto.

During the year under review, no complaint was reported.

Significant and Material Orders passed by the Regulators or Courts

The Company has not received any significant order, demand or notice from any Regula Authority, Courts or tribunals impacting the going concern status and operations of the Comp in future.

Risk Management

The risk management framework is reviewed periodically by the Board and the Audit Commit Some of the risks that the Company is exposed to are:

Financial risks

The Company's policy is to actively manage its foreign exchange risk. The Company acti manages the interest rate risk by adopting suitable strategies to minimise the impact of inte rate fluctuations, including maintaining an optimal balance of different loan types and maturitie well as through Multiple Banking System.

Regulatory risks

The Company is exposed to risks attached to various statutes, laws and regulations including Competition Act. The Company is mitigating these risks through regular review of legal compliar carried out through internal as well as external compliance audits. The Company has implemer a compliance tool across all its plants including corporate for effectively tracking and manag regulatory and internal compliance requirements.

Human resource risks

Retaining the existing talent pool and attracting new talent are major risks. The Company initiated various measures including training and integration of learning and development activi The Company has also implemented a fully automated performance management system.

Strategic risks

Emerging businesses, capital expenditure for capacity expansion etc, are normal strategic r faced by the Company. However, the Company has well-defined processes and procedures obtaining approvals for investments in new businesses and capacity expansions.

Cyber risk

The failure of Information Technology (IT) systems due to malicious attacks and / or non-complia with data privacy laws can potentially lead to financial loss, business disruption and / or damag the Company's reputation. The Company uses standardised backup tools, services and procedu to ensure that information and data are stored at two or more diverse locations.

Consolidated Financial Statements

Your Directors have pleasure in enclosing the Consolidated Financial Statements in addition to th standalone financial statements pursuant to Section 129(3) of the Companies Act, 2013 (Act) an SEBI Listing Regulations and prepared in accordance with the Accounting Standards prescribe by the Institute of Chartered Accountants of India, in this regard. Highlights of Performance an other details of Subsidiaries and Joint Venture Companies during the period are given below:

I. Haryana Ispat Private Limited - Subsidiary Company:

The Subsidiary Company became a subsidiary on 25th November, 2016. During the year unde review, the revenue of the Subsidiary Company is Rs. 18.16 Lacs. Further, the income of th Subsidiary for the year is Rs. 12.10 Lacs.

II. Sterling Fabory India Private Limited - Joint Venture Company:

The Joint Venture Company was incorporated on 9th March, 2010 as a JV. During the year unde review, the revenue of the JV Company is Rs. 1425.28 lacs and the profit of the Company is Rs 27.18 lacs

Human Resources

The Company takes pride in the commitment, competence and dedication of its employees i all areas of the business. The Company has a structured induction process at all locations an management development programs to upgrade the skills of its employees. The proper apprais systems based on key result areas (KRAs) are in place for its Employees.

The Company strongly believes that people are the prime assets of the organization, and implement new initiatives to train and motivate them and fostering a culture of caring and trust through variou policies such as Environment, Health & Safety (EHS) Policy, Whistle-Blower policy, Protection c Women’s Rights at Workplace.

The Company does not discriminate against employees based on caste, religion, region, gende or physical disability and merit of candidates is always accorded top priority for selection an promotion.

Regular training and exposure to the challenges of the future are vital parts of an employee career progress. The Company trains employees in new skills in emerging fields in addition t continual training on functional and behavioural areas.

Safety of the workforce is given top-most priority in all activities across facilities. Every task, job c assignment must be performed in a safe manner only. This is the basis of our work execution.

The directors are pleased to record their appreciation for the services rendered by the employee and staff at all levels.

The Company has 654 employees as on 31st March, 2019.

Acknowledgements

Your Directors would like to express their appreciation for the assistance and co-operation recei from the Banks, Government Authorities, Customers, Vendors and Members during the y under review. Your Directors also wish to place on record their deep sense of appreciation for committed services by all Company' personnel.

Your Directors look forward to their continued support.

For and on behalf of the Bo

Date: 2nd August, 2019	**Anil Aggarwal**	**Atul Aggarwal**
Place: Faridabad	**Managing Director**	**Whole Time Direc**
	DIN No. 00027214	**DIN No. 00125825**

The statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with the amount in Rs. In Lacs)

1.	Sl. No.	1
2.	Name of the Subsidiary	Haryana Ispat Private Limited 25.11.2016
3.	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31st March, 2019
4.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR
6.	Share Capital	Rs. 10
7.	Reserves & Surplus	Rs. 229.62
8.	Total Assets	Rs. 241.10
9.	Total Liabilities	Rs. 241.10
10.	Investments	Rs. NIL
11.	Turnover	Rs. 18.16
12.	Profit before taxation	Rs. 16.63
13.	Provision for taxation	Rs. 4.53
14.	Profit after taxation	Rs. 12.10
15.	Proposed Dividend	Rs. NIL
16.	Extent of Shareholding (in %)	100%

Note: The following information shall be furnished at the end of the Statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

S. No.	Name of Associates/Joint Venture	Sterling Fabory India Private Limi
1.	**Latest audited Balance Sheet Date**	31st March, 2019
2.	**Date on which the ~~Associate~~ or Joint Venture was associated or acquired**	09.03.2010
3.	**Shares of ~~Associate~~/Joint Venture held by the company on the year end**	
	No.	34,05,000
	Amount of Investment in ~~Associates~~/Joint Venture	688.25
	Extend of Holding %	50
4.	**Description of how there is a significant influence**	Joint Venture Agreement
5.	**The reason why the ~~associate~~/joint venture is not consolidated**	NA
6.	**Networth attributable to Shareholding as per latest audited Balance Sheet**	287.59
7.	**Profit / Loss for the year**	27.18
	Considered in Consolidation	13.59
	Not Considered in Consolidation	13.59

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of Board of Directors of Sterling Tools Limited

(Anil Aggarwal)
Managing Director
DIN No. 00027214

(Atul Aggarwal)
Whole Time Director
DIN No. 00125825

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	L29222DL1979PLC009668
ii	Registration Date	07.06.1979
iii	Name of the Company	STERLING TOOLS LIMITED
iv	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
v	Address of the Registered office & contact details	Office No. 243 C-10, Regus Elegance, 2F Elegance, Old Mathura Road, Jasola District Centre, New Delhi-110025 Phone No. 91-129-2270622 Fax No. 91-129-2277359
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAS Services Limited T-34, First Floor, Okhla Industrial Area, Phase-II, New Delh-110020 Phone No. 91-11-26387281/41320335/36

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall b stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product/Service	% to total turnover of the company
1	Hi-Tensile Fasteners	25991	97.82

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

All the business activities contributing 10% or more of the total turnover of the Company shall b stated

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Haryana Ispat Private Limited	U27101DL2005 PTC134366	Wholly owned SUBSIDIARY	100%	2(87)

		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	duri the y
A.	**Promoters**									
(1)	Indian									
a)	Individual/HUF	23531175	0	23531175	65.32	23523675	0	23523675	65.30	(
b)	Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	
c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	
d)	Bank/FI	0	0	0	0.00	0	0	0	0.00	
e)	Any other	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL: (A) (1)		**23531175**	**0**	**23531175**	**65.32**	**23523675**	**0**	**23523675**	**65.30**	**(**
(2)	**Foreign**									
a)	NRI- Individuals	0	0	0	0.00	0	0	0	0.00	
b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	
d)	Banks/FI	0	0	0	0.00	0	0	0	0.00	
e)	Any other…	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL: (A) (2)		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		**23531175**	**0**	**23531175**	**65.32**	**23523675**	**0**	**23523675**	**65.30**	**(**
B.	**PUBLIC SHAREHOLDING**									
(1)	**Institutions**									
a)	Mutual Funds	2011849	0	2011849	5.58	2898550	0	2898550	8.05	
b)	Banks/FI	11091	0	11091	0.03	4410	0	4410	0.01	(
c)	Central govt.	0	0	0	0.00	0	0	0	0.00	
d)	State Govt.	0	0	0	0.00	0	0	0	0.00	
e)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	
g)	FIIS	0	0	0	0.00	0	0	0	0.00	
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
i)	Others (specify) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	
	Foreign Portfolio Investors	13269	0	13269	0.04	0	0	0	0.00	(
SUB TOTAL (B)(1):		**2036209**	**0**	**2036209**	**5.65**	**2902960**	**0**	**2902960**	**8.06**	**(**

b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.0
i)	Individual shareholders holding nominal share capital upto Rs.2 lakhs	3780337	123097	3903434	10.84	3255743	105097	3360840	9.33	(1.51
ii)	Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	4112811	0	4112811	11.42	3851413	0	3851413	10.69	(0.73
c)	Others (specify)									
c-i)	Clearing Member	84400	0	84400	0.23	57853	0	57853	0.16	(0.07
c-ii)	Non-Resident Indian/ OCBs	167858	0	167858	0.47	121371	0	121371	0.34	(0.13
d)	NBFCs Registered with RBI	2800	0	2800	0.01	700	0	700	0.00	(0.01
e)	Trust	1567	0	1567	0.00	0	0	0	0.00	0.0
f)	IEPF	173335	0	173335	0.48	173335	0	173335	0.48	0.0
SUB TOTAL (B)(2):		**10332230**	**124597**	**10456827**	**29.03**	**9490979**	**106597**	**9597576**	**26.64**	**(2.39**
Total Public Shareholding (B)= (B)(1)+(B)(2)		**12368439**	**124597**	**12493036**	**34.68**	**12393939**	**106597**	**12500536**	**34.70**	**0.0**
C.	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.0**
Grand Total (A+B+C)		**35899614**	**124597**	**36024211**	**100.00**	**35917614**	**106597**	**36024211**	**100.00**	**0.0**

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	MANOHAR LAL AGGARWAL HUF	1600000	4.44	0	0	0	0	(4.44
2	ANIL AGGARWAL HUF	1402000	3.89	0	0	0	0	(3.89
3	ATUL AGGARWAL	8648455	24.01	0	9579155	26.59	0	2.5
4	MANOHAR LAL AGGARWAL	3855080	10.70	0	3855080	10.70	0	0.0
5	ANIL AGGARWAL	7365640	20.45	0	8027440	22.28	0	1.8
6	AKHILL AGGARWAL	660000	1.83	0	660000	1.83	0	0.0
7	PROMILA AGGARWAL	0	0	0	701000	1.95	0	1.9
8	ANISH AGARWAL	0	0	0	701000	1.95	0	1.9
	Total	**23531175**	**65.32**	**0**	**23523675**	**65.30**	**0**	**(0.02**

		No. of Shares		% of total shares of the company	No of shares	% of total shares of the company
1.	**Manohar Lal Aggarwal HUF**					
	At the beginning of the year 1st April, 2018	1600000		4.44		
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	Date	Increase (decrease) in shareholding	Reason	0	0
		04.02.2019	(1600000)	Transfer to Coparceners		
	At the end of the year 31st March, 2019	0		0		
2.	**Anil Aggarwal HUF**					
	At the beginning of the year 1st April, 2018	1402000		3.89		
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	Date	Increase (decrease) in shareholding	Reason	0	0
		25.02.2019	(1402000)	Transfer to Coparceners		
	At the end of the year 31st March, 2019	0		0		
3.	**Anil Aggarwal**					
	At the beginning of the year 1st April, 2018	7365640		20.45		
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	Date	Increase (decrease) in shareholding	Reason	8027440	22.28
		04.02.2019	661800	Received from HUF		
	At the end of the year 31st March, 2019	8027440		22.28		
4.	**Atul Aggarwal**					
	At the beginning of the year 1st April, 2018	8648455		24.01		
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	Date	Increase (decrease) in shareholding	Reason	9579155	26.59
		04.02.2019	930700	Received from HUF		
	At the end of the year 31st March, 2019	9579155		26.59		

	the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)		shareholding		701000	1.95
		25.02.2019	701000	Received from HUF		
	At the end of the year 31st March, 2019	701000	1.95			
6.	**Anish Agarwal**					
	At the beginning of the year 1st April, 2018	0	0			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	Date	Increase (decrease) in shareholding	Reason	701000	1.95
		25.02.2019	701000	Received from HUF		
	At the end of the year 31st March, 2019	701000	1.95			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders c GDRs & ADRs)

S. No.	Shareholder's Name	Shareholding		Date	Increase/ (Decrease)	Reason	Cumulative Shareholding During the Year	
		At the beginning (01.04.2018) and End of the Year (31.03.2019*)	% of Total Shares of the Company				No. of Shares	% of Tota Share of th Compan
1	JAGDISH KUMAR AGGARWAL@	1,833,566	5.36	01.04.18			1833566	5.0
				17.08.18	-1567	Sold	1831999	5.0
				21.08.18	-19225	Sold	1812774	5.0
				24.08.18	-114857	Sold	1697917	4.7
				31.08.18	2126	Purchase	1700043	4.7
				14.09.18	59174	Purchase	1759217	4.8
				21.09.18	2908	Purchase	1762125	4.8
				23.11.18	1000	Purchase	1763125	4.8
				30.11.18	1337	Purchase	1764462	4.9
				14.12.18	150	Purchase	1764612	4.9
				04.01.19	286	Purchase	1764898	4.9
				25.01.19	418	Purchase	1765316	4.9
				01.02.19	16446	Purchase	1781762	4.9
				08.02.19	250	Purchase	1782012	4.9

		1,801,211	5.00	31.03.19			1,801,211	
3	**L&T MUTUAL FUND TRUSTEE LIMITED- L&T EMERGING BUSINESSES FUND@**	1561849	4.34	01.04.18			1561849	
				06.04.18	19047	Purchase	1580896	
				13.04.18	18091	Purchase	1598987	
				20.04.18	9537	Purchase	1608524	
				27.04.18	5441	Purchase	1613965	
				04.05.18	13248	Purchase	1627213	
				11.05.18	23820	Purchase	1651033	
				18.05.18	51816	Purchase	1702849	
				25.05.18	2402	Purchase	1705251	
				01.06.18	423	Purchase	1705674	
				08.06.18	18731	Purchase	1724405	
				15.06.18	2428	Purchase	1726833	
				29.06.18	1	Purchase	1726834	
				06.07.18	6680	Purchase	1733514	
				13.07.18	10000	Purchase	1743514	
				21.08.18	20224	Purchase	1763738	
				31.08.18	115803	Purchase	1879541	
				21.09.18	13026	Purchase	1892567	
				28.09.18	53570	Purchase	1946137	
				05.10.18	17796	Purchase	1963933	
				12.10.18	47828	Purchase	2011761	
				19.10.18	26199	Purchase	2037960	
				26.10.18	21727	Purchase	2059687	
				02.11.18	28140	Purchase	2087827	
				09.11.18	11070	Purchase	2098897	
				16.11.18	18253	Purchase	2117150	
				23.11.18	22005	Purchase	2139155	
				30.11.18	61945	Purchase	2201100	
				07.12.18	25000	Purchase	2226100	
				14.12.18	16273	Purchase	2242373	
				21.12.18	18627	Purchase	2261000	
				28.12.18	10000	Purchase	2271000	
				31.12.18	5000	Purchase	2276000	
				04.01.19	4080	Purchase	2280080	
				11.01.19	15771	Purchase	2295851	
				18.01.19	20149	Purchase	2316000	
				25.01.19	11375	Purchase	2327375	

				08.03.19	4279	Purchase	2422829	6.73
				15.03.19	5721	Purchase	2428550	6.74
				22.03.19	5678	Purchase	2434228	6.76
				29.03.19	14322	Purchase	2448550	6.80
		2448550	6.80	31.03.19			2448550	6.80
4	**ANIL KUMAR GOEL@**	1,010,000	2.80	01.04.18			1,010,000	2.80
		1,010,000	2.80	31.03.19			1,010,000	2.80
5	**SEEMA GOEL@**	500,000	1.39	01.04.18			500,000	1.39
		500,000	1.39	31.03.19			500,000	1.39
6	**IDFC STERLING EQUITY FUND#**	450,000	1.25	01.04.18			450,000	1.25
		450,000	1.25	31.03.19			450,000	1.25
7	**DOLLY KHANNA@**	442,196	1.23	31.03.18			442196	1.23
				25.05.18	-4500	Sold	437696	1.22
				01.06.18	-2000	Sold	435696	1.2
				08.06.18	-6000	Sold	429696	1.19
				06.07.18	-1000	Sold	428696	1.19
				13.07.18	-1000	Sold	427696	1.19
				20.07.18	-1000	Sold	426696	1.18
				27.07.18	-1000	Sold	425696	1.18
				31.08.18	-2000	Sold	423696	1.18
				21.09.18	-4465	Sold	419231	1.16
				28.09.18	-7000	Sold	412231	1.14
				05.10.18	-8000	Sold	404231	1.12
				12.10.18	-1000	Sold	403231	1.12
				19.10.18	-1000	Sold	402231	1.12
				26.10.18	-4000	Sold	398231	1.1
				02.11.18	-9000	Sold	389231	1.08
				09.11.18	-4000	Sold	385231	1.07
				16.11.18	-17000	Sold	368231	1.02
				23.11.18	-4000	Sold	364231	1.0
				30.11.18	-21000	Sold	343231	0.95
				07.12.18	-4000	Sold	339231	0.94
				14.12.18	-9000	Sold	330231	0.92
				21.12.18	-5000	Sold	325231	0.90
				28.12.18	-4000	Sold	321231	0.89
				31.12.18	-3000	Sold	318231	0.88
				04.01.19	-4000	Sold	314231	0.87

				08.02.19	-6000	Sold	273231	
				15.02.19	-28000	Sold	245231	
				22.02.19	-8000	Sold	237231	
				01.03.19	-2000	Sold	235231	
				08.03.19	-5000	Sold	230231	
				15.03.19	-7000	Sold	223231	
				22.03.19	-3000	Sold	220231	
				29.03.19	-10000	Sold	210231	
		209231	0.58	30.03.19			209231	
8	**ANURADHA MITTAL@**	169,255	0.47	01.04.18			169,255	
				08.02.19	**7500**	**Received**	**176,755**	
		176,755	0.49	31.03.19			176,755	
9	**D SRIMATHI@**	157,794	0.44	01.04.18			157,794	
		157,794	0.44	31.03.19			157,794	
10	**RAJEEV GUPTA@**	100,000	0.28	01.04.17			100,000	
		100,000	0.28	31.03.18			100,000	

Notes:

1. The shares of the Company are in dematerialized form and traded on a daily basis, hence the date
increase or decrease in the shareholding is not indicated.

2. *Top 10 Shareholders only as on 31st March, 2018, #Top 10 Shareholders only as on 31st March, 2
'@' Common Top 10 shareholders as on 31st March, 2018 and 31st March, 2019.

		No. of shares	% of total shares of the company		No. of shares	% of tota shares of the company
1.	**Shri Manohar Lal Aggarwal**					
	At the beginning of the year 1st April, 2018	3855080	10.70		3855080	10.7
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus / sweat equity etc)	No Change				
	At the end of the year 31st March, 2019	3855080	10.70		3855080	10.7
2.	**Shri Anil Aggarwal**					
	At the beginning of the year 1st April, 2018	7365640	20.45		7365640	20.4
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Date	Increase (Decrease) in Shareholding	Reason	8027440	22.2
		04.02.19	661800	Received from HUF		
	At the end of the year 31st March, 2019	8027440	22.28		8027440	22.2
3.	**Shri Atul Aggarwal**					
	At the beginning of the year 1st April, 2018	8648455	24.01		8648455	24.0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Date	Increase (Decrease) in Shareholding	Reason	9579155	26.5
		04.02.19	930700	Received from HUF		
	At the end of the year 31st March, 2019	9579155	26.59		9579155	26.5

	Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year 31st March, 2019	-	-	-	
5.	**Shri Chotu Ram Sharma**				
	At the beginning of the year 1st April, 2018	-	-	-	
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year 31st March, 2019	-	-	-	
6.	**Ms. Malini Sud**				
	At the beginning of the year 1st April, 2018	-	-	-	
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year 31st March, 2019	-	-	-	
7.	**Shri Jaideep Wadhwa ***				
	At the beginning of the year 1st April, 2018	8917	0.02	8917	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year 31st March, 2019	8917	0.02	8917	0

	Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year 31st March, 2019	-	-	-	-
9.	**Shri Narayan Vijay Gopal CFO**				
	At the beginning of the year 1st April, 2018	-	-	-	-
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year 31st March, 2019	-	-	-	-

*Shri Jaideep Wadhwa was appointed as Additional Director on 7th February, 2019.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year				
i) Principal Amount	342873178	0	0	342873178
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	625307	0	0	625307
Total (i+ii+iii)	343498485	0	0	343498485
Change in Indebtedness during the financial year				
Additions	742413044	0	0	742108192
Reduction	92417675	0	0	92417675
Net Change	649995369	0	0	649690517
Indebtedness at the end of the financial year				
i) Principal Amount	992868547	0	0	992563695
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2846961	0	0	2846961
Total (i+ii+iii)	995715508	0	0	995410656

No.					Amou
1	**Gross salary**	**Manohar Lal Aggarwal (Chairman)**	**Anil Aggarwal (MD)**	**Atul Aggarwal (WTD)**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	149.08	135.80	125.14	410
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	3.10	2.79	17.75	23
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	
2	Stock option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	76.00	76.00	76.00	228
	as % of the profit				
	others (specify)				
5	Others, please specify	-	-	-	
	Total (A)	**228.18**	**214.59**	**218.89**	**661**
	Ceiling as per the Act	**254.57**	**254.57**	**254.57**	**763**

B. Remuneration to other Directors:

(₹ in La

Sl. No.	**Particulars of Remuneration**	**Name of the Directors**			**To Amou**
1	**Independent Directors**	**Dr. T. N. Kapoor**	**Shri C. R. Sharma**	**Ms. Malini Sud**	
	(a) Fee for attending board/committee meetings	3.50	3.75	2.50	9.
	(b) Commission	-	-	-	
	(c) Others, please specify	-	-	-	
	Total (1)	**3.50**	**3.75**	**2.50**	**9.**
2	**Other Non Executive Directors**				
	(a) Fee for attending board committee meetings	-	-	-	
	(b) Commission	-	-	-	
	(c) Others, please specify.	-	-	-	
	Total (2)	-	-	-	
	Total (B)=(1+2)	**3.50**	**3.75**	**2.50**	**9.**
	Total Managerial Remuneration (A)+(B)				**671.**
	Overall Ceiling as per the Act.				**763.**

			Secretary		
	(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	17.04	24.80	41.84
	(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	as % of the profit				
	others, specify				
5	Others, please specify				
	Total		**17.04**	**24.80***	**41.84**

*Appointment of Shri Narayan Vijay Gopal, CFO of the Company w.e.f. 10.10.2018.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of Board of Directors of Sterling Tools Limited

(Anil Aggarwal)
Managing Director
DIN No. 00027214

(Atul Aggarwal)
Whole Time Director
DIN No. 00125825

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Managen has been formulated by the Committee, in compliances with Section 178 of the Companies Act, 2013 r along with applicable rules thereto.

Objectives of the Committee:

The Committee shall:

i. Formulate the criteria for determining qualifications, positive attributes and independence a director and recommend to the Board a policy relating to the remuneration of Directors, managerial personnel and other employees.

ii. Formulation of criteria for evaluation of the Independent Director and to carry out the evalua of every Director's performance and to provide the necessary report to the Board for fur evaluation.

iii. Devising a policy on Board diversity.

iv. Identify persons who are qualified to become Director and persons who may be appointed in Managerial and Senior Management positions in accordance with the criteria laid down in policy.

v. To provide to Key Managerial Personnel and Senior Management reward linked directly to t effort, performance, dedication and achievement relating to the Company's operations.

vi. To retain, motivate and promote talent and to ensure long term sustainability of talented manage persons and create competitive advantage.

vii. Ensure that level and composition of remuneration is reasonable and sufficient, the relationshi remuneration to performance is clear and meets appropriate performance benchmarks.

viii. To carry out any other function as is mandated by the Board from time to time and / or enforced any statutory notification, amendment or modification, as may be applicable.

ix. To perform such other functions as may be necessary or appropriate for the performance o duties.

x. To develop a succession plan for the Board and to regularly review the plan.

Definitions:

- "Act":- Act means the Companies Act, 2013 and Rules framed thereunder, as amended from t to time.
- "Board":-Board means Board of Directors of the Company.
- "Director":-Directors means Directors of the Company.
- "Committee":-Committee means Nomination and Remuneration Committee of the Company

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise an experience;

b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate compan

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associat company;

c. apart from receiving director's remuneration, has or had no pecuniary relationship with th Company, its holding, subsidiary or associate Company, or their promoters, or directors, during th two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the Company, it holding, subsidiary or associate Company, or their promoters, or directors, amounting to tw percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amour as may be prescribed, whichever is lower, during the two immediately preceding financial years c during the current financial year;

e. who, neither himself nor any of his relatives —

i. holds or has held the position of key managerial personnel or is or has been employee of th company or its holding, subsidiary or associate company in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed;

ii. is or has been an employee or proprietor or a partner, in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed; of-

(A) a firm of auditors or company secretaries in practice or cost auditors of the company c its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, it holding, subsidiary or associate company amounting to ten per cent or more of th gross turnover of such firm;

iii. holds together with his relatives two per cent or more of the total voting power of the Compan or

iv. is a Chief Executive or director, by whatever name called, of any non-profit organization th receives twenty-five per cent or more of its receipts from the Company, any of its promoter directors or its holding, subsidiary or associate Company or that holds two per cent or mor of the total voting power of the Company; or

f. who possesses such other qualification as may be prescribed under the applicable statutor provisions/ regulations

g. is a material supplier, service provider or customer or a lessor or lessee of the Company;

(ii) the Whole-Time Director;

(iii) the Company Secretary;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the applicable statutory provisions/ regulati

- "Senior Management":- The expression ''senior management'' means the persons in se management would include all members of management one level below the CEO/MD/ wh time director/manager (including CEO/manager, in case CEO/manager is not part of the bo and should specifically include the company secretary and the Chief Financial Officer (CFO) does not include administrative staff.
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of Company, constituted in accordance with the provisions of Section 178 of the Companies 2013.
- "Policy or This Policy" means, "Nomination and Remuneration Policy.
- "Remuneration" means any money or its equivalent given or passed to any person for serv rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Unless the context otherwise requires, words and expressions used in this policy and not defined he but defined in the Companies Act, 2013 as may be amended from time to time shall have the mea respectively assigned to them therein.

Guiding Principles

The Policy ensures that

i. The level and composition of remuneration are reasonable and sufficient to attract, retain motivate Directors of the quality required to run the Company successfully

ii. Relationship of remuneration to performance is clear and meets appropriate performa benchmarks and

iii Remuneration to Directors, Key Managerial Personnel and Senior Management involves a bala between fixed and incentive pay reflecting short and long term performance objectives appropr to the working of the Company and its goals.

Applicability:

The Policy is applicable to

i. Directors (Executive and Non-Executive)

ii. Key Managerial Personnel

iii. Senior Management Personnel

Name	Designation
Shri. Chhotu Ram Sharma	Chairman
Dr. Triloki Nath Kapoor	Member
Ms. Malini Sud	Member

a. The Committee shall consist of a minimum 3 non-executive directors, majority of them bein independent.

b. Minimum two (2) members or one-third of the members, whichever is greater , with at least on independent director shall constitute a quorum for the Committee meeting.

c. Membership of the Committee shall be disclosed in the Annual Report.

d. Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman:

a. Chairman of the Committee shall be an Independent Director.

b. Chairperson of the Company may be appointed as a member of the Committee but shall not be Chairman of the Committee.

c. In the absence of the Chairman, the members of the Committee present at the meeting sha choose one amongst them to act as Chairman.

d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annua General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings:

The Committee shall meet at least once in a year and at such regular intervals as may be required.

Committee Members' Interests:

a. A member of the Committee is not entitled to be present when his or her own remuneration i discussed at a meeting or when his or her performance is being evaluated.

b. The Committee may invite such executives, as it considers appropriate, to be present at th meetings of the Committee.

Secretary:

a. The Company Secretary of the Company shall act as Secretary of the Committee.

Voting:

a. Matters arising for determination at Committee meetings shall be decided by a majority of vote of the Members present and voting and any such decision shall for all purposes be deemed decision of the Committee.

b. In the case of an equality of votes, the Chairman of the meeting will have a casting vote.

ii. The Company should ensure that the person so appointed as Director/ Independent Director/ K Senior Management Personnel shall not be disqualified under the Companies Act, 2013, r made there under or any other enactment for the time being in force.

iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointe per the procedure laid down under the provisions of the Companies Act, 2013, rules made th under, or any other enactment for the time being in force.

iv. The Company shall not appoint or continue the employment of any person as Managing Dire Whole-time Director/Manager who has attained the age of seventy years. Provided that the t of the person holding this position may be extended beyond the age of seventy years with approval of shareholders by passing a special resolution based on the explanatory staten annexed to the notice for such motion indicating the justification for the extension of appointn beyond seventy years.

Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and r made there under as amended from time to time.

1. Managing Director/Whole-time Director/Manager (Managerial Person):- The Company s appoint or re-appoint any person as to its Managerial Person for a term not exceeding five year a time. No re-appointment shall be made earlier than one year before the expiry of the term.

2. Independent Director: - An Independent Director shall hold office for a term up to five consecu years on the Board of the Company and will be eligible for appointment on the passing special resolution by the Company and disclosure of such appointment in the Board's Report. Independent Director shall hold office for more than two consecutive terms, but such Independe Director shall be eligible for appointment after expiry of three years of ceasing to become Independent Director. Provided that an Independent Director shall not, during the said perio three years, be appointed in or be associated with the Company in any other capacity, ei directly or indirectly. At the time of appointment of Independent Director it should be ensured the number of Boards on which such Independent Director serves as an Independent Director

Evaluation:

The Committee shall carry out the evaluation of the performance of every Director, KMP and Se Management at regular interval (yearly).

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there unde under any other applicable Act, rules and regulations or any other reasonable ground, the Committee recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to provisions and compliance of the said Act, rules and regulations.

age, for the benefit of the Company.

Criteria for Evaluation of the Board:

Following are the criteria for evaluation of the performance of the Board:

1. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by th Board from time to time

2. Non-Executive Director:

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

(a) act objectively and constructively while exercising their duties;

(b) exercise their responsibilities in a bona fide manner in the interest of the Company;

(c) devote sufficient time and attention to their professional obligations for informed and balance decision making;

(d) do not abuse their position to the detriment of the company or its shareholders or for the purpos of gaining direct or indirect personal advantage or advantage for any associated person;

(e) refrain from any action that would lead to loss of his independence

(f) inform the Board immediately when they lose their independence,

(g) assist the Company in implementing the best corporate governance practices.

(h) strive to attend all meetings of the Board of Directors and the Committees;

(i) participate constructively and actively in the committees of the Board in which they are chairperson or members;

(j) strive to attend the general meetings of the Company;

(k) keep themselves well informed about the Company and the external environment in which operates;

(l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Boarc

(m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict betwee management and shareholder's interest.

(n) abide by Company's Memorandum and Articles of Association, Company's policies and procedure including code of conduct, insider trading etc.

one Board member who has accounting or related financial management expertise and financially litera

Remuneration:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Dire KMP and Senior Management Personnel to the Board for their approval. The level and compositio remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain motivate directors, Key Managerial Personnel and Senior Management of the quality required to run Company successfully. The relationship of remuneration to performance should be clear and meet approp performance benchmarks. The remuneration should also involve a balance between fixed and incentive reflecting short and long-term performance objectives appropriate to the working of the Company an goals:

General:

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Se Management Personnel will be determined by the Committee and recommended to the Boar approval. The remuneration / compensation / commission etc. shall be subject to the prior/ approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to Managerial Person shall be as per the statu provisions of the Companies Act, 2013, and the rules made thereunder for the time being in fo

3. Increments to the existing remuneration / compensation structure may be recommended by Committee to the Board which should be within the slabs approved by the Shareholders in case of Managerial Person. Increments will be effective from the date of reappointment in res of Managerial Person and 1st April in respect of other employees of the Company.

4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and other employees for indemnifying them against any liability, the premium paid on such insura shall not be treated as part of the remuneration payable to any such personnel. Provided th such person is proved to be guilty, the premium paid on such insurance shall be treated as pa the remuneration.

Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a mor remuneration as may be approved by the Board on the recommendation of the Committe accordance with the statutory provisions of the Companies Act, 2013, and the rules made th under for the time being in force. The break-up of the pay scale and quantum of perquis including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. s be decided and approved by the Board on the recommendation of the Committee and approve the shareholders and Central Government, wherever required.

Provisions for excess remuneration: If any Managerial Person draws or receives, directly o indirectly by way of remuneration any such sums in excess of the limits prescribed under th Companies Act, 2013 or without the prior sanction of the Central Government, where required, h / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for th Company. The Company shall not waive recovery of such sum refundable to it unless permitted b the Central Government.

Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission: The remuneration / commission shall be in accordance with th statutory provisions of the Companies Act, 2013, and the rules made there under for the time bein in force.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attendin meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed th maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee c such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetar limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of th Company computed as per the applicable provisions of the Companies Act, 2013.

Minutes of Committee Meeting:

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairma of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Boar and Committee meeting.

Deviations from this policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interest of the Company, will be made if there are specific reasons to do so in an individual case.

For and on behalf of Board of Directors of Sterling Tools Limited

(Anil Aggarwal)	**(Atul Aggarwal)**
Managing Director	Whole Time Director
DIN No. 00027214	DIN No. 00125825

(Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company v related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 incluc certain arm's length transaction under the third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of the relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions	N.A.
f)	Date of approval by the Board	N.A.
g)	Amount paid as advances, if any	N.A.
h)	The fate on which the special resolution was passed in general meeting as required under the first proviso to section 188	N.A.

The Company has not entered into any contract or arrangement with its related parties which is at arm's length price during the financial year 2018-19.

2. Details of contracts or arrangements or transactions at Arm's length basis:

a.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of the relationship	Sterling Automobiles Priv Limited (SAPL)
b)	Nature of contracts / arrangements / transaction	Sale, Purchase and Service Honda Vehicles
c)	Duration of the contracts / arrangements / transaction	3 Years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The Company may purcha Honda vehicles upto an Ann Transaction value of Rs. 1 Cr as well as get its Honda Vehic serviced from SAPL upto an Ann transaction value of Rs. 25 Lacs
e)	Date of approval by the Board	26th May, 2017 effective from 1st April, 2017
f)	Amount paid as advances, if any	N.A.

b)	Nature of contracts / arrangements / transaction	Sale, Purchase and Service of Audi Vehicles
c)	Duration of the contracts / arrangements / transaction	3 Years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The Company may purchase Audi vehicles upto an Annual Transaction value of Rs. 1 Crore as well as get its Audi Vehicles serviced from JAPL upto an Annual transaction value of Rs. 25 Lacs.
e)	Date of approval by the Board	26th May, 2017 effective from 1st April, 2017
f)	Amount paid as advances, if any	N.A.

c.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of the relationship	Sterling Fabory India Private Limited
b)	Nature of contracts / arrangements / transaction	Purchase of Material & Job work
c)	Duration of the contracts / arrangements / transaction	3 Years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The Company may purchase fasteners upto an annual value of Rs. 3 Crores and to get the job work done upto Rs. 50 Lacs annually.
e)	Date of approval by the Board	8th February, 2016
f)	Amount paid as advances, if any	N.A.

d.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of the relationship	Sterling Fabory India Private Limited
b)	Nature of contracts / arrangements / transaction	Sale of Material & Job work
c)	Duration of the contracts / arrangements / transaction	3 Years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The Company may sell fasteners upto an annual value of Rs. 3 Crores and to do the job work done upto Rs. 1 Crore annually.
e)	Date of approval by the Board	8th February, 2016
f)	Amount paid as advances, if any	N.A.

b)	Nature of contracts / arrangements / transaction	Lease Agreement
c)	Duration of the contracts / arrangements / transaction	3 Years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The Company has taken on lease the 6C Sq. Ft. area situated at 12/2 Mathura Ro Faridabad.
e)	Date of approval by the Board	23rd May, 2018 & 7th February, 2019
f)	Amount paid as advances, if any	N.A.

During the year under review, no material transactions, contracts or arrangements as defi under the listing agreement or which were above the threshold limits mentioned under Rule of the Companies (Meetings of Board & its Powers) Rules, 2014, were entered with the rela parties by the Company. For details on related party transactions, members may refer to the no to the standalone financial statement.

For and on behalf of Board of Directors of Sterling Tools Limited

(Anil Aggarwal)
Managing Director
DIN No. 00027214

(Atul Aggarwal)
Whole Time Director
DIN No. 00125825

The CSR Policy of Sterling Tools Limited is based on the philosophy of giving back to the societ by addressing the needs of communities residing in the local vicinity by undertaking socially usefu programs for the transformation and sustainable development of the rural communities at large.

A detailed policy was framed on CSR and it was duly approved by the CSR Committee and Boar of Directors vide their meeting held on 05th November, 2014.The said policy covers the followings

- Philosophy of the Company on CSR
- CSR Policy
- Implementation
- Governance
- CSR Expenditure

The Projects to be undertaken, inter alia, include the promotion of education, providing preventiv healthcare and providing sanitation and drinking water to those from disadvantaged sections c society, especially in the Company' local vicinity in Faridabad as well as to promote sports.

Broadly, the Projects undertaken/to be undertaken will be within the broad framework of Schedul VII of the Companies Act, 2013. The detailed CSR Policy of the Company is available on th website of the Company.

2. **The composition of the CSR Committee:** The Company has a CSR Committee of director comprising of Mr. Anil Aggarwal as Chairman of the Committee, Mr. Atul Aggarwal and Mr. C.F Sharma as Members of the Committee.

3. **Average Net Profit of the Company for the last three financial years for the purpose c computation of CSR:** Rs. 57.80 Crores

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Rs. 1,15,60,000

5. **Details of CSR spent during the financial year:** Rs. 1,15,60,000/-

    a. **Total amount to be spent for the financial year:** Rs. 1,15,60,000/-

    b. **Amount unspent:** Rs. NIL/-

    c. **The manner in which the amount spent during the financial year:** The Company i managing its CSR activities through Sterling Tools Foundation, an NGO established by th Company for said purpose. The Company has a vision, under CSR, to undertake a projec which is primarily relating to providing basic health related check-ups by running a charitabl OPD center in the local vicinity. For said purpose, the Company is accumulating the funds which are to be spent under CSR, with said Foundation to have a decent corpus for spendin on the opening of a charitable OPD in the local area. A brief report detailing the amount sper under CSR is attached herewith.

Responsibility activities against which, the Company had actually incurred Rs. 11560000/- du Financial Year 2018-2019.

7. **A responsibility statement of the CSR Committee that the implementation and monitorin CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that the implementation and monitoring of the CSR policy are in complia with CSR objectives.

The manner in which the Amount spent during the financial year is detailed below

Sr. No.	CSR Project or Activity identified	The sector in which Project is covered	Specify the area where projects or programs were undertaken	Budget project or programs wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent: direct or through implementing age
1.	Training and educating underprivileged children/orphans	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Delhi, NCR & Punjab	3,60,000/-	3,60,000/-	3,60,000/-	Direct: a) Rs. 3,60,000/- through Distric Council For Children, Prithl
2.	Opening of Charitable OPD for primary health related check-ups by needy community	To Provide Primary Healthcare to disadvantaged sections of the Society	Delhi, NCR	1,12,00,000/-	1,12,00,000/-	11560000/-	Rs. 1,12,00,00/- to Sterling Tools Foundation (Regd.
Total				**1,15,60,000/-**	**1,15,60,000/-**	**11560000/-**	

For and on behalf of Board of Directors of Sterling Tools Limited

(Anil Aggarwal)
Managing Director
DIN No. 00027214

(Atul Aggarwal)
Whole Time Director
DIN No. 00125825

and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. **The ratio of the remuneration of each director to the median remuneration of the employe of the Company for the financial year:**

Executive Directors	Designation	Ratio to Median Remuneration
Sh. M.L. Aggarwal	Chairman	66
Sh. Anil Aggarwal	Managing Director	62
Sh. Atul Aggarwal	Whole Time Director	62

Note: *The Non-Executive Directors of the Company are entitled to sitting fees only as per the Statutor Provisions. The details of the Sitting Fee paid to Non-Executive Directors are provided in th Corporate Governance Report and is governed by the Remuneration Policy as detailed in th said Report. The ratio of remuneration and percentage increase for Non-Executive Directors i therefore not considered for the purpose above.*

b. **The percentage increase in remuneration of each director, chief executive officer, chie financial officer, company secretary in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Sh. M.L. Aggarwal, Chairman	7.34
Sh. Anil Aggarwal, CEO & MD	0.49
Sh. Atul Aggarwal, CFO	3.59
Ms. Vaishali Singh, Company Secretary	-1.56

c. **The Percentage increase in the median remuneration of employees in the financial year: 8%**

d. **The number of permanent employees on the rolls of Company: 564**

e. **Average percentile increase already made in the salaries of employees other than th Managerial Personnel in the last financial year and its comparison with the percentil increase in the managerial remuneration and justification thereof and point out if there ar any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 8%. Increase in the Managerial remuneration for th year was 15%.

f. **Affirmation that the remuneration is as per the Remuneration Policy of the Company.**

The Company affirms remuneration is as per the Remuneration Policy of the Company

g. **The information required under Section 197 of the Act read with Rule 5(2) &(3) of th Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ar given below:**

II. Name of every employee who if:

A. Employed throughout the financial year, was in receipt of remuneration for that y which, in the aggregate, was not less than Rs. 1,02,00,000/-.

S. No.	Name of Employees	Designation	Remuneration (Rs.)	Nature of employment (Contractual or otherwise)	Qualification and Experience	Date of Commencement of employment	Age	Last employment before joining the Company	% of Equity shares held by such employee	Wheth any su emplo is a rela of an directo mana of th Compa
1	Shri Manohar Lal Aggarwal	Chairman	228.19 Lacs	Otherwise	B.Sc. and 65 Years	07.06.1979	89	N.A.	10.70	Yes
2	Shri Anil Aggarwal	Managing Director	214.59 Lacs	Otherwise	B.Com. and 43 Years	30.09.1994	61	N.A.	22.28	Yes
3	Shri Atul Aggarwal	Whole Time Director	218.89 Lacs	Otherwise	M.B.A. and 31 Years	30.09.1994	55	N.A.	26.59	Yes

B. Employed for part of the Financial year, was in receipt of remuneration for any part of year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month: **Applicable**

C. Employed throughout the financial year or part thereof, was in receipt of remuneration in year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, i excess of that drawn by the managing director or whole-time director or manager and h by himself or along with his spouse and dependent children, not less than 2% of the eq shares of the Company.: **Not Applicable**

For and on behalf of Board of Directors of Sterling Tools Limited

(Anil Aggarwal)	**(Atul Aggarwal)**
Managing Director	Whole Time Director
DIN No. 00027214	DIN No. 00125825

(A) Conservation of energy

1.	Steps taken or impact on the conservation of energy	1. Replaced old compressor with energy efficient compressor. 2. The new plating one installed with energy efficient rectifiers thereby reduce energy consumption in plating plant. 3. Replaced Heavy duty Fumes extraction system with environment friendly and efficient Electrostatic Separation unit. The reduction in connected load is 60 HP 4. In the new plating line Electric heating system replaced with Hot water heating system 5. Natural ventilation Fume extraction system installed and removed electrically operated Air Blower 6. The complete electric panel in DLF plant replaced with new design and efficient panel 7. Kaizens carried out in each section to conserve energy
2.	The steps taken by the company for utilising alternate sources of energy	1. The electric heating system in Dip spin line replaced with PNG heating system
3.	The capital investment in energy conservation equipment's	The capital investment done in 1. Old Motors are being replaced with Energy efficient IE3 motor. 2. Old compressor replaced with new compressors 3. Investment in Electrostatic Separation unit for Fumes extraction.

		technological understanding of the surfa treatment process and had installed a Scanni Electron Microscope in the Technical Centre. In 2017-18 Company introduced Endo g system in the furnace by replacing the Methai system. The learning from the Technology-w breakthrough projects deployed in the shop flo In 2018-19 further improvement done in t Surface treatment line by introducing automati and new technology in rectifiers. The compa introduced a new type of part (Paint Scrapp which helped to get new business from t customer. The Endo gas system introduced la year further deployed to more furnaces
2.	the benefits derived like product improvement, cost reduction, product development or import substitution	The above action resulted in a reduction a optimisation of the manufacturing cost, getti new business etc.
3.	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A.
	the details of technology imported	N.A.
	the year of import	N.A.
	whether the technology been fully absorbed	N.A.
	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
	the expenditure incurred on Research and Development	No expense incurred for R&D activities

(C) Foreign exchange earnings and Outgo-

1.	The Foreign Exchange earned in terms of actual inflows during the year	Rs. 346,460,280/-
2.	the Foreign Exchange outgo during the year in terms of actual outflows.	Rs. 12,518,025/-

For and on behalf of Board of Directors of Sterling Tools Limited

(Anil Aggarwal) Managing Director DIN No. 00027214	**(Atul Aggarwal)** Whole Time Director DIN No. 00125825

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Sterling Tools Limited,
(CIN: L29222DL1979PLC009668)
Office No. 243 C-10, Regus Elegance, 2F, Elegance
Jasola District Centre, Old Mathura Road
New Delhi-110025

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherenc to good corporate practices by Sterling Tools Limited (CIN: L29222DL1979PLC009668) (hereinafter called th company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluatin the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and othe records maintained by the company and also the information provided by the company, its officers, agent and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinior the company has during the audit period covering the financial year ended on 31st March, 2019 (Aud Period) complied with the statutory provisions listed hereunder and also that the company has proper Boarc processes and compliance-mechanism in place to the extent, in the manner and subject to the reportin made herein after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained b the Company for the financial year ended on 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder t the extent of Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board c India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition on Insider Trading) Regulations 1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2009;

Amendments Regulation, 2012 and Listing Agreement of Debt Securities **(Not Applicabl the Company has not issued any debt securities);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Tran Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2 **(Not Applicable as the Company has not de-listed its securities during the Finan Year);** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Applicable AS Company has not bought back any security during the Financial Ye**

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements read with the SEBI (Listing Obligations & Disclosure Requireme Regulations, 2015 entered into by the Company with the Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulati Guidelines, standards, etc. mentioned above.

I further report that, based on the information provided by the Company, its' officers and Author Representatives during the conduct of the Audit, and also on the review of quarterly compliance repor respective Department Heads taken on record by the Board of Directors of the Company, in my opir adequate systems, processes and control mechanism exist in the Company to monitor & ensure complia with applicable General laws like Labour Laws, Competition law & Environmental laws.

I further report that, the compliance by the Company of applicable financial laws, like Direct & Indirect laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Finar Auditor and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balanc Executive Directors, Non-Executive Directors and Independent Directors as on date of this report. On February, 2019, the composition of Board got disturbed as per Regulation 17 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, which was regularized on 23rd May, 2019.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes agenda were sent at-least seven days in advance, and a system exists for seeking and obtaining fur information and clarifications on the agenda items before the meeting and for meaningful participation a meeting.

All decisions at Board Meetings and Committee meetings are carried out unanimously as recorded in minutes of the meetings of the Board of Directors or Committee of the Board respectively.

standards, etc. referred to above:

a. The Company altered its Object clause of the Memorandum of Association of the Company throug Postal ballot on 19.12.2018.

b. The Company has re-appointed its existing independent Directors viz. Mr. Chhotu Ram Sharma Ms. Malini Sud & Dr. Triloki Nath Kapoor for another period of 5 years w.e.f. 1st April, 2019 throug Postal ballot on 27th March, 2019.

Note: This report is to be read with our letter of even date which is annexed as **'ANNEXURE A'** an forms an integral part of this report.

Date: 26/07/2019
Place: Ghaziabad

For Santosh Kumar Pradhan
(Company Secretaries)

Santosh Kumar Pradhan
FCS No.: 6973
C P No.: 7647
UDIN: F006973A000001924

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE A**' an forms an integral part of this report.

Sterling Tools Limited,
(CIN:L29222DL1979PLC009668)
Office No. 243 C-10, Regus Elegance, 2F, Elegance Jasola
District Centre, Old Mathura Road
New Delhi-110025

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasona assurance about the correctness of the contents of the Secretarial records. The verification ' done on test basis to ensure that correct facts are reflected in secretarial records. We believe the processes and practices, we believe that the processes and practices, we followed provic reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books Accounts of the Company.

4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulatic standards is the responsibility of management. Our examination was limited to the verificatio procedures on test basis.

5. The Secretarial Audit report is neither an assurance as to the future viability of the Comp nor of the efficacy or effectiveness with which the management has conducted the affairs of Company.

Date:26/07/2019
Place: Ghaziabad

For Santosh Kumar Pradhan
(Company Secretaries)

Santosh Kumar Pradhan
FCS No.: 6973
C P No.: 7647
UDIN: F006973A000001924

the vision and common values which form the basis of the respectful working relationship betwee our employees and with our external partners.

The Company' policy on Corporate Governance is based on trusteeship, transparency an accountability. As a corporate citizen, our business fosters a culture of ethical behaviour an disclosures aimed at building the trust of our stakeholders. The Company's Code of Busines Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trade by Designated Persons are an extension of our values and reflect our commitment to ethica business practices, integrity and regulatory compliances.

Our corporate governance framework ensures that we make timely disclosures and share accurat information regarding our financials and performance, as well as to disclosures related to th leadership and governance of the Company.

The Company is in compliance with the requirements stipulated under Regulations 34(3) rea with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosur Requirements) Regulations, 2015 ('Listing Regulations'), as applicable, with regard to Corporat Governance.

2. Board of Directors

2.1 Composition of Board of Directors:

We believe that an effective and well-informed Board is necessary to ensure high standards o Corporate Governance. The Board of Directors, along with its Committees, play a fundamental rol in upholding and nurturing the principles of good governance in the Company.

The Board is entrusted with the ultimate responsibility of the Management, directions an performance of the Company. As its primary role is fiduciary in nature, the Board provide leadership, strategic guidance, objective and independent view to the Company's managemen while discharging its responsibilities, thus ensuring that the management adheres to ethics transparency and disclosures.

The Board is broad-based and consists of eminent individuals from Industrial, Manageria Technical, Financial and Banking background. The Company is managed by the Board of Director in co-ordination with the Senior Management team. The composition and strength of the Board ar reviewed from time to time for ensuring that it remains aligned with statutory as well as busines requirements.

As on the date of this report, the total Board strength comprises of Eight Directors on the Board out of which six are Non-Executive Directors and the rest two are Executive Directors. The detail of each member of the Board along with the number of Directorship(s) / Committee Membership(s Chairmanship(s) are provided herein below:

Shri. Anil Aggarwal	Managing Director	0	Nil	Nil	Relative of Sh Atul Aggarwa
Shri. Atul Aggarwal	Whole Time Director	0	Nil	Nil	Relative of Shri Aggarwal
Dr. T. N. Kapoor	Non-Executive Independent Director	1	1	2	Nil
Shri. C. R. Sharma	Non-Executive Independent Director	1	Nil	1	Nil
Ms. Malini Sud	Non-Executive Independent & Women Director	1	Nil	Nil	Nil
Shri Jaideep Wadhwa*	Non-Executive Non-Independent Director	0	Nil	Nil	Nil
Shri Rahoul Kabir Bhandari**	Non-Executive Independent Director		Nil	Nil	Nil
Shri Akhill Aggarwal**	Non Executive Non Independent Director	0	Nil	Nil	Nil

a) For the purpose of considering directorships, only Public Limited Companies (Listed as as Unlisted) have been included.

b) For the purpose of calculating Chairmanship / Membership of Committees only A Committee and Shareholders' / Investors' Grievance Committee of all Public Lim Companies have been considered.

*Mr. Jaideep Wadhwa has been appointed as Non-Executive Non-Independent Additional Dire with effect from 07th February, 2019.

**Mr. Rahoul Kabir Bhandari and Mr. Akhill Aggarwal have been appointed with effect from August, 2019.

Shri M.L. Aggarwal, the Executive Chairman has resigned on 23rd May, 2019 due to his he reasons.

2.2 Directorships in equity Listed Entities:

Name of the Equity Listed Entities wherein the Board of Directors held the directorships as 31st March, 2019.

Name of the Director	Name of Listed Entity	Category
Shri Anil Aggarwal	Sterling Tools Limited	Managing Director
Shri Atul Aggarwal	Sterling Tools Limited	Whole Time Director

	PNC Infratech Limited	Non-Executive Independent Director
Ms. Malini Sud	Sterling Tools Limited The Hi-Tech Gears Limited	Non-Executive Independent & Women Director Non-Executive Independent & Women Director
Shri Jaideep Wadhwa*	Sterling Tools Limited	Non-Executive Non-Independent Director
Shri M. L. Aggarwal**	Sterling Tools Limited	Whole Time Director

* Appointed on 7th February, 2019 ** Resigned w.e.f. 23rd May, 2019

2.3 Certificate from Practising Company Secretary:

The Company has received a certificate from Santosh Kumar Pradhan, practising Compan Secretary to the effect that none of the directors on the Board of the Company has been debarre or disqualified from being appointed or continuing as directors of the Company by the Securitie and Exchange Board of India (SEBI), Ministry of Corporate Affairs or any other statutory authorit The same forms part of this report.

2.4 Details of Board Meetings held during the Financial Year:

During the Financial Year 2018-2019, the Board met 4 times–on 23rd May, 2018, 11th Augus 2018, 12th November, 2018 and 7th February, 2019.

The attendance of all the directors at Board Meetings held during the year and attendance in th last AGM are detailed below:

Name of the Director	No. of Board Meeting attended	Whether attended last AGM
Shri Anil Aggarwal	4	Yes
Shri Atul Aggarwal	4	Yes
Dr. T. N. Kapoor	4	Yes
Shri C. R. Sharma	4	Yes
Ms. Malini Sud	4	No
Shri Jaideep Wadhwa*	1	No
Shri M. L. Aggarwal**	4	Yes

* Appointed on 7th February, 2019 ** Resigned w.e.f. 23rd May, 2019

2.5 Board Meetings and Procedures thereof:

The Board meets at regular intervals to discuss and decide on Company / business policy an strategy apart from other Board business. The Board / Committee Meetings are pre-schedule and a notice of the Board and Committee Meetings is circulated to the Directors well in advanc to facilitate them to plan their schedule and to ensure meaningful participation in the meeting However, in case of a special and urgent business need, the Board's approval is taken by passin resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequer Board meeting.

Minutes of the proceedings of every Board meeting are recorded in Minutes Book within 30 c of the meeting and are discussed before signing the same by the Chairman in successive Bc Meeting.

2.6 Information supplied to the Board:

Presentations are made to the Board of Directors on various functional, operational, statu compliances and financial highlights etc.

Among others, these include:

i) Annual operating plans and budgets and any updates.

ii) Quarterly Results of the Company.

iii) Capital Budgets-Plant wise as well as Company as a whole.

iv) Minutes of Audit Committee, Investors' Grievance Committee, Share transfer Committe Remuneration Committee.

v) Information relating to the recruitment of Senior Officers just below the Board level.

vi) Certificates given by the Plant Heads / Admin. Heads detailing compliances with the vari provisions of Factories Act, Safety, Health and Environmental norms etc.

vii) Details of any Joint Venture, Collaboration etc.

viii) Non-compliance of any statutory, regulatory or listing requirements and shareholders ser such as non-payment of dividend, delay in share transfer etc.

ix) All other information which is required to be provided pursuant to the provisions of Lis Agreement read with the SEBI (Listing Obligations & Disclosure Requirement) Regulatic 2015.

2.7 Details of shareholding of Directors as on 31.03.2019 are given as under:

Name of the Director	No. of Equity Shares (Face Value Rs. 2/-)	% of Holding
Shri M.L. Aggarwal	3855080	10.70
Shri Anil Aggarwal	8027440	22.28
Shri Atul Aggarwal	9579155	26.59
Dr. T. N. Kapoor	Nil	Nil
Shri C. R. Sharma	Nil	Nil
Ms. Malini Sud	Nil	Nil
Shri Jaideep Wadhwa	8917	0.02

The Company has received the annual confirmation and disclosures from all its Non-Executiv Independent directors and all of them comply with the requirements laid down by the SEBI Listin Regulations that are applicable to an Independent Director.

2.9 Separate Independent Directors' Meeting:

A separate meeting of Independent Directors was held during the year 2018-19 on 12th Novembe 2018 without the attendance of non-independent directors and members of management. Th following points were discussed:

(i) the performance of non-Independent Directors and the Board as a whole;

(ii) the performance of the Chairperson of the Company, taking into account the views c Executive Directors and Non- Executive Directors; and

(iii) the quality, quantity and timeliness of the flow of information between the Compan management and the Board that is necessary for the Board to effectively and reasonabl perform their duties.

All the independent directors of the company were present throughout the meeting and the expressed their satisfaction on the governance process followed by the Company as well as th information provided to them on a timely basis.

2.10 Familiarisation programme for Independent Directors

As a part of familiarization programme as required under Listing Regulations, the Directors hav been appraised during the Board Meetings about the amendments to the various enactments viz Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Inside Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitiv Information etc. and on Internal Financial Control Systems introduced by Institute of Chartere Accountants of India.

The roles and duties of Independent Directors are well defined in the Appointment letters issue to them, copies of which are available on the Website of the Company (www.stlfasteners.con new/news.asp). The familiarisation programme for Independent Directors is also available on th Website of the Company (www.stlfasteners.com/new/news.asp).

2.11 Secretarial Standards

The secretarial and the operating practices of the Company are in line with the Secretarial Standard issued by The Institute of Company Secretaries of India (ICSI).

3. Committee(s) of the Board

The Committees of the Board plays a vital role in the governance structure of the Company an help the Board of Directors in discharging their duties and responsibilities. The committees hav been constituted to deal with specific areas/activities, which concern the Company. The Boar supervises the execution of its responsibilities by the Committees and is responsible for the action. The minutes of the meetings of all Committees are placed before the Board for review.

(iv) Share Transfer Committee

(v) Corporate Social Responsibility Committee

3.1 Audit Committee:

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2 read with Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirement) Regulati 2015. Members of the Audit Committee possess financial / accounting expertise / exposure. purpose of this Committee is to ensure the objectivity, credibility and correctness of the Compa financial reporting and disclosures process, internal controls, risk management policies processes, tax policies, compliance and legal requirements and associated matters.

At present, the Audit Committee comprises of following Directors as members having v experience and knowledge of Corporate Affairs, Income Tax & Finance.

- Shri. C. R. Sharma – Chairman (Non Executive Independent Director)
- Dr. T. N. Kapoor – Member (Non Executive Independent Director)
- Ms. Malini Sud – Member (Non Executive Independent Director)
- Shri Anil Aggarwal – Member (Managing Director)

The role and terms of reference of the Audit Committee cover areas mentioned in the SEBI (Lis Obligations & Disclosure Requirement) Regulations, 2015 with Stock Exchange and section 17 the Companies Act. 2013 which, among others, include:

- Oversight of the Company's financial reporting process and the disclosure of its finar information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of statu auditors, including cost auditors of the Company;
- Approving payment to statutory auditors, including cost auditors, for any other serv rendered by them;
- Reviewing with the management, the annual financial statements and auditors report ther before submission to the Board for approval, with particular reference to:
  a. Matters required to be included in the Directors' Responsibility Statement to be inclu in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of Companies Act, 2013;
  b. Changes, if any, in accounting policies and practices and reasons for the same;
  c. Major accounting entries involving estimates based on the exercise of judgement by management;
  d. Significant adjustments made in financial statements arising out of audit findings;

- Reviewing, with the management, the quarterly financial statements before submission to th Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised throug an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized fc the purposes other than those stated in the offer document/ prospectus/notice and the repo submitted by the monitoring agency monitoring the utilization of the proceeds of public or rigł issue, and making appropriate recommendations to the board to take up steps in this matte
- Reviewing and monitoring the auditors' independence and performance, and effectiveness c the audit process;
- Approval or any subsequent modification of transactions of the Company with related partie
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, the performance of statutory auditors and internal auditor adequacy of internal control systems;
- Formulating the scope, functioning, periodicity and methodology for conducting the interna audit;
- Reviewing the adequacy of the internal audit function, if any, including the structure c the internal audit department, staffing and seniority of the official heading the departmen reporting structure coverage and frequency of internal audit; Discussion with internal auditor of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of materia nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scop of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debentur holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other perso heading the finance function or discharging that function) after assessing qualification experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Aud Committee;

subsidiaries;

- Reviewing the following information:
  - a) The Management Discussion and Analysis of financial condition and results operations;
  - b) Statement of significant related party transactions (as defined by the Audit Committ submitted by management;
  - c) Management letters/letters of internal control weaknesses issued by the statu auditors;
  - d) Internal audit reports relating to internal control weaknesses;
  - e) Reviewing the appointment, removal and terms of remuneration of the Chief inte auditor / internal auditor(s); and
- statement of deviations:
  - (a) quarterly statement of deviation(s) including the report of monitoring agency applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Secur and Exchange Board of India (Listing Obligations and Disclosure Requireme Regulations, 2015.
  - (b) annual statement of funds utilized for purposes other than those stated in the c document / prospectus / notice in terms of Regulation 32(7) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulatic 2015.

Ms. Vaishali Singh, Company Secretary, is the Secretary to the Committee.

Meetings of Audit Committee

During the Financial Year 2018-2019, the Audit Committee met 4 times – on 23rd May, 2018, August, 2018, 12th November, 2018 and 7th February, 2019. The attendance of each Member of Committee is given below:

Name of Directors	No. of Meetings attended
Shri. C. R. Sharma	4
Dr. T. N. Kapoor	4
Shri. Anil Aggarwal	4
Ms. Malini Sud	4

The necessary quorum was present for all the meetings.

3.2 Nomination and Remuneration Committee:

The Committee's constitution and terms of reference are in compliance with provisions of Companies Act, 2013 readwith the Regulation 19 of the SEBI (Listing Obligations & Disclos

The Committee shall:

i. Formulate the criteria for determining qualifications, positive attributes and independence o a director and recommend to the Board a policy relating to the remuneration of Directors, ke managerial personnel and other employees.

ii. Formulation of criteria for evaluation of the Independent Director and to carry out an evaluatio of every Director's performance and to provide a necessary report to the Board for furthe evaluation.

iii. Devising a policy on Board diversity.

iv. Identify persons who are qualified to become Director and persons who may be appointed i Key Managerial and Senior Management positions in accordance with the criteria laid dow in this policy.

v. To provide to Key Managerial Personnel and Senior Management reward linked directly t their effort, performance, dedication and achievement relating to the Company's operations

vi. To retain, motivate and promote talent and to ensure long term sustainability of talente managerial persons and create competitive advantage.

vii. Ensure that level and composition of remuneration is reasonable and sufficient, the relationshi of remuneration to performance is clear and meets appropriate performance benchmarks.

viii. To carry out any other function as is mandated by the Board from time to time and / o enforced by any statutory notification, amendment or modification, as may be applicable.

ix. To perform such other functions as may be necessary or appropriate for the performance o its duties.

x. To develop a succession plan for the Board and to regularly review the plan.

Meetings of Nomination and Remuneration Committee

During the Financial Year 2018-2019, the Committee met two times-on 12th November, 2018 an 7th February, 2019 to finalise methodology for evaluation of directors. The attendance of eac Member of the Committee is given below:

Name of Directors	No. of Meetings attended
Shri. C. R. Sharma	2
Dr. T. N. Kapoor	2
Ms. Malini Sud	2

A chart setting out the skills / expertise / competence of the Board of Directors:

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actuall

3. Knowledge of Corporate Finance, Accounting and Internal Financial Controls
4. Sales, Marketing and International business
5. Banking, investment and Forex Management
6. Experience in Corporate law and Regulatory Compliances in India.
7. Corporate Governance

While evaluating the performance of Board as a whole, it was ensured that the core sl competencies of the Board Member match with the Core Skills/Competencies matrix set by company for running its business effectively and in a transparent manner:

Name of the Director	Expertise in the specific functional area
Shri Anil Aggarwal	Industrialist, Industry Knowledge, Management skills, Leadersl
Shri Atul Aggarwal	Industry Knowledge, Marketing, Banking, finance, IT
Shri C.R. Sharma	Banking, Finance
Dr. T.N. Kapoor	Strong knowledge in Regulatory Compliances and Governance related issues.
Mrs. Malini Sud	Corporate Laws including International Laws
Shri Jaideep Wadhwa	International Business Management, Industry Knowledge
Shri Rahoul Kabir Bhandari	Industrialist, Industry Knowledge, Management Skills, Marketir
Shri Akhill Aggarwal	Industry Knowledge

Board Evaluation

The Company has adopted a Performance Evaluation Policy ("the Policy") which provides fo evaluation of the Board, the Committee of the Board and the Individual Directors, including Chairman of the Board. The criteria for Board Evaluation includes the experience and qualifica possessed by the Directors, their relevant expertise that will be of assistance to the managemei operating the Company' business, integrity, accountability and their judgement to bring in object in the Board proceedings. The Policy also sets independent standards for the Independent Direc and the Board as a whole.

An indicative list of factors that may be evaluated includes participation and contribution t Director, commitment, effective deployment of knowledge and expertise, effective managemei the relationship with stakeholders, integrity and maintenance of confidentiality and independe of behaviour and judgement.

During the year, in terms of the requirements of the Act and the SEBI Listing Regulations, a Bc Evaluation cycle was completed, by the Company internally which included the evaluation of Board as a whole, Board Committees and Directors through a structured questionnaire ha questions based on above said parameters.

the AGM.

Details of the remuneration paid to Executive Directors during the year 2018-2019 are given belov

(Amount in Rs

Name of the Director	**Salary and other Allowances**	**Commission**	**Perquisites**	**Total**
Shri. M. L. Aggarwal	14908404.00	7600000.00	310257.00	22818661.00
Shri Anil Aggarwal	13579680.00	7600000.00	278923.00	21458603.00
Shri Atul Aggarwal	12514000.00	7600000.00	1775342.00	21889342.00

- The service contract of Executive Directors is for a period of three years from 1st April, 201 to 31st March, 2021.
- Services of an Executive Director may be terminated by either party, giving the other part three months' notice as per the policy of the Company. There is no separate provision fc payment of severance fees.

<u>Non-executive Directors</u>

The Non-Executive Directors are entitled to sitting fee for attending the Board / Committee Meetings A sitting fee of Rs. 25000/- for attending each meeting of the Board as well as Committee meetin is paid to all Independent directors.

The sitting fees are paid to Independent directors pursuant to the compliance of the provisions c Companies Act, 2013 as amended from time to time. None of the Independent directors has an pecuniary/other interest in the transactions of the Company, its directors or its promoters, its senic Management and Associates which may affect their independence.

During the Financial Year 2018-2019, the sitting fees paid to Independent directors is detaile below:

(Amount in Rs

Name of the Director	**Board Meeting**	**Audit Committee**	**Stakeholders' Relationship Committee**	**Nomination & Remuneration Committee**	**C S R Committee**	**Risk Management Committee**	**Share Transfer Committee**
Dr. T. N. Kapoor	100000	100000	100000	50000	0	0	C
Shri C. R. Sharma	100000	100000	100000	50000	25000	0	C
Ms. Malini Sud	100000	100000	0	50000	0	0	C
TOTAL	**300000**	**375000**	**200000**	**150000**	**25000**	**0**	**0**

3.3 Stakeholders' Relationship Committee

This committee is headed by an Independent Director and comprises of following Directors:

- Dr. T. N. Kapoor – Chairman (Non-Executive Independent Director)
- Shri C. R. Sharma – Member(Non-Executive Independent Director)
- Shri Atul Aggarwal – Member(Whole Time Director)

<u>Terms of reference</u>

(i) Resolving the grievances of the security holders of the listed entity including compla related to transfer/transmission of shares, non-receipt of the annual report, non-receip declared dividends, issue of new/duplicate certificates, general meetings etc.

(ii) Review of measures taken for the effective exercise of voting rights by shareholders.

(iii) Review of adherence to the service standards adopted by the listed entity in respect of vari services being rendered by the Registrar & Share Transfer Agent.

(iv) Review of the various measures and initiatives taken by the listed entity for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/anı reports/statutory notices by the shareholders of the company.

Ms. Vaishali Singh, Company Secretary, is the Secretary to the Committee.

<u>Meetings of Stakeholders' Relationship Committee</u>

During the financial year 2018-2019 the Committee met 4 times-on 23rd May, 2018, 11th Aug 2018, 12th November, 2018 and 7th February, 2019 to review the grievances / complaints recei from Shareholders.

1.	Number of shareholder's complaints received during the financial year 2018-2019	NIL
2.	The number of shareholder's complaints solved to the satisfaction of shareholders.	NIL
3.	Number of pending shareholders' complaints	NIL

3.4 Other Committees

3.4.1 Share Transfer Committee

The Share Transfer Committee comprises of following Directors:

- Shri Anil Aggarwal – Member (Managing Director)
- Shri Atul Aggarwal – Member (Whole Time Director)

3.4.2 Corporate Social Responsibility Committee

The CSR Committee of the Company comprises the followings:

- Mr. Anil Aggarwal - Chairman (Managing Director)
- Mr. Atul Aggarwal - Member (Whole Time Director)
- Mr. C.R. Sharma - Member (Non- Executive Independent Director)

Terms of reference:

The terms of reference of the CSR Committee are as follows:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which sha indicate the activities to be undertaken by the Company;

(b) recommend the amount of expenditure to be incurred on the activities referred to in claus (a); and

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy of the Company can also be viewed at www.stlfasteners.com/new/news.asp.

Meetings of Corporate Social Responsibility Committee

During the Financial Year 2018-2019, the Committee met once on 7th February, 2019. Th attendance of each Member of the Committee is given below:

Name of Directors	No. of Meetings attended
Shri. C. R. Sharma	1
Shri. Anil Aggarwal	1
Shri Atul Aggarwal	1

4. Policies

Remuneration Policy

Remuneration Policy in the Company is designed to create a high performance culture. The Compan pays remuneration by way of salary, benefits, perquisites and allowances and commission to it Managing Director and the Executive Directors. The Independent directors are paid remuneratio in form of sitting fees only. The remuneration policy is given in an **Annexure-III** attached to annua report.

Directors.

(ii) The recommendatory requirement for each of the directors to possess functional diversit

(iii) Role of nomination and remuneration committee to ensure that the Policy on Board diver is considered while recommending the appointment of new directors on the Board of company.

(iv) Review of the policy at such intervals including the assessment of the effectiveness of policy.

Code of conduct

In compliance with the requirements of Regulation 17(5) of the SEBI Listing Regulations, the Bo of Directors has laid down Code of Conduct for all Board Members and Senior Managemen the Company. This code is also posted on the website of the Company i.e. http://www.stlfasten com/new/news.asp.

The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2019. The Anı Report of the Company contains a certificate by the Managing Director & CEO in this regard.

Code of conduct for Insider Trading

The Securities and Exchange Board of India vide its Notification dated January 15, 2015 notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulati 2015 (New Regulations) to protect the interest of investors and these Regulations came into ef from May 15, 2015.

In accordance with the amended SEBI Regulations 2018, the Company has further amended said code. The objective of this code is to protect the interest of the shareholders, to prevent misuse of any price sensitive information, and to prevent any insider trading activity.

The Code of Conduct for insider trading is available on the website of the Company http://w stlfasteners.com/new/news.asp

Prevention of Sexual Harassment Policy

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevent Prohibition and Redressal)Act, 2013 and Rules framed thereunder, the Company has formula and implemented a policy on prevention, prohibition and redressal of complaints related to se harassment of women at the workplace. All women employees are covered under the above po The said policy has been uploaded on the internal portal of the Company for information o employees. An Internal Complaint Committee (ICC) has been set up in compliance with the Act. During the year under review, no Complaint was reported pertaining to sexual harassmen women at workplace.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanisr on the Company's website viz. www.stlfasteners.com.

Policy on disclosure of material events

The Company has also adopted policies on determination of material events and policy for th preservation of documents. The said policies are available on the website of the Company http: www.stlfasteners.com/new/news.asp.

Compliance Officer

Ms. Vaishali Singh, the Company Secretary is the Compliance Officer of the Company. Th Compliance Officer can be contacted at:

5A DLF Industrial Estate, Faridabad-121003

Tel.: 91-129-2270621-25 (Extn. 146)

Email: csec@stlfasteners.com

Role of the Company Secretary in the overall governance process

The Company Secretary plays a key role in ensuring that the Board procedures are followed an regularly reviewed. The Company Secretary ensures that all relevant information, details an documents are made available to the Directors and senior management for effective decisior making at the meetings. The Company Secretary is primarily responsible to assist and advise th Board in the conduct of affairs of the Company, to ensure compliance with applicable statutor requirements and Secretarial Standards, to provide guidance to directors and to facilitate th convening of meetings. The Company Secretary interfaces between the management an regulatory authorities for governance matters.

5. General Meeting Information

5.1 Annual General Meeting (AGM)

The details of Annual General Meetings held in the last three years are given below:

Financial Year	Date	Time	Venue	Special Business
2017-2018	28.09.2018	10:30 A.M.	The Little Theatre Group (LTG) Auditorium, Copernicus Marg, New Delhi-110001	Approving remuneration of cost auditors, Power to borrow money and Power to Make Loan, Investment and Guarantee.
2016-2017	28.09.2017	11:00 A.M.	The Little Theatre Group (LTG) Auditorium, Copernicus Marg, New Delhi-110001	Approving remuneration of cost auditors, Reappointment and payment of remuneration to Chairman, WTD and MD.
2015-2016	29.09.2016	04:00 P.M.	Lakshmipat Singhania Auditorium, PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	Approving remuneration of cost auditors.

28.09.2017	11:00 A.M	Reappointment and payment of remuneration to Chairman, WTD and MD
29.09.2016	04:00 P.M.	-NONE-

5.3 Special Resolution passed through Postal Ballot in last year:

During the year, the Company had passed the following special resolutions through 2 Pc ballots:

1. a) alteration of the object clause of the memorandum of association of the company.

2. a) Re-appointment of Shri Chhotu Ram Sharma (DIN 00522678) as an Independent Directc the Company

   b) Re-appointment of Ms. Malini Sud (DIN 01297943) as an Independent Director of Company

   c) Re-appointment of Dr. Triloki Nath Kapoor (DIN 00017692) as an Independent Director of Company

   d) Appointment of Shri Jaideep Wadhwa (DIN 00410019) as Non- Executive Non-Indepenc Director of the Company

   e) Appointment of Shri Anish Agarwal relative of Shri Anil Aggarwal, Managing Directoı Project Head-Bangalore.

In the Postal Ballot conducted pursuant to Clause 44 of the Listing Regulations, the Company also offered e-voting facility through NSDL as an alternate to enable the shareholders to cast t vote electronically.

The Company had appointed Shri A. K. Goyal, Company Secretary in Practice as Scrutinizeı conducting both the postal ballot / e-voting process.

The result of the 1st Postal Ballot was declared on 21st December, 2018. The details of the vo pattern were as under:

Description of Resolution	**No. of total valid Postal Ballot Forms / e-votes received**	**Votes Cast (No. of shares)**	
		For	**Agains**
alteration of the object clause of the memorandum of association of the company	75	26113380	394

		For	Against
Re-appointment of Shri Chhotu Ram Sharma (DIN 00522678) as an Independent Director of the Company	55	26380594	323
Re-appointment of Ms. Malini Sud (DIN 01297943) as an Independent Director of the Company	55	26380595	322
Re-appointment of Dr. Triloki Nath Kapoor (DIN 00017692) as an Independent Director of the Company	55	26380589	328
Appointment of Shri Jaideep Wadhwa (DIN 00410019) as Non- Executive Non-Independent Director of the Company	55	23979439	2401478
Appointment of Shri Anish Agarwal relative of Shri Anil Aggarwal, Managing Director as Project Head-Bangalore.	55	26360041	20876

5.5 Details of the special resolution proposed to be conducted through postal ballot:

No special Resolution is proposed to be conducted through postal ballot at the AGM to be held o 27th September, 2019.

5. Means of Communication

The Board recognizes the importance of two-way communication with shareholders and givin a balanced report of results and progress and responding to questions and issues raised in timely and consistent manner. The Company website (www.stlfasteners.com) has informatio for institutional and retail shareholders alike. Shareholders seeking information related to the shareholding may contact the Company directly and Management of the Company been meetin the Analysts upon their requests to appraise them about the current working as well as the futur vision of the Company.

The quarterly/half yearly results are being furnished to stock exchanges and also are bein published in leading English Newspapers Financial Express –All edition & Money Makers-Dell and Hindi Newspaper Dainik Mahalaxmi-Delhi and are displayed on the website of the Company www.stlfasteners.com/new/news.asp.

The Chairman's speech is distributed to shareholders at the Annual General Meeting. The same i also placed on the website of the company for information of the shareholders residing in variou parts of the country.

7. General Shareholder Information

(i) Annual General Meeting

Date	:	Friday, 27th September, 2019
Time	:	10:00 A.M.
Venue	:	**The Little Theatre Group (LTG) Auditorium** Copernicus Marg, New Delhi-110001

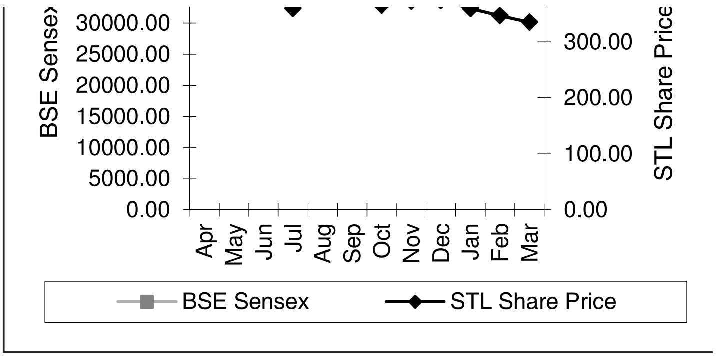
2018 of Rs. 2 per equity share (100%) in their meeting h
on 11th August, 2018 which has already been paid. Furtl
the Board of Directors in their meeting held on 23rd May, 2(
declared the Interim dividend already paid as final dividend
the Financial year 2018-2019. Dividend paid in the previc
year was Rs. 2 per equity share (100%).

(iv)	**Dates of Book Closure**	:	The Register of Members and Share Transfer Books of company will remain closed from Saturday, 21st Septeml 2019 to Friday, 27th September, 2019 both days inclusive, the purpose of Annual General Meeting.
(v)	**Date of Dividend Payment**	:	The payment of interim dividend recommended by the Bo of Directors in their meeting 11th August, 2018 has alre been paid on 29th August, 2018 as under: To all those beneficial owners holding shares in electro form, as per the beneficial ownership data made availa to the company by National Securities Depository Limi (NSDL) and the Central Depository Services (India) Limi (CDSL) as on the end-of-the-day on 21st August, 2018 a To all those shareholders holding shares in physical fo after giving effect to all the valid share transfers lodg with the company on or before the closing hours on 2 August, 2018.
(vi)	**Listing on Stock Exchange**	:	
	Shares of Sterling Tools Limited are listed on the following stock exchange:		
1.	Bombay Stock Exchange Limited, Mumbai (BSE)	:	1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 001
2.	National Stock Exchange of India Limited, Mumbai (NSE)	:	"Exchange Plaza", Plot No. C-1, Bandra Kurla Compl Bandra (E), Mumbai-400 051
(vii)	**Company's ISIN No.**	:	**INE334A01023**
1.	BSE, Mumbai	:	530759
2.	NSE, Mumbai	:	STERTOOLS
	Listing fees as applicable have been paid.		

(viii) Market Share price data on BSE during the financial year 2018-2019

Stock Price Performance-STL Vs BSE Sens Financial Year 2018-2019

July 2018	360.00	318.00
August 2018	400.00	324.30
September 2018	378.00	330.25
October 2018	366.00	305.05
November 2018	373.05	321.10
December 2018	374.00	330.00
January 2019	359.80	328.50
February 2019	346.65	250.50
March 2019	335.00	269.00

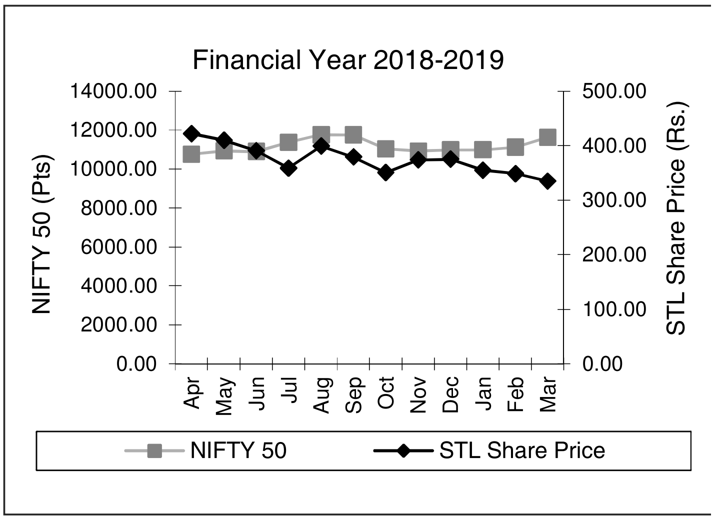


Note: Based on the Monthly highest data of STL (Rs. Per Share) and BSE Sensex (Pts.)

(ix) Market Share price data on NSE during the financial year 2018-2019

Stock Price Performance-STL Vs NIFTY 50 Financial Year 2018-2019

Month	High	Low
April 2018	422.00	356.65
May 2018	409.95	366.35
June 2018	390.90	345.55
July 2018	358.75	315.35
August 2018	399.05	325.20
September 2018	378.95	330.20
October 2018	350.50	306.85
November 2018	373.65	320.25
December 2018	375.00	330.30
January 2019	354.90	329.10
February 2019	348.95	250.20
March 2019	334.95	265.00



Note: Based on the Monthly highest data of STL (Rs. Per Share) and NIFTY 50 (Pts.)

(x) Registrar and Transfer Agent : MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,

Phase-II, New Delhi–110020

and complete in all respects.

As per SEBI Press Release bearing no. 12/2019 da March 27 2019, except in case of transmission a transposition of securities, request for effecting transfer of securities held in physical form is disallow with effect from April 01, 2019. However transfer dee once lodged prior to April 01, 2019 and returned due to deficiency in the document, may be re-lodged even a April 01, 2019 with the office of the Company's Regist and Share Transfer Agents, MAS Services Limited, N Delhi or at the Registered Office of the Company.

xii) Distribution of shareholding as on 31st March, 2019

Nominal Value of each share – Rs. 2/-

Number of Share Holders	% To Total	Share Holding of Nominal Value of Rs.	No. of shares	Amount in Rs.	% To Total
6288	85.62	1 TO 5000	678913	1357826	1.89
517	7.04	5001 TO 10000	440170	880340	1.22
256	3.49	10001 TO 20000	416031	832062	1.16
86	1.17	20001 TO 30000	223065	446130	0.62
32	0.44	30001 TO 40000	111142	222284	0.31
47	0.64	40001 TO 50000	225168	450336	0.63
58	0.79	50001 TO 100000	426817	853634	1.19
60	0.82	100001 AND ABOVE	33502905	67005810	93.00
7344	**100.00**	**TOTAL**	**36024211**	**72048422**	**100.00**

(xiii) Shareholding Pattern:

	As on 31st March 2019		As on 31st March 2018	
	No. of shares	**% to total Capital**	**No. of shares**	**% to total Capital**
Promoters	23523675	65.30	23531175	65.32
Mutual Funds	2898550	8.05	2176834	6.04
NRIs and OCBs	1922582	5.34	1952076	5.42
Body Corporate	288706	0.80	261061	0.73
Indian Public	7390698	20.51	8103065	22.49
Total	**36024211**	**100.00**	**36024211**	**100.00**

Face value of Rs. 2/-.

Type of shareholding	No. of shareholders	Physical Shares	Demat Shares
Equity	7344	106597	35917614
Preference	NIL	NIL	NIL

(xv) Outstanding GDRs/ ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: : The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2019, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

(xvi) Shares in the suspense account : The Company doesn't hold any shares in unclaimed suspense Account.

xvii) Commodity Price Risk / Foreign Exchange Risk and Hedging activities: : The Company is exposed to foreign exchange risk on account of import and export transactions entered. The Company is proactively mitigating these risks by entering into commensurate hedging transactions as per the Company's Enterprise Risk Management Policy.

(xviii) Plant Locations :

(i) 5A, DLF Industrial Estate,
Faridabad 121 003, Haryana.

(ii) 81, Sector-25, Ballabhgarh,
Faridabad, Haryana.

(iii) 49 KM Stone, Delhi Mathura Road,
Village-Prithla, Distt.-Palwal.

(iv) Plot No. 109-110 Vemagal Industrial Area
District Kolar, Bangalore, Karnataka

xix) Address for correspondence : Investors and Shareholders are requested to send all correspondence to the Registrar & Transfer Agent at the address given above.

(xx) Electronic Clearing Services (ECS) : The Company is availing of the ECS facility to distribute dividend in main cities to those Members who have opted for it.

Other Services Rs. 11.23 Lacs

9. Credit Rating

The Company has neither issued any debt instruments nor undertaken any fixed deposit progran or any scheme or proposal involving mobilisation of funds, whether in India or abroad.

However, the Company has obtained on 25th July, 2017 "AA-" rating from ICRA. This ra indicates the strong financial health and credibility of the Company.

10. Other Disclosures

10.1 Disclosures on related party transactions

All related party transactions that were entered into during the FY 2018-19 were on arm's ler basis, in the ordinary course of business and were in compliance with the applicable provision the Act and the Listing Regulations. There were no materially significant related party transacti made by the Company with Promoters, Directors, KMPs or other designated persons which r have a potential conflict with the interest of the Company at large. The Related Party Transac Policy is available on the website of the Company **http://www.stlfasteners.com/new/news.a**

10.2 Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statu Authority on all matters related to capital markets during the last three years. No penaltie: strictures have been imposed on the Company by these authorities.

10.3 Details of Compliance with Mandatory requirements and adoption of non-mandat requirements

The Company has duly complied with all the mandatory provisions of SEBI / Listing Regulation: amended from time to time.

Adoption of non-mandatory requirements as stipulated under Listing Regulations is being revie by the Board from Time to Time.

10.4 Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the t admitted equity share capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity sh capital. The audit report confirms that the total issued / paid-up capital is in agreement with the t number of shares in physical form and the total number of dematerialised shares held with N: and CDSL.

The Company has duly complied with the following discretionary requirements as prescribed i schedule II part E of the SEBI Listing Regulations:

a. **Audit qualifications**

Mr. Anamitra Das has signed the audit report for Financial Year 2018-19 on behalf of firm an there is no Audit Qualification by the Statutory Auditors.

b. **Presentation by Internal Auditors**

The Internal Auditors make quarterly presentations to the Audit Committee on their reports.

10.7 Subsidiary Companies

The Company has one wholly owned subsidiary i.e. M/s Haryana Ispat Private Limited.

The Code of Conduct for insider trading is available on the website of the Compan **http://www.stlfasteners.com/new/news.asp**.

11 Report on Corporate Governance

This Corporate Governance Report forms part of the Annual Report. The Company is fullyompliar with all the provisions of Listing Regulation 2015 of the Stock Exchanges of India.

12. CEO/CFO Certification

As required by Regulation 33 of the LODR Regulations, the CEO/CFO certification is give elsewhere in the Annual Report.

13. Compliance

A Certificate from the M/s Santosh Kumar Pradhan, Company Secretaries, confirming complianc with all the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015 of the stock exchanges is annexed to the Directors Report and forms part of the Annual Report.

1. We have reviewed the Financial Statements and all its Schedules and Notes on accounts, as as the Cash Flow Statements for the Year ended 31-03-2019 and to the best of our knowledge belief:

   i) these statements do not contain any untrue statement of a material fact or omit to sta material fact necessary to make the statements made or contain statements that migh misleading;

   ii) the financial statements and other financial information included in this report, present i material respects, a true and fair view of the company's affairs, the financial condition, res of operations and cash flows of the Company as of, and for, the periods presented in report, and are in compliance with the existing accounting standards and/or applicable l and regulations.

2. To the best of our knowledge and belief, no transactions entered into by the company during year are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial repor and we have evaluated the effectiveness of Company's internal control systems pertainin financial reporting. We have not come across any reportable deficiencies in the design or opera of such internal controls.

4. We have indicated to the auditors and the Audit Committee that:

   i) there are no significant changes in internal control over financial reporting during the yea

   ii) there are no significant changes in accounting policies during the year and that same h been disclosed in the notes to the financial statements; and

   iii) there are no instances of significant fraud, which we have become aware and that invo management or an employee having a significant role in the Company's internal co system over financial reporting.

We further declare that all Board Members and Senior Management Personnel have affirmed complia with the Code of Conduct for the year ended 31-03-2019.

Date: 25.07.2019	**ANIL AGGARWAL**	**NARAYAN VIJAY GOPAL**
Place: Faridabad	**MANAGING DIRECTOR**	**CHIEF FINANCIAL OFFICE**
	DIN No. 00027214	**PAN No. ACMPG3119Q**

To
The Members,
Sterling Tools Limited,
(CIN:L29222DL1979PLC009668)
Office No. 243 C-10, Regus Elegance, 2F, Elegance Jasola
District Centre, Old Mathura Road
New Delhi-110025

I have reviewed the records concerning the Company's compliance of conditions of Corporate Governanc as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 201 pursuant to the Uniform Listing Agreement of the said company with the Stock Exchanges, for the yea ended 31st March 2019.

The Compliance of conditions of corporate governance is the responsibility of the management. M Examination was limited to procedures and implementation thereof, adopted by the Company ensurin the Compliance of the conditions of the corporate Governance as stipulated in said regulations. It i neither an audit nor an expression of opinion on the financial statements of the company.

I have conducted our review on the basis of the relevant records and documents maintained by th Company and furnished to me for the review, and the information and explanations given to me by th Company.

Based on such a review, in our opinion, I certify that the Company has complied with the condition of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosur Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said company wit the Stock Exchanges as on date of the certificate. Further, the composition of Board got disturbed o 7th February, 2019 as per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015, which was regularized on 23rd May, 2019.

I further state that such compliance is neither an assurance as the future viability of the Company nor a to the efficiency or effectiveness with which the management has conducted the affairs of the Compan

Date: 26/07/2019
Place: Ghaziabad

For Santosh Kumar Pradha
(Company Secretaries

Santosh Kumar Pradha
FCS No.: 697
C P No.: 764

The Members of
Sterling Tools Limited
CIN: L29222DL1979PLC009668
Office No. 243 C-10, Regus Elegance,
2F, Elegance Jasola District Centre,
Old Mathura Road, New Delhi

I have examined the relevant registers, records, forms, returns and disclosures received from Directors of Sterling Tools Limited having CIN L29222DL1979PLC009668 and having registered off at Office No. 243 C-10, Regus Elegance, 2F, Elegance Jasola District Centre, Old Matura Road, N Delhi 110025(hereinafter referred to as the Company), produced before me by the Company for purpose of issuing the Certificate, in accordance with Regulation 34(3) read with Schedule V Para sub clause 10(i) of Security Exchange Board of India (Listing obligation and Disclosure Requireme Regulations, 2015)

In my opinion and to the best of my information and according to the verifications (including Direct Identifications Number (DIN) status at the portal www.mca.gov.in) as considered necessary a explanations furnished to me by the Company & its Officers, I Hereby certify that none of the Direct on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 ha been debarred or disqualified from being appointed or continuing as Directors of companies by Security Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Compan
1.	Mr. Triloki Nath kapoor	00017692	31/08/1999
2.	Mr. Manohar Lal Aggarwal	00037280	07/06/1979
2.	Mr. Anil Aggarwal	00027214	30/09/1994
3.	Mr. Atul Aggarwal	00125825	30/09/1994
4.	Mr. Jaideep Wadhwa	00410019	07/02/2019
5.	Mr. Chhotu Ram Sharma	00522678	28/06/2006
6.	Mr. Malini Sud	01297943	15/09/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsib of the management of the Company. My responsibility is to express an opinion on these based on verification. This certificate is neither an assurance as to the future viability of the Company nor of efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ghaziabad
Date: 26th July, 2019

For Santosh Kumar Pradh
(Company Secretari

Santosh Kumar Pradh
(Propriet
C.P. No. 7(
UDIN : F006973A000001

account of a slowdown in second half of FY 2019 with weakened economic activity, but it is poise to outperform the emerging markets (EMs) and the developed markets aided by an expansionar monetary policy and fiscal policy impetus.

Today, India is the world's seventh largest economy in real terms, backed by strong demanc positive consumption pattern and rising disposable income. In PPP terms, the economy is expecte to be among the top five global economies by 2020.

OUTLOOK FOR INDIAN ECONOMY

The outlook is positive for India, one of the fastest-growing economies. Fostering private investmer and careful management of public finances could help the economy go a long way.

As per the IBEF report, India's gross domestic product (GDP) is expected to reach US$ 6 trillion b FY27 and achieve upper-middle income status on the back of digitization, globalization, favourabl demographics, and reforms.

India is expected to be the third largest consumer economy as its consumption may triple to US 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the secon largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a repo by PricewaterhouseCoopers.

INDUSTRY STRUCTURE & DEVELOPMENTS

Sterling Tools Limited is engaged in manufacturing of high tensile cold forged fasteners fc Automotive Industry having its presence amongst all Auto Segments- Passenger Vehicl (PV), Commercial Vehicle (CV), Two Wheelers, Farm Equipment and Off-Roadways. Thus th performance of Company is primarily associated with the growth of the automobile sector.

As per the IBEF Report, the automobile industry in India is world's fourth largest, with the countr currently being the world's 4th largest manufacturer of cars and 7th largest manufacturer c commercial vehicles in 2018. Indian automotive industry (including component manufacturinc is expected to reach Rs 16.16-18.18 trillion (US$ 251.4-282.8 billion) by 2026. Two-wheeler dominate the industry and made up 81 per cent share in the domestic automobile sales in FY1(Overall, Domestic automobiles sales increased at 6.71 per cent CAGR between FY13-18 wit 26.27 million vehicles being sold in FY19 and Automobile exports grew 14.50 per cent in FY19.

The Automobile Industry overview as per **The Society of Indian Automobile Manufacturer (SIAM),** is reproduced below:

Production

The industry produced a total 30,915,420 vehicles including passenger vehicles, commercia vehicles, three wheelers, two wheelers and quadricycle in April-March 2019 as against 29,094,44 in April-March 2018, registering a growth of 6.26 percent over the same period last year.

Domestic Sales

The sale of Passenger Vehicles grew by 2.70 percent in April-March 2019 over the same perio last year. Within the Passenger Vehicles, the sales of Passenger Cars, Utility Vehicle & Vans grev by 2.05 percent, 2.08 percent and 13.10 percent respectively in April-March 2019 over the sam period last year.

year. Within the Three Wheelers, Passenger Carrier sales registered a growth of 10.62 percent
Goods Carrier grew by 8.75 percent in April-March 2019 over April-March 2018.

Two Wheelers sales registered a growth at 4.86 percent in April-March 2019 over April-March 2(Within the Two Wheelers segment, Scooters declined by (-) 0.27 percent, whereas Motorcy and Mopeds grew by 7.76 percent and 2.41 percent respectively in April-March 2019 over A March 2018.

Exports

In April-March 2019, overall automobile exports grew by 14.50 percent. While Passenger Vehi exports declined by (-) 9.64 percent, Commercial Vehicles, Three Wheelers and Two Whee registered a growth of 3.17 percent, 49.00 percent and 16.55 percent respectively in April-Ma 2019 over the same period last year.

Automobile Domestic Sales Trends

Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018
Passenger Vehicles	25,03,509	26,01,236	27,89,208	30,47,582	32,88,581	33,77,
Commercial Vehicles	6,32,851	6,14,948	6,85,704	7,14,082	8,56,916	10,07,
Three Wheelers	4,80,085	5,32,626	5,38,208	5,11,879	6,35,698	7,01,
Two Wheelers	1,48,06,778	1,59,75,561	1,64,55,851	1,75,89,738	2,02,00,117	21,181,
Quadricycle#			0	0	0	
Grand Total	**1,84,23,223**	**1,97,24,371**	**2,04,68,971**	**2,18,63,281**	**2,49,81,312**	**2,62,67,**

#Only Aug 18 -March 2019 data is available for 2018-19

Automobile Exports Trends

Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018
Passenger Vehicles	5,96,142	6,21,341	6,53,053	7,58,727	7,48,366	6,76,
Commercial Vehicles	77,050	86,939	1,03,124	1,08,271	96,865	99,
Three Wheelers	3,53,392	4,07,600	4,04,441	2,71,894	3,81,002	5,67,
Two Wheelers	20,84,000	24,57,466	24,82,876	23,40,277	28,15,003	32,80,
Quadricycle*			334	1,556	1,605	4,
Grand Total	**31,10,584**	**35,73,346**	**36,43,828**	**34,80,725**	**40,42,841**	**46,29,**

* Only Oct-March 2016 data is available for 2015-16

Automobile Production Trends

Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018
Passenger Vehicles	3,087,973	3,221,419	3,465,045	3,801,670	4,020,267	4,026,
Commercial Vehicles	699,035	698,298	786,692	810,253	895,448	1,112,
Three Wheelers	830,108	949,019	934,104	783,721	1022,181	1,268,
Two Wheelers	16,883,049	18,489,311	18,830,227	19,933,739	23,154,838	24,503,
Quadricycle*			531	1,584	1,713	5,
Grand Total	**21,500,165**	**23,358,047**	**24,016,599**	**25,330,967**	**29,094,447**	**30,915,**

* Only Oct-March 2016 data is available for 2015-16 **Source of Information: SIAM**

1. **Growth shifting to Asian markets:** Although American & European market is the pulse c this Industry, but the focus is shifting to developing markets like China, India & other Asia nations because of the rise in disposable income, changing lifestyle & stable economi conditions.

2. **Manufacturing facilities in Asian nations to control cost:** In order to control cost to manage shrinking margins automobile companies like Harley, Volvo, Bharat Benz etc are building their manufacturing facilities in developing nations like India, China becaus these nations have the cheap workforce, are high in resources & are nearer to develope economies. These are classic conditions of an emerging market.

3. **Changing lifestyle & customer groups:** Three powerful forces are rolling the auto industr The shift in consumer demand, expanded regulatory requirements for safety and fu economy, and the increased availability of data and information. Also with the increase i nuclear families there has been increasing in demand for two-wheelers & compact cars an this will grow further.

4. **Market expansion:** Entering new markets like Asian & BRIC nations will result in an upsurg in demand for vehicles. After these markets, other markets are likely to emerge soon.

5. **OEM priorities:** Given the increase in electronic content, OEMs need to collaborate wit suppliers and experts outside the traditional auto industry. Accomplishing this will requir changes in the way OEMs function. OEMs will be looking to their top suppliers to co-invest i new global platforms & this will be the driving force in the future.

THREATS

1. **Intense Competition:** Presence of such a large number of players in the Auto Ancillar industry results in the extensive competition, every company eating into others share leavin little scope for new players.

2. **Volatility in the fuel Prices:** At least for the passenger segment fluctuations in the fuel price remains the determining factor for its growth. Also government regulations relating the use c alternative fuels like CNG. Shell gas is also affecting the inventories.

3. **Sluggish Economy:** Macroeconomic uncertainty, Recession, un-employment etc. are th economic factors which will daunt the automobile industry for a long period of time.

4. **High fixed cost and investment in R & D:** Due to the fact that mature markets are alread overcrowded, the industry is shifting towards emerging markets by building facilities, R & I centers in these markets. But the ROI out of these decisions is yet to be capitalized.

5. **The Growth rate of the Automobile industry** is the in the hands of the government due t regulations like excise duty, no entry of outside vehicles in the state, decreasing number c the validity of registration period. These factors always affect the growth of the industry.

OUTLOOK

The Financial Year 2019-20 is going to be a tough year for the Company due to slow dow Automobile Industry. The weak domestic Economy, Global Trade Tensions and the liquidity cru caused by the shadow banking crisis since 2018 has exacerbated the woes of Automobile Indu: making the market weak for Auto Ancillaries as well.

According to SIAM, passenger vehicle sales are projected to grow between 3-5 per cent commercial vehicle at 10-12 per cent. The two-wheeler segment is expected to grow betw 5-7 percent and three wheeler segment is pegged to grow between 7-9 percent. Based on th Quarter results from across Industry, these projections given by SIAM look difficult.

The Company is still gearing up for growth through various initiatives:

Fourth Manufacturing Facility: The Company has started its fourth manufacturing facility at K District, Bangalore in July, 2019. The said facility is set up with an initial capacity of 5000-6000 and is started to serve to Honda Motorcycles and Scooters India Ltd., Ashok Leyland, Daimler other south based Customers.

E-Mobility Initiatives: Electrification is a certainty for the auto industry, the only question is wh The Company has to prepare itself for this upheaval in the Auto industry by having an EV strat as well as initiatives that will maintain its position as a leading tier 1 supplier. To this end Ster is looking to evaluate several opportunities in this space.

The main object clause as given in the Memorandum of Association of the Company has b amended to enable the Company to manufacture/trade for said Segment. A Separate Researc Development division within the Company has been set-up to explore the opportunities avail and is also working on alliances/exclusive arrangements with International Companies to test t technologies to localize the electronic parts/components to be used by the OEMs in India.

During the Year, the Company has invested Rs. 4.01 Crores in a Private Limited Company ba in Bengaluru named Altigreen Propulsion Labs Pvt. Limited.

Altigreen is unique in India as a company that is going research & development in electrification t in India and is working on developing a complete powertrain rather than individual components. taking a small stake in Altigreen, the Company secures access to the developments in the comp builds relations with the founders/inventors and positions itself as a potential manufacturing par to Altigreen, thus developing capabilities for certain EV components. The investment also g Sterling the opportunity to participate in future investments.

New Product Developments: The Company is actively exploring all new business opportun in terms of new product development, through continuous Research & Development activ undertaken in-house, to cater to all type of product requirements of OEMs. In order to bec preferred suppliers of the customer and keeping in mind the technicalities involved in manufactu customized fasteners, Company is laying immense emphasis on research & development' proc for providing continuous improvement in existing products and for developing new products well.

and overseas, Cost Inflation in manufacturing input costs and the Financial Risks such as Risk associated with fluctuations in foreign currency rates and High Interest rates.

All the aforesaid risks are managed through continuous review of business parameters on a regula basis by the management. The Board of Directors are also informed periodically of the risks an concerns. Corrective actions and mitigation measures are taken as needed.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:

Your Company has in place an adequate system of internal controls, with documented procedure covering all corporate functions and Manufacturing Facilities. Systems of internal controls ar designed to provide reasonable assurance regarding the effectiveness and efficiency of operations the adequacy of safeguards for assets, the reliability of financial controls, and compliance wit applicable laws and regulations.

Adequate internal control measures are in the form of various policies and procedures issue by the Management covering all critical and important activities viz. Revenue Managemen Manufacturing Operations, Purchase, Finance, Human Resources, Safety, etc. These policies an procedures are updated from time to time and compliance are monitored by Internal Auditors.

The Company continues its efforts to align all its processes and controls with the best practice available in the Industry. The effectiveness of internal controls is reviewed through the internal aud process, which is undertaken for every operational unit and all major corporate functions.

The focus of these reviews is as follows:

- Identify weaknesses and areas of improvement;
- Compliance with defined policies and processes;
- Safeguarding of tangible and intangible assets;
- Management of business and operational risks;
- Compliance with applicable statutes; and

The Audit Committee of the Board oversees the adequacy of the internal control environmer through regular reviews of the audit findings and monitoring implementations of internal aud recommendations through the reports submitted to them.

The Statutory Auditors of your Company have opined in their report that your Company ha adequate internal controls over financial reporting.

A CEO and CFO Certificate forming part of the Corporate Governance Report confirm the existenc of effective Internal Control Systems and procedures in the Company.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Company's revenue from operations increased (without excise duty/Taxes) during the year fror 45290.59 lacs to Rs. 51220.35 resulting in increase of 13.09%.

Rs. 561.56 Lacs for the year 2017-2018.

- Finance Costs were Rs. 366.38 Lacs for the year 2018-2019 as against Rs. 377.83 Lacs the year 2017-2018.
- Corporate tax liability including Deferred Tax for the year was Rs.2472.80 Lacs for the y 2018-2019 as against Rs. 2626.51 Lacs for the year 2017-2018.
- Net profit was Rs. 4485.55 Lacs for the year 2018-2019 decreased by 6.94% as against 4819.99 Lacs for the year 2017-2018.
- Paid up equity share capital as on March 31, 2019 stood at Rs. 720.48 Lacs.
- Earnings Per Share (EPS) was Rs. 12.45 for the year 2018-2019 as against Rs. 13.66 for year 2017-2018.
- Cash Earnings Per Share (CEPS) was Rs.18.07 for the year 2018-2019 as against Rs.18 for the year 2017-2018.
- STL has contributed a foreign exchange to the tune of Rs. 3464.60 Lacs for the year 20 2019 as against Rs. 3631.17 Lacs for the year 2017-2018.

As is now required for listed companies by the Securities and Exchange Board of India (SEBI)

Key Financial Ratios, Standalone

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendm Regulations, 2018, the company is required to give details of significant changes (change of 2 or more as compared to the immediately previous financial year) in key sector specific finar ratios. The company identified the following ratios as key financial ratios.

Particulars	FY2019	FY2018	YOY change	Remarks
Debtors Turnover Ratio (Times)	13.59	13.19	0.40	*
Inventory Turnover Ratio (Times)	7.45	8.98	1.53	*
Current Ratio (Times)	2.21	2.75	0.54	*
Operating Profit Margin (%)	16.78 %	20.02 %	3.24%	*
Net Profit Margin (%)	8.76%	10.64 %	1.88%	*
Return on Net Worth (%)	15.78 %	19.43 %	3.65%	*
Interest Coverage Ratio (Times)	21.33	22.83	1.50	*
Debt Equity Ratio (times)	0.35	0.14	0.21	**

*There has been no significant change in key financial ratios.

**Higher compared to immediately previous financial year on account of Term Loans taken Bengaluru and NCR plants.

Cautionary Statement

Statements in this management Discussion and Analysis Report describing the Compa objectives, projections, estimates and expectation may be "forward looking statement" within meaning of applicable laws and regulations. Actual results might differ from those either expres or implied. Important factors that could affect the Company's performance include econc developments within the country, demand and supply conditions in the Industry, changes in Government regulations, tax laws and other factors such as litigation and industrial relations.

Opinion

1. We have audited the accompanying standalone financial statements of Sterling Tools Limited (the 'Company' which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Othe Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year the ended and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesai standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manne so required and give a true and fair view in conformity with the accounting principles generally accepted i India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state (affairs (financial position) of the Company as at 31 March 2019, its profit (financial performance including othe comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our auc of the standalone financial statements of the current period. These matters were addressed in the context (our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in ou report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of investment in joint venture Refer note 1(C)(18) for the accounting policy and note 5 for the related disclosure The Company has made investment in a joint venture, Sterling Fabory India Private Limited, amounting to Rs. 688.25 lakh as at 31 March 2019. The management makes an assessment of the recoverable value of the investment when impairment indicators exist by comparing the recoverable value and carrying value of such investment. As at 31 March 2019, impairment indicators existed for the investment made in the aforesaid joint venture considering the negative profits in the earlier years and accumulated losses as at 31 March 2019 in the joint venture.	Our audit procedures included, but were not limited to the following: • Obtained an understanding of the management's processes and controls for determining the recoverable value of the investment including the identification of the impairment indicators and assessed the same in accordance with the accounting standards. • Obtained an understanding, evaluated and tested the controls around management's assessment of the impairment indicators and the testing performed. • Obtained from the management of the Company, the approved future business plans of the joint venture and held detailed discussions with the management to understand the assumptions used and estimates made by them for determining the cash flow projections.

2019 has carried out an impairment test for such investment, whereby the carrying amount of the investment was compared with the recoverable amount. The recoverable value of the investment is determined based on discounted cash flows method which requires management estimates and judgements around assumptions used in the method, primarily around estimated growth in the operations of the joint venture, ability to generate cash profits in the future, estimated future financial performance, capital expenditure and the discount rates applied. Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment in the value of the investments. Accordingly, assessment of impairment losses to be recognised, if any, on the carrying value of investment made in the joint venture has been considered as be a key audit matter for current year audit.	of the valuation methodology used for calculation the recoverable value. • Performed sensitivity analysis on managemen calculated recoverable value by changing significant assumptions used in the calculation. • Assessed the appropriateness and adequacy of related disclosures in the financial statements accordance with the applicable accounting standar

We have determined that there are no other key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information compr the information included in the Annual Report, but does not include the financial statements and our audi report thereon. The Annual Report is expected to be made available to us after the date of this auditor's re

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

   In connection with our audit of the financial statements, our responsibility is to read the other informa identified above when it becomes available and, in doing so, consider whether the other information is mate inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears t materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are requ to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Finar Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act respect to the preparation of these standalone financial statements that give a true and fair view of the s of affairs (financial position), profit or loss (financial performance including other comprehensive inco changes in equity and cash flows of the Company in accordance with the accounting principles gene accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also inclu maintenance of adequate accounting records in accordance with the provisions of the Act for safeguar of the assets of the Company and for preventing and detecting frauds and other irregularities; selection application of appropriate accounting policies; making judgments and estimates that are reasonable prudent; and design, implementation and maintenance of adequate internal financial controls, that v

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintai professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to frau or error, design and perform audit procedures responsive to those risks, and obtain audit evidenc that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a materi misstatement resulting from fraud is higher than for one resulting from error, as fraud may involv 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 th are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible f explaining our opinion on whether the company has adequate internal financial controls system in plac and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accountin estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accountin and, based on the audit evidence obtained, whether a material uncertainty exists related to events c conditions that may cast significant doubt on the Company's ability to continue as a going concern. If w conclude that a material uncertainty exists, we are required to draw attention in our auditor's report t the related disclosures in the financial statements or, if such disclosures are inadequate, to modify ou opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's repor However, future events or conditions may cause the Company to cease to continue as a going concer

    - Evaluate the overall presentation, structure and content of the financial statements, including th disclosures, and whether the financial statements represent the underlying transactions and events in manner that achieves fair presentation.

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

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

14. From the matters communicated with those charged with governance, we determine those matters that wer of most significance in the audit of the financial statements of the current period and are therefore the ke

to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its direc during the year in accordance with the provisions of and limits laid down under section 197 read with Sche V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Governr of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters spec in paragraphs 3 and 4 of the Order.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowle and belief were necessary for the purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of accc

    d) on the basis of the written representations received from the directors and taken on record by the B of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a dire in terms of section 164(2) of the Act;

    e) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Compan on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Compan the year ended on that date and our report dated 23 May 2019 as per Annexure II expressed unmod opinion; and

    f) with respect to the other matters to be included in the Auditor's Report in accordance with rule 1 the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of information and according to the explanations given to us:

        i. the Company, as detailed in note 38 to the standalone financial statements, has disclosed impact of pending litigations on its financial position as at 31 March 2019;

        ii. the Company did not have any long-term contracts including derivative contracts for which t were any material foreseeable losses as at 31 March 2019;

        iii. there were no amounts which were required to be transferred to the Investor Education Protection Fund by the Company during the year ended 31 March 2019; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes v applicable for the period from 8 November 2016 to 30 December 2016, which are not releva these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co
Chartered Account
Firm's Registration No.: 001076N/N500

Anamitra
Place: Faridabad **Par**
Date: 23 May 2019 **Membership No.: 062**

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statement of the Company and taking into consideration the information and explanations given to us and the books of accour and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, w report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details an situation of property, plant and equipment.

(b) The Company has a regular program of physical verification of its property, plant and equipment unde which property, plant and equipment are verified in a phased manner over a period of three years, whicl in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. I accordance with this program, certain property, plant and equipment were verified during the year an no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant an equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals durin the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties a the year-end, written confirmations have been obtained by the management. No material discrepancies wer noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnershic (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, th provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investment Further, in our opinion, the Company has not entered into any transaction covered under Section 185 an Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the A and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of claus 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made b the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act i respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and record have been made and maintained. However, we have not made a detailed examination of the cost records wit a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employee state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, ces and other material statutory dues, as applicable, to the appropriate authorities. Further, no undispute amounts payable in respect thereof were outstanding at the year-end for a period of more than s months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales tax, service-tax, duty of customs, duty of excis and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute pending
Central Excise Act, 1944	Excise duty and penalty	181.39	Nil	Financial year 2013-14 to 2017-18	Directorate General of Goods and Services Ta Intelligence, Gurugram
Central Excise Act, 1944	Excise duty and penalty	46.29	Nil	April 2016 to June 2017	Assistant Commissione of Central Goods and Services Tax
Income-tax Act, 1961	Demand under the Income-tax Act, 1961	0.62	Nil	Assessment year 2013-14	Income-tax Appellate Tribunal (ITAT)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Comp did not have any outstanding loans payable to any financial institution or government during the year. Fur the Company does not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtair

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported du the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requ approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of where applicable, and the requisite details have been disclosed in the financial statements etc., as require the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or pers connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For Walker Chandiok & Co
Chartered Account
Firm's Registration No.: 001076N/N500

Anamitra
Par
Place: Faridabad
Date: 23 May 2019
Membership No.: 062

Annexure II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Sectio 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Sterling Tools Limited ('the Company as at and for the year ended 31 March 2019, we have audited the internal financial controls over financi reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering th essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of Indi ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate intern financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company business, including adherence to the Company's policies, the safeguarding of its assets, the prevention an detection of frauds and errors, the accuracy and completeness of the accounting records, and the timel preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted ou audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed unde Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued b the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and pla and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established an maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR an their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessin the risk that a material weakness exists, and testing and evaluating the design and operating effectivenes of internal control based on the assessed risk. The procedures selected depend on the auditor's judgemen including the assessment of the risks of material misstatement of the financial statements, whether due t fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for ou audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability financial reporting and the preparation of financial statements for external purposes in accordance wit generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance that transactions ar recorded as necessary to permit preparation of financial statements in accordance with generally accepte accounting principles, and that receipts and expenditures of the company are being made only in accordanc with authorisations of management and directors of the company; and (3) provide reasonable assuranc regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper managem override of controls, material misstatements due to error or fraud may occur and not be detected. A projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR become inadequate because of changes in conditions, or that the degree of compliance with the policie procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over finan reporting and such controls were operating effectively as at 31 March 2019, based on the internal co over financial reporting criteria established by the Company considering the essential components of inte control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co
Chartered Account
Firm's Registration No.: 001076N/N50

Anamitra
Par
Membership No.: 06

Place: Faridabad
Date: 23 May 2019

To the Board of Directors of Sterling Tools Limited

1. We have audited the standalone financial results of Sterling Tools Limited (the 'Company') for the year ende 31 March 2019, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEE (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 3 to th standalone financial results which states that the figures for the quarter ended 31 March 2019 as reported i these standalone financial results, are the balancing figures between audited standalone figures in respect c the full financial year and the published standalone year to date figures up to the end of the third quarter of th financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected t audit. These standalone financial results are based on the standalone financial statements for the year ende 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, includin Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 (the 'Act and published standalone year to date figures up to the end of the third quarter of the financial year prepare in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financi Reporting, specified under Section 133 of the Act, and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 Ju 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinio on these standalone financial results based on our audit of the standalone financial statements for the yea ended 31 March 2019 and our review of standalone financial results for the nine months period ended 3 December 2018.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standarc require that we plan and perform the audit to obtain reasonable assurance about whether the financial result are free of material misstatement. An audit includes examining, on a test basis, evidence supporting th amounts disclosed as financial results. An audit also includes assessing the accounting principles used an significant estimates made by management. We believe that our audit provides a reasonable basis for ou opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the standalon financial results:

   (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations an Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated July 2016 in this regard; and

   (ii) give a true and fair view of the standalone net profit (including other comprehensive income) and othe financial information in conformity with the accounting principles generally accepted in India includin Ind AS specified under Section 133 of the Act for the year ended 31 March 2019.

For Walker Chandiok & Co LL
Chartered Accountant
Firm's Registration No.: 001076N/N50001

Anamitra Da
Partne
Membership No.: 06219

Place: Faridabad
Date: 23 May 2019

(a) Property, plant and equipment	2	18,152.64	14,84
(b) Capital work-in-progress	3	4,680.96	97
(c) Intangible assets	4	18.41	2
(d) Financial assets			
(i) Investments	5	2,288.13	1,88
(ii) Loans	6	311.99	12
(e) Other non-current tax assets	7	1,208.61	47
Total non-current assets		**26,660.74**	**18,32**
Current assets			
(a) Inventories	8	8,248.76	5,45
(b) Financial assets			
(i) Investments	5	4,945.77	5,35
(ii) Trade receivables	9	4,219.34	4,54
(iii) Cash and cash equivalents	10	358.83	10
(iv) Bank balances other than (iii) above	11	29.46	4
(v) Loans	12	33.59	2
(vi) Other financial assets	13	296.36	16
(c) Other current assets	14	1,377.88	1,46
Total current assets		**19,509.99**	**17,15**
TOTAL ASSETS		**46,170.73**	**35,47**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	720.48	72
(b) Other equity	16	27,700.05	24,08
Total equity		**28,420.53**	**24,80**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	5,394.55	1,64
(ii) Other financial liabilities [other than those specified in item (b)]	18	30.58	2
(b) Provisions	19	137.04	12
(c) Deferred tax liabilities (net)	20	1,638.51	1,52
(d) Other non-current liabilities	21	1,738.12	1,10
Total non-current liabilities		**8,938.80**	**4,42**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	3,229.74	85
(ii) Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises; and		54.91	16
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	3,220.57	3,48
(iii) Other financial liabilities [other than those specified in item (c)]	24	1,489.84	1,07
(b) Other current liabilities	25	606.96	52
(c) Provisions	19	125.10	12
(d) Current tax liabilities (net)	26	84.28	1
Total current liabilities		**8,811.40**	**6,24**
Total liabilities		**17,750.20**	**10,67**
TOTAL EQUITY AND LIABILITIES		**46,170.73**	**35,47**

Note 1 to 46 form an integral part of these standalone financial statements.

As per our report of even date attached

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

For & on behalf of Board of Direc
Sterling Tools Lin

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Agga
Dire
DIN No. 0012

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali S
Company Secre
Membership No. A1

Place: Faridabad
Date: 23 May, 2019

Revenue from operations	27	51,220.35	46,448.9
Other income	28	636.29	561.5
Total income		**51,856.64**	**47,010.4**
Expenses			
Cost of materials consumed	29	22,565.55	17,394.5
Changes in inventories of finished goods and work-in-progress	30	(1,880.71)	(569.35
Excise duty	46	-	1,158.3
Employee benefits expense	31	3,583.11	3,352.2
Finance costs	32	366.38	377.8
Depreciation and amortisation expense	33	1,905.02	1,758.8
Other expenses	34	18,358.43	16,045.4
Total expenses		**44,897.78**	**39,517.8**
Profit before tax		**6,958.86**	**7,492.6**
Tax expense:	**20**		
Current tax		2,356.10	2,645.3
Deferred tax		116.70	(18.88
Total tax expense		**2,472.80**	**2,626.5**
Profit for the year		**4,486.06**	**4,866.1**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(0.79)	(70.53
(ii) Income-tax relating to items that will not be reclassified to profit or loss		0.28	24.4
(B) (i) Items that will be reclassified to profit or loss		-	
(ii) Income-tax relating to items that will be reclassified to profit or loss		-	
Other comprehensive loss for the year (net of tax)		**(0.51)**	**(46.12**
Total comprehensive income for the year		**4,485.55**	**4,819.9**
Earnings per equity share			
Basic and diluted (Rs.) [nominal value of share Rs. 2 (31 March 2018: Rs. 2)]	35	12.45	13.6

Note 1 to 46 form an integral part of these standalone financial statements.

As per our report of even date attached

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

For & on behalf of Board of Directo
Sterling Tools Limite

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Aggarw
Direct
DIN No. 0012582

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali Sing
Company Secreta
Membership No. A1510

Place: Faridabad
Date: 23 May, 2019

Balance as at 1 April 2017	342.23	684
Changes in equity share capital during the year	18.01	36
Balance as at 31 March 2018	**360.24**	**720**
Changes in equity share capital during the year	-	
Balance as at 31 March 2019	**360.24**	**720**

(B) Other equity

	Reserves and surplus				
	Capital reserve	**Securities premium**	**General reserve**	**Retained earnings**	**T**
Balance as at 1 April 2017	6.65	340.72	2,786.46	12,601.44	15,735
Profit for the year	-	-	-	4,866.11	4,866
Remeasurement of defined benefit obligation	-	-	-	(46.12)	(46.
Share issue expenses	-	(10.79)	-	-	(10.
Addition during the year		4,405.76	-	-	4,405
Interim dividend paid on equity shares (including dividend distribution tax paid of Rs. 146.67 lakh)	-	-	-	(867.15)	(867.
Balance as at 31 March 2018	**6.65**	**4,735.69**	**2,786.46**	**16,554.28**	**24,083**
Profit for the year	-	-	-	4,486.06	4,486
Remeasurement of defined benefit obligation	-	-	-	(0.51)	(0.
Interim dividend paid on equity shares (including dividend distribution tax paid of Rs.148.10 lakh)	-	-	-	(868.58)	(868.
Balance as at 31 March 2019	**6.65**	**4,735.69**	**2,786.46**	**20,171.25**	**27,700**

Note 1 to 46 form an integral part of these standalone financial statements.
As per our report of even date attached

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

For & on behalf of Board of Direc
Sterling Tools Lim

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Aggaı
Dire
DIN No. 00125

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali Si
Company Secre
Membership No. A15

Place: Faridabad
Date: 23 May, 2019

	Net profit before tax	6,958.86	7,492.6
	Adjustments for:		
	Depreciation and amortisation expense	1,905.02	1,758.8
	Unrealised foreign exchange (gain)/loss	(18.07)	5.3
	Interest on delayed payment of advance tax	0.54	11.4
	Loss/(Profit) on disposal of property, plant and equipment	16.05	(26.48
	Remeasurement loss on defined benefit plans	(0.51)	(46.12
	Finance costs	342.30	343.2
	Gain on sale of mutual fund	(10.92)	(57.75
	Dividend income on mutual fund	(107.12)	(99.29
	Gain on fair value of mutual fund	(152.26)	(142.96
	Liabilities no longer required, written back	(1.30)	(2.87
	Gain on foreign exchange fluctuation	(101.43)	
	Bad debts recovered	(1.70)	
	Provision for expected credit loss	9.53	
	Operating profit before working capital changes	**8,838.99**	**9,235.9**
	Decrease/(increase) in financial assets	132.40	(1,230.88
	Decrease/(increase) in other assets	28.84	(327.28
	(Decrease)/increase in financial liabilities	(402.95)	792.6
	(Increase) in inventory	(2,794.33)	(860.66
	Increase/(decrease) in other liabilities	718.73	(34.97
	Increase in provisions	8.13	34.5
	Net cash generated from operations	**6,529.82**	**7,609.4**
	Income-tax paid (net)	(2,285.49)	(2,807.11
	Net cash generated from operating activities (A)	**4,244.33**	**4,802.3**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work- in progress and payment for capital advances)	(9,509.09)	(2,461.35
	Maturity of fixed deposit	0.50	23.3
	Disposal of property, plant and equipment	37.97	32.8
	Gain on sale of mutual fund	10.92	57.7
	Redemption of/(investment in) mutual fund	666.79	(5,110.92
	Investment in equity shares	(401.38)	(100.00
	Net cash used in investing activities (B)	**(9,194.29)**	**(7,558.41**
C	**Cash flows from financing activities**		
	Proceeds from non-current borrowings	5,050.00	53.6
	Repayment of non-current borrowings	(924.18)	(1,227.05
	Proceeds from issue of equity share capital	-	4,431.0
	Interim dividend paid including dividend distribution tax	(868.58)	(867.15
	Proceeds from current borrowings (net)	2,371.08	586.5
	Interest paid	(420.34)	(348.97
	Net cash from/ (used in) financing activities (C)	**5,207.98**	**2,628.0**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**258.02**	**(128.07**
	Cash and cash equivalents at the beginning of the year	100.84	228.9
	Cash and cash equivalents at the end of the year	**358.85**	**100.8**
	Components of cash and cash equivalents (refer note 12):		
	Cash on hand	4.41	5.2
	Balances with scheduled banks:		
	- in current accounts	354.42	95.0
	- in fixed deposit accounts	-	0.5
		358.83	**100.8**

	borrowings including current maturities of long term borrowings	borrowings	
Opening balance as on 1 April 2017	3,755.50	272.08	
Add: Non cash changes due to-			
- Interest expense	324.73	15.09	
- Fair value changes	3.43	-	
- Interim dividend	-	-	86
Add: Cash inflows during the year			
- Proceeds from non-current borrowings	53.60	-	
- Proceeds from current borrowings	-	586.58	
Less: Cash outflow during the year			
- Repayment of non-current borrowings	(1,227.05)	-	
- Interest paid	(333.88)	(15.09)	
- Interim dividend paid including dividend distribution tax	-		(867
Closing balance as on 31 March 2018	**2,576.32**	**858.66**	
Add: Non cash changes due to-			
- Interest expense	241.89	97.36	
- Interest capitalised	103.30	-	
- Fair value changes	3.05	-	
- Interim dividend	-	-	868
Add: Cash inflows during the year			
- Proceeds from non-current borrowings	5050.00	-	
- Proceeds from current borrowings	-	2371.08	
Less: Cash outflow during the year			
- Repayment of non-current borrowings	(924.18)	-	
- Interest paid	(322.97)	(97.36)	
- Interim dividend paid including dividend distribution tax	-	-	(868
Closing balance as on 31 March 2019	6,727.41	3,229.74	

The standalone cash flow statement has been prepared in accordance with the 'Indirect Method' as set out in the Ind on "Cash flow statements".

Note 1 to 46 form an integral part of these standalone financial statements.

As per our report of even date attached

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

For & on behalf of Board of Direc
Sterling Tools Lim

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Agga
Dire
DIN No. 00125

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali Si
Company Secre
Membership No. A15

Place: Faridabad
Date: 23 May, 2019

Sterling Tools Limited (the "Company") is a company limited by shares is incorporated on 7 June, 197 and domiciled in India (CIN: L29222DL1979PLC009668). The address of the Company's registere office is K-40, Connaught Circus, New Delhi-110001. The equity shares of the Company is listed o Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in th manufacturing and marketing of high tensile cold forged fasteners. It is one of the progressive Origin Equipment Manufacturer (OEM) suppliers in India with a client base that spans automotive companie in India, Europe and USA.

B. Basis of preparation

(1) Statement of compliance

These financial statements are prepared on accrual basis of accounting and comply with the India Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 201 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable)

These financial statements of Sterling Tools Limited as at and for the year ended 31 March 201 (including comparatives) were approved and authorised for issue by Board of Directors on 23 May 201

(2) Standards issued but not yet effective

Ind AS 116 "Leases":

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replac the existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard sets ou the principles for the recognition, measurement, presentation and disclosure of leases for both partie to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting mod and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelv months, unless the underlying asset is of low value. Currently, operating lease expenses are charge to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements f lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. Th standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 – "Accountin Policies, Changes in Accounting Estimates and Errors"
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standar recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of th remaining lease payments, discounted at the incremental borrowing rate and the right of use asset eithe as:

- Its carrying amount as if the standard had been applied since the commencement date, bu discounted at lessee's incremental borrowing rate at the date of initial application; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued leas payments related to that lease recognized under Ind AS 17 immediately before the date of initi application.

Certain practical expedients are available under both the methods.

The Company is currently evaluating the effect of this amendment on the standalone financial statement

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Incom Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that a

The Company is currently evaluating the effect of this amendment on the standalone financial stateme

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Bene in connection with accounting for plan amendments, curtailments and settlements. The amendm require an entity:

- to use updated assumptions to determine current service cost and net interest for the remai of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, reduction in a surplus, even if that surplus was not previously recognised because of the impa the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019

The Company does not have any impact on account of this amendment.

(3) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following ite

Items	**Measurement basis**
Certain financial assets and liabilities (including derivative instruments)	Fair value.
Net defined benefit (assets)/ liability	Fair value of planned assets less present value defined benefit obligations.

The methods used to measure fair values are discussed further in notes to financial statements.

(4) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functi currency. All financial information presented in Indian Rupees has been rounded to the nearest (upto two decimals), except as stated otherwise.

(5) Current and non-current classification

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

An asset is current when it is:

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

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after th reporting period.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cas or cash equivalents.

(6) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Thi includes a central valuation team that has overall responsibility for overseeing all significant fair valu measurements, including Level 3 fair values, and reports directly to the board of directors.

The central valuation team regularly reviews significant unobservable inputs and valuation adjustments If third party information, such as broker quotes or pricing services, is used to measure fair values then the central valuation team assesses the evidence obtained from the third parties to support th conclusion that these valuations meet the requirements of Ind AS, including the level in the fair valu hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in th valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liabilit either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservabl inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as fa as possible. If the inputs used to measure the fair value of an asset or a liability fall into different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same leve of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reportin period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the followin notes:

- Note 42- financial instruments

are as given below. These accounting policies have been applied consistently to all periods present
the standalone financial statements.

(1) Property, plant and equipment

1.1 Initial recognition and measurement

Items of property, plant and equipment are measured at cost, which included, accumul depreciation and accumulated impairment losses, if any.

Cost of an items of property, plant and equipment comprises its purchase price, including im duties and non-refundable purchase taxes, after deducting trade discounts and rebates, directly attributable cost of bringing the items to its working condition for its intended use estimated cost of dismantling and removing the item and restoring the site on which it is locat

The cost of a self-constructed property, plant and equipment comprises the cost of materials direct labour, any other costs directly attributable to bringing the item to working condition fo intended use, and estimated costs of dismantling and removing the item and restoring the sit which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then are accounted for as separate items (major components) of property, plant and equipment.

1.2 Subsequent costs

Subsequent expenditure is recognised as an increase in the carrying amount of the asset wh is probable that future economic benefits deriving from the cost incurred will flow to the enterp and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carr amount of the item if it is probable that the future economic benefits embodied within the par flow to the Company and its cost can be measured reliably. The carrying amount of the repla part is derecognised. The costs of the day-to-day servicing of property, plant and equipment recognised in profit or loss as incurred.

1.3 Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its us included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4 Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expe from their use or upon their disposal. Gains and losses on disposal of an item of property, p and equipment are determined by comparing the proceeds from disposal with the carrying am of property, plant and equipment, and are recognised in the statement of profit and loss.

(2) Depreciation

Depreciation is recognised in statement of profit and loss on a straight-line basis over the estim useful lives of each part of an item of property, plant and equipment specified in schedule II to Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

Depreciation on additions to/deductions from property, plant & equipment during the year is charge pro-rata basis from/up to the date in which the asset is available for use/disposed.

Depreciation method, useful lives and residual values are reviewed at each financial year-end adjusted if appropriate. Based on technical evaluation and consequent advice, the management belie

(3) Intangible assets

3.1 Recognition and measurement

Intangible assets that are acquired by the Company, have finite useful lives, are measured at co less accumulated amortisation and accumulated impairment losses, if any. Cost includes an directly attributable incidental expenses necessary to make the assets ready for its intended us

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when is probable that future economic benefits deriving from the cost incurred will flow to the enterpris and the cost of the item can be measured reliably.

3.2 Derecognition

An intangible asset is derecognised when no future economic benefits are expected from their us or upon their disposal. Gains and losses on disposal of an item of intangible assets are determine by comparing the proceeds from disposal with the carrying amount of intangible assets and ar recognised in the statement of profit and loss.

3.3 Amortisation

Cost of software recognised as intangible asset, is amortised on straight line method over a perio of legal right to use or 3 years, as estimated by the management.

Amortisation method, useful lives and residual values are reviewed at the end of each financi year and adjusted, if appropriate.

(4) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings of fund Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets ar capitalised as part of cost of such asset until such time the assets are substantially ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for the intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, th borrowing costs incurred are capitalised. When Company borrows funds generally and uses them f the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed base on the weighted average cost of general borrowing that are outstanding during the period and used f the acquisition or construction of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare th qualifying assets for their intended uses are complete. Income earned on temporary investment of th borrowings pending their expenditure on the qualifying assets is deducted from the borrowing cos eligible for capitalisation.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

(5) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting da to determine whether there is any indication of impairment considering the provisions of Ind AS 3 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated

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

value of money and the risks specific to the asset. For the purpose of impairment testing, assets cannot be tested individually are grouped together into the smallest group of assets that generates c inflows from continuing use that are largely independent of the cash inflows of other assets or grour assets (the “cash-generating unit”, or “CGU”).

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

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

(6) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolesce and other losses wherever considered necessary. Cost of inventories comprises of cost of purch cost of conversion and other costs incurred in bringing the inventories to their present location condition. The cost of purchase consists of the purchase price including duties and taxes other those subsequently recoverable by the enterprise from the taxing authorities, freight inwards and c expenditure directly attributable for its acquisition.

Net realisable value is the estimated selling price in the ordinary course of business, less estim costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

The methods of determining cost of various categories of inventories are as under:

Nature of inventories	Method of valuation
Raw materials	First in first out method
Stores and spares and consumables	Weighted average method
Finished goods and work-in-progress	Raw material cost on first in first out method a includes conversion and other costs incurred bringing the inventories to their present value a locations

Stock in Transit is valued at lower of cost and net realisable value. Scrap is valued at estimated realisable value.

(7) Provisions and contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constru obligation that can be estimated reliably, and it is probable that an outflow of economic benefits be required to settle the obligation. If the effect of the time value of money is material, provisions determined by discounting the expected future cash flows at a pre-tax rate that reflects current ma assessments of the time value of money and the risks specific to the liability. When discounting is u the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at reporting date, taking into account the risks and uncertainties surrounding obligation.

provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will onl be confirmed by the occurrence or non-occurrence of one or more future events not wholly within th control of the Company. Where it is not probable that an outflow of economic benefits will be required, c the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless th probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis c judgment of the management/independent experts. These are reviewed at each balance sheet date an are adjusted to reflect the current management estimate.

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

(8) Government grants

Government grants and subsidies are accounted for in the books of account when the ultimate collectio of the grant/subsidy is reasonably certain. Grants that compensate the Company for expenses incurre are recognised in profit or loss as other operating revenues on a systematic basis in the periods in whic such expenses are recognised.

(9) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-terı deposits with an original maturity of three months or less, which are subject to an insignificant risk c changes in value.

(10) Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the dat the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currenc spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation c monetary items are recognised in profit or loss in the year in which it arises.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translate using the exchange rate at the date of the transaction.

The Company uses derivative financial instruments, such as forward currency contracts to hedg its foreign currency risks in respect of its imports and exports. Such derivative financial instrument are initially recognised at fair value on the date on which a derivative contract is entered into and ar subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair valu is positive and as financial liabilities when the fair value is negative. Any gains or losses arising fror changes in the fair value of derivatives are taken to statement of profit and loss.

(11) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. A performance obligation is a promise in a contract t transfer a distinct good (or a bundle of goods) to the customer and is the unit of account in Ind AS 11! A contract's transaction price is allocated to each distinct performance obligation and recognized a revenue, as or when, the performance obligation is satisfied. The Company recognizes revenue when transfers control of a product to a customer. Revenue is measured at the fair value of the consideratio received or receivable, taking into account contractually defined terms of payments and excludes ta and duties collected on behalf of the government. The Company recognizes revenue from the followin major sources:

a customer and excludes amounts collected on behalf of third parties. It is measured at fair v consideration received or receivable, net of returns and allowances, trade discounts and vol rebates. The Company recognizes revenue when it transfers control over a product to a custome when goods are delivered at the delivery point, as per terms of the agreement, which could be e customer premises or carrier premises who will deliver goods to the customer. When payments rece from customers exceed revenue recognised to date on a particular contract, any excess (a con liability) is reported in the Balance Sheet under other current liabilities (see Note 25).

Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily prod under arrangements in which the transfer of control of the products and the fulfilment of the Compa performance obligation occur at the same time. Revenue from the sale of goods is recognized w the Company has transferred control of the goods to the buyer and the buyer obtains the benefits the goods, the potential cash flows and the amount of revenue (the transaction price) can be meas reliably, and it is probable that the Company will collect the consideration to which it is entitled exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are m available to the carrier or the buyer takes possession of the goods, depending on the delivery terms the Company, generally the criteria to recognize revenue has been met when its products are deliv to its customers or to a carrier who will transport the goods to its customers, this is the point in time w the Company has completed its performance obligations. Revenue is measured at the transaction p of the consideration received or receivable, the amount the Company expects to be entitled to.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer ranges between 0-30 days.

Variable considerations associated with such sales

Periodically, the Company enters into volume or other rebate programs where once a certain vol or other conditions are met, it gives the customer as volume discount some portion of the amo previously billed or paid. For such arrangements, the Company only recognizes revenue for the amo it ultimately expects to realize from the customer. The Company estimates the variable considera for these programs using the most likely amount method or the expected value method, which approach best predicts the amount of the consideration based on the terms of the contract and avail information and updates its estimates each reporting period.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding rate applicable.

Income from export incentives

Income from export incentives viz. Duty Drawback and MEIS are recognized on accrual basis.

(12) Other income

Interest income is recognised, when no significant uncertainty as to measurability or collectability ex on a time proportion basis taking into account the amount outstanding and the applicable interest using the effective interest rate method (EIR).

Short- term employee benefit obligations are measured on an undiscounted basis and ar expensed as the relative service is provided. A liability is recognised for the amount expected t be paid e.g., under short-term cash bonus, if the Company has a present legal or constructiv obligation to pay this amount as a result of past service provided by the employee, and the amour of obligation can be estimated reliably.

13.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixe contributions into separate entities and will have no legal or constructive obligation to pay furthe amounts. Obligations for contributions to defined contribution plans are recognised as an employe benefits expense in profit or loss in the period during which services are rendered by employees

The Company pays fixed contribution to government administered provident fund scheme a predetermined rates. The contributions to the fund for the year are recognised as expense an are charged to the profit or loss.

13.3 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plar The Company's liability towards gratuity is in the nature of defined benefit plans.

The Company's net obligation in respect of defined benefit plan is calculated separately b estimating the amount of future benefit that employees have earned in return for their servic in the current and prior periods; that benefit is discounted to determine its present value. An unrecognised past service costs are deducted. The discount rate is based on the prevailin market yields of Indian government securities as at the reporting date that have maturity date approximating the terms of the Company's obligations and that are denominated in the sam currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit methoc When the calculation results in a benefit to the Company, the recognised asset is limited to th total of any unrecognised past service costs. Any actuarial gains or losses are recognised in othe comprehensive income in the period in which they arise.

13.4 Other long term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefit.

The employees can carry forward a portion of the unutilised accrued compensated absences an utilise it in future service periods or receive cash compensation on termination of employment. Th benefit is discounted to determine its present value. The discount rate is based on the prevailin market yields of Indian government securities as at the reporting date that have maturity date approximating the terms of the Company's obligations. The obligation is measured on the basis c independent actuarial valuation using the projected unit credit method.

(14) Lease

Accounting for operating leases- As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to th Company as lessee are classified as operating lease. Payments made under operating leases ar recognised as an expense over the lease term unless the payments are structured to increase in lin with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initi direct costs incurred specifically for an operating lease are deferred and charged to the Statement c Profit and Loss over the lease term.

loss except to the extent that it relates to items recognised directly in other comprehensive incom
equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacte substantively enacted and as applicable at the reporting date, and any adjustment to tax payab respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences betw the carrying amounts of assets and liabilities for financial reporting purposes and the amounts use taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to tempo differences when they reverse, based on the laws that have been enacted or substantively enacte the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable rig offset current tax liabilities and assets, and they relate to income taxes levied by the same tax auth

Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised dir in other comprehensive income or equity, in which case it is recognised in other comprehensive inc or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits wi available against which the temporary difference can be utilised. Deferred tax assets are reviewe each reporting date and are reduced to the extent that it is no longer probable that the related tax be will be realised.

(16) Earning per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to e shareholders of the Company by the weighted average number of equity shares outstanding durin financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to e shareholders of the Company by the weighted average number of equity shares considered for deri basic earnings per equity share and also the weighted average number of equity shares that could been issued upon conversion of all dilutive potential equity shares.

(17) Operating segment

In accordance with Ind AS 108, the operating segments used to present segment information identified on the basis of internal reports used by the Company's Management to allocate resourc the segments and assess their performance. The Board of Directors is collectively the Company's 'C Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for inte reporting purposes may evolve in connection with performance assessment measures put in place.

(18) Equity investment

Equity investments in Joint Venture and subsidiaries are measured at cost. The investments reviewed at each reporting date to determine whether there is any indication of impairment conside the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairme non-financial assets is followed.

(19) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a fina liability or equity instrument of another entity.

All financial assets are recognised initially at fair value plus, in the case of financial assets nc recorded at fair value through profit or loss, transaction costs that are attributable to the acquisitio or issue of the financial asset. Transaction costs of financial assets carried at fair value throug profit or loss are expensed in statement of profit and loss.

Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a busines model whose objective is to hold the asset in order to collect contractual cash flows and th contractual terms of the financial asset give rise on specified dates to cash flows that ar solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensiv income if it is held within a business model whose objective is achieved by both collectin contractual cash flows and selling financial assets and the contractual terms of the financi asset give rise on specified dates to cash flows that are solely payments of principal an interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fa valued through statement of profit and loss.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assume an obligation to pay the received cash flows in full without material delay to a third party unde a 'pass-through' arrangement; and either (a) the Company has transferred substantially a the risks and rewards of the asset, or (b) the Company has neither transferred nor retaine substantially all the risks and rewards of the asset, but has transferred control of the asse

Impairment of financial assets

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

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

(b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determine that whether there has been a significant increase in the credit risk since initial recognition. If cred risk has not increased significantly, 12-month ECL is used to provide for impairment loss. Howeve if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quali of the instrument improves such that there is no longer a significant increase in credit risk since initia recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value thro profit or loss, borrowings, payables, or as derivatives designated as hedging instruments i effective hedge, as appropriate. All financial liabilities are recognised initially at fair value an the case of borrowings and payables, net of directly attributable transaction costs. The Compa financial liabilities include trade and other payables, borrowings and derivative finai instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised using the EIR method. Gains and losses are recognised in profit or loss when the liabilities derecognised as well as through the EIR amortisation process. Amortised cost is calculate taking into account any discount or premium on acquisition and fees or costs that are an inte part of the EIR. The EIR amortisation is included in finance costs in the profit or loss. This cate generally applies to borrowings, trade payables and other contractual liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cance or expires. When an existing financial liability is replaced by another from the same lende substantially different terms, or the terms of an existing liability are substantially modified, suc exchange or modification is treated as the derecognition of the original liability and the recogn of a new liability. The difference in the respective carrying amounts is recognised in the stater of profit and loss.

19.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance s where there is a legally enforceable right to offset the recognised amounts and there is an inter to settle on a net basis or realise the asset and settle the liability simultaneously. The le enforceable right must not be contingent on future events and must be enforceable in the no course of business and in the event of default, insolvency or bankruptcy of the Company o counterparty.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates assumptions that may impact the application of accounting policies and the reported value of as liabilities, income, expenses and related disclosures concerning the items involved as well as contin assets and liabilities at the balance sheet date. The estimates and management's judgments are ba on previous experience and other factors considered reasonable and prudent in the circumstan Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accour estimates are recognised in the period in which the estimates are revised and in any future per affected.

In order to enhance understanding of the financial statements, information about significant a of estimation, uncertainty and critical judgments in applying accounting policies that have the r significant effect on the amounts recognised in the standalone financial statements is as under:

(1) Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors inclu the effects of obsolescence, demand, competition and other economic factors (such as the stabili and are adjusted prospectively, if appropriate.

(2) Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding i particular the expected market outlook and future cash flows. Any changes in these assumptions ma have a material impact on the measurement of the recoverable amount and could result in impairment

(3) Employee benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortalit and withdrawal rates as well as assumptions concerning future developments in discount rates, the rat of salary increases and the inflation rate. The Company considers that the assumptions used to measur its obligations are appropriate and documented. However, any changes in these assumptions may hav a material impact on the resulting calculations.

(4) Leases not in legal form of lease

Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 1 'Determining whether an arrangement contains a lease'. In assessing the applicability to arrangement entered into by the Company, management has exercised judgment to evaluate the right to use th underlying asset, substance of the transactions including legally enforceable agreements and othe significant terms and conditions of the arrangements to conclude whether the arrangement needs th criteria under Appendix C to Ind AS 17.

(5) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made i accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluatio of the likelihood of the contingent events has required best judgment by management regarding th probability of exposure to potential loss. Should circumstances change following unforeseeabl developments, this likelihood could alter.

			equipment	and fixtures		equipments	installations and equipments	system	
Gross block									
As at 1 April 2017	1,078.50	3,411.36	19,982.24	124.91	469.19	204.26	444.90	51.61	25,7
Additions	-	-	1,025.74	20.34	56.53	32.74	-	6.33	1,1
Disposals/assets written off	-	(9.71)	-	-	-	-	-	-	(
Balance as at 31 March 2018	**1,078.50**	**3,401.65**	**21,007.98**	**145.25**	**525.72**	**237.00**	**444.90**	**57.94**	**26,8**
Additions	980.37	288.05	3,780.85	11.03	129.93	33.48	26.04	10.94	5,2
Disposals/assets written off	-	-	(213.91)	-	(94.89)	-	-	-	(30
Balance as at 31 March 2019	**2,058.87**	**3,689.70**	**24,574.92**	**156.28**	**560.76**	**270.48**	**470.94**	**68.88**	**31,8**
Accumulated depreciation									
As at 1 April 2017	-	1,018.59	8,557.54	69.14	170.11	138.19	325.36	32.26	10,3
Charge for the year	-	107.83	1,523.29	12.55	51.89	23.47	23.79	8.32	1,7
Adjustments for disposals	-	(3.39)	-	-	-	-	-	-	(
Balance as at 31 March 2018	**-**	**1,123.03**	**10,080.83**	**81.69**	**222.00**	**161.66**	**349.15**	**40.58**	**12,0**
Charge for the year	-	107.40	1,657.39	10.84	58.33	28.91	22.21	8.95	1,8
Adjustments for disposals	-	-	(184.28)	-	(70.50)	-	-	-	(25
Balance as at 31 March 2019	**-**	**1,230.43**	**11,553.94**	**92.53**	**209.83**	**190.57**	**371.36**	**49.53**	**13,6**
Net block as at 31 March 2018	**1,078.50**	**2,278.62**	**10,927.15**	**63.56**	**303.72**	**75.34**	**95.75**	**17.36**	**14,8**
Net block as at 31 March 2019	**2,058.87**	**2,459.27**	**13,020.98**	**63.75**	**350.93**	**79.91**	**99.58**	**19.35**	**18,1**

Notes:

a. Refer note a of Note 17 "Non current financial liabilities- Borrowings" and note 22 "Current financial liabili Borrowings" for details regarding property, plant and equipment which are pledged as security for obtai long-term borrowings and short term borrowings.

b. Refer Note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipm

3. CAPITAL WORK-IN-PROGRESS

Particulars	Amo
Balance as at 1 April 2017	
Additions	1,857
Capitalised during the year	(880.
Balance as at 31 March 2018	**976**
Additions	4,687
Capitalised during the year	(983.
Balance as at 31 March 2019	**4,680**

During the year, the Company has capitalized interest on borrowed capital of Rs. 103.30 lakh (31 March 2 – Rs. nil) and pre-operative expenses (including salary, legal and professional and other expenses dir related to the project) of Rs. 200.75 lakh (31 March 2018 – Rs. nil).

Gross block		
As at 1 April 2017	14.60	14.60
Additions	21.20	21.20
Disposals/assets written off	-	-
Balance as at 31 March 2018	**35.80**	**35.80**
Additions	7.66	7.66
Disposals/assets written off	-	-
Balance as at 31 March 2019	**43.46**	**43.46**
Accumulated amortisation		
As at 1 April 2017	6.35	6.35
Charge for the year	7.71	7.71
Adjustments for disposals	-	-
Balance as at 31 March 2018	**14.06**	**14.06**
Charge for the year	10.98	10.98
Adjustments for disposals	-	-
Balance as at 31 March 2019	**25.04**	**25.04**
Net block as at 31 March 2018	**21.74**	**21.74**
Net block as at 31 March 2019	**18.41**	**18.41**

5 NON-CURRENT INVESTMENTS

	As at 31 March 2019	As at 31 March 2018
Unquoted investments		
Investment in equity instrument in subsidiary (valued at cost)		
100,000 equity shares (31 March 2018: 100,000 equity shares) of Rs 10 each fully paid up in Haryana Ispat Private Limited, a subsidiary	1,198.50	1,198.50
Investment in equity instrument in Joint Venture (valued at cost)		
3,405,000 equity shares (31 March 2018: 3,405,000 equity shares) of Rs 10 each fully paid up in Sterling Fabory India Private Limited, a joint venture (refer note: a)	688.25	688.25
Investment in equity instruments (valued at FVOCI)		
9,400 equity shares (31 March 2018: Nil equity shares) of Rs. 10 each fully paid up in Altigreen Propulsion Labs Private Limited (refer note: b)	401.38	-
	2,288.13	**1,886.75**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	2,288.13	1,886.75
Aggregate amount of impairment in value of investments	-	-

Name of jointly controlled entity	Place of business	% of ownership interest		Accounting method
		As at 31 March 2019	As at 31 March 2018	
Sterling Fabory India Private Limited	India	50	50	Equity meth

Equity investments in subsidiary and joint venture are measured at cost as per the provisions of Ind AS 2 'Separate Financial Statements'.

b. During the year ended 31 March 2019, the Company has acquired 9,400 equity shares of Altigreen Propu Labs Pvt. Ltd. on 07 February 2019.

		As at 31 March 2019	As 31 March 2
Current investments		-	
Quoted investment			
Investment in mutual funds (at fair value through profit and loss)			
a)	77.65 units in DSP Blackrock Money Manager Fund -Regular Plan-Growth	-	1
b)	3,981,081.90 units in Edelweis Arbitrage Fund-Monthly Dividend Direct Plan	501.43	497
c)	3,628,626.63 units in ICICI Prudential Equity Arbitrage Fund -Direct Plan-Dividend Reinvestment	555.10	524
d)	4,778,023.51 units in Kotak Equity Arbitrage Fund-Direct Plan-Dividend Reinvestment	555.94	525
e)	3,143,942.76 units in UTI Spread Fund-Direct Plan-Dividend Reinvestment	555.95	524
f)	1,000,000.00 units in DSP Blackrock India Enhanced Equity Fund	1,121.30	1,056
g)	21,986.53 units in SBI Magnum Insta Cash Fund Liquid Floater-Direct Plan Growth	-	639
h)	150,000.00 units in Edelweis Alpha Fund	1,656.05	1,583
		4,945.77	**5,353**
	Aggregate amount of quoted investments and market value thereof	4,945.77	5,353
	Aggregate amount of unquoted investments	-	
	Aggregate amount of impairment in value of investments	-	

6 NON-CURRENT FINANCIAL ASSETS - LOANS

	As at 31 March 2019	As 31 March 2
(Unsecured, considered good)		
Security deposits	311.99	125
	311.99	**125**

(Unsecured and considered good)		
Capital advances	1,130.26	446.23
Prepaid expenses	59.75	3.88
Balances with statutory authorities	18.60	20.26
	1,208.61	**470.37**

8 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at 31 March 2019	As at 31 March 2018
Raw material	2,845.97	2,280.83
Work in progress	1,043.90	1,084.35
Finished goods (includes goods in transit of Rs. 346.76 lakh (31 March 2018: 112.99 lakh))	3,667.42	1,746.27
Stores, spares and consumables	691.47	333.98
Stores, spares and consumables- goods-in-transit	-	9.00
	8,248.76	**5,454.43**

Refer Note 22 for information on inventory pledged as security by the Company

9 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

	As at 31 March 2017	As at 1 April 2016
Trade receivables		
Considered good -secured	4,219.34	4,546.89
Credit impaired	36.83	27.30
	4,256.17	4,574.19
Less: allowance for expected credit loss	(36.83)	(27.30)
	4,219.34	**4,546.89**

Movement in the allowance for expected credit loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	27.30	27.30
Add: Allowance provided during the year	9.53	-
Less: Amounts written off during the year	-	-
Balance at the end of the year	**36.83**	**27.30**

a. All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

b. Amount due from Sterling Fabory India Private Limited- joint venturer company- Rs. 89.61 lakh (31 March 2018- Rs. 26.78 lakh)

c. Refer Note 22 for information on trade receivables pledged as security by the Company.

Balances with scheduled banks :		
- in current accounts	354.42	95
- in fixed deposit accounts	-	0
Cash on hand	4.41	5
	358.83	**100**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting pe and prior periods.

11 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	For the year ended 31 March 2019	**For the year en 31 March 2**
Unpaid dividend accounts (earmarked balances with banks)*	29.46	28
Other bank balances	-	20
	29.46	**48**

* Not due for deposit in the investor education and protection fund.

12 CURRENT FINANCIAL ASSETS - LOANS

(Unsecured considered good)

	For the year ended 31 March 2019	**For the year en 31 March 2**
Loans to employees	17.00	10
Loans to others	5.83	
Security deposit	1.60	5
Interest accrued but not due	9.16	5
	33.59	**21**

13 CURRENT FINANCIAL ASSETS - OTHERS

	For the year ended 31 March 2019	**For the year en 31 March 2**
Derivatives designated as hedges		
- Foreign exchange forward contracts	64.53	
Other financial assets		
- Gratuity recoverable	13.26	3
- Export incentive receivable	152.86	164
- Others	65.71	
	296.36	**168**

14 OTHER CURRENT ASSETS

	For the year ended 31 March 2019	**For the year en 31 March 2**
Prepaid expenses	51.39	145
Balance with government authorities	369.45	337
Advance to suppliers	957.04	978
	1,377.88	**1,460**

Authorised:		
50,000,000 [31 March 2018: 50,000,000 equity shares of Rs 2/- each] equity shares of Rs 2/- each	1,000.00	1,000.0C
Issued, subscribed and paid up:		
36,024,211 [31 March 2018: 36,024,211 equity shares of Rs 2/- each] equity shares of Rs 2/- each	720.48	720.48
	720.48	**720.48**

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	For the year ended 31 March 2019		**For the year ended 31 March 2018**	
	Number (in lakh)	**Amount**	**Number (in lakh)**	**Amoun**
Outstanding at the beginning of the year	360.24	720.48	342.23	684.46
Addition during the year	-	-	18.01	36.02
Outstanding at the end of the year	**360.24**	**720.48**	**360.24**	**720.48**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 2 per share (31 March 2018: R 2 per share). Each holder of equity shares is entitled to one vote per share. The company declares and pay dividend in Indian rupees.

During the year ended 31 March 2019, the amount of per share interim dividend recognised as distributions t equity shareholders is Rs. 2 per share (31 March 2018: Rs 2 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remainin assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to th number of equity shares held by the shareholders.

c. Shareholders holding more than 5% shares in the Company

	As at 31 March 2019		**As at 31 March 2018**	
	No. of shares (lakh)	**% holding**	**No. of shares (lakh)**	**% holding**
Mr. Manohar Lal Aggarwal, Promoter	38.55	10.70%	38.55	10.70%
Mr. Anil Aggarwal, Promoter	80.27	22.28%	73.66	20.45%
Mr. Atul Aggarwal, Promoter	95.79	26.59%	86.48	24.01%
Mr. Jagdish Kumar Aggarwal	17.98	4.99%	18.34	5.09%
L&T Mutual Fund Trustee Limited	24.49	6.80%	15.62	4.34%
Meidoh Company Limited	18.01	5.00%	18.01	5.00%

d. No shares have been issued pursuant to contract without payment being received in cash, allotted as ful paid-up shares by way of bonus issues nor has any bought back of shares happened during the period of fiv years immediately preceding the reporting date.

Capital reserve	6.65	6
Security premium	4,735.69	4,735
General reserve	2,786.46	2,786
Retained earnings	20,171.26	16,554
Total	**27,700.06**	**24,083**

i) Capital reserve

	As at 31 March 2019	A 1 April 2
Balance at the beginning of the year	6.65	6
Add:- Addition during the year	-	
Less:- Utilised during the year	-	
Balance at the end of the year	**6.65**	**6**

Capital reserves represents proceeds of forfeited shares.

ii) Security premium

	As at 31 March 2019	A 1 April 2
Balance at the beginning of the year	4,735.69	340
Add:- Addition during the year	-	4,405
Less:- Utilised during the year	-	10
Balance at the end of the year	**4,735.69**	**4,735**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance the provisions of the Act.

iii) General reserve

	As at 31 March 2019	A 1 April 2
Balance at the beginning of the year	2,786.46	2,786
Add:- Addition during the year	-	
Less:- Utilised during the year	-	
Balance at the end of the year	**2,786.46**	**2,786**

The Company transferred certain percentage of retained earnings to general reserve as per the provision dividend distribution under the Companies Act, 2013.

iv) Retained earnings

	As at 31 March 2019	A 1 April 2
Balance at the beginning of the year	16,554.29	12,601
Add: Profit for the year	4,486.06	4,866
Less: Utilised during the year		
- Interim dividend on equity shares	720.48	720
- Dividend distribution tax on interim dividend	148.10	146
- Remeasurement of defined benefit obligation	0.51	46
Balance at the end of the year	20,171.26	16,554

Indian rupee loan from banks (secured)		
- Term loans	6,727.41	2,576.32
Less: Interest accrued but not due (refer note 24)	(28.47)	(6.25)
Less: Current maturities of long-term borrowings (refer note 24)	(1,304.39)	(923.00)
	5,394.55	**1,647.07**

a) The term loans are secured by equitable mortgage of certain land and building at Plot No. 4, 5A, 52, 53, 5 & 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road and factory land and building situated at Prithl Village, Faridabad and Kolar District, Bangalore and hypothecation of plant and machinery and other propert plant and equipment and personal guarantee by some of the directors of the Company.

b) The repayment profile of the term loans from banks is as set out below:

31 March 2019

Rate of interest (%)	Amount	Instalments starting on	Repayment mode	Instalments ending on	Number of instalments outstanding
9.65%	280.07	February 2016	Monthly	January 2021	22
9.65%	749.71	June 2016	Monthly	May 2021	26
8.70%	130.40	January 2015	Monthly	December 2019	9
8.70%	273.25	February 2017	Monthly	January 2021	22
8.70%	210.61	November 2017	Monthly	October 2022	33
9.75%	1,200.00	June 2020	Monthly	May 2025	60
8.70%	750.00	January 2020	Monthly	December 2025	60
8.50%	175.00	October 2019	Monthly	November 2024	60
8.60%	425.00	October 2019	Monthly	November 2024	60
8.95%	800.00	October 2019	Monthly	November 2024	60
8.50%	600.00	October 2019	Monthly	November 2024	60
8.95%	1,100.00	October 2019	Monthly	November 2024	60

31 March 2018

"Rate of interest (%)"	"Amount "	Instalments starting on	Repayment mode	Instalments ending on	Number of instalments outstanding
9.45%	449.03	February 2016	Monthly	January 2021	34
9.45%	1,095.67	June 2016	Monthly	May 2021	38
9.55%	322.40	January 2015	Monthly	December 2019	21
9.55%	423.25	February 2017	Monthly	January 2021	34
9.45%	284.03	November 2017	Monthly	October 2022	45

(c) There has been no default in servicing of loan as at the end of the year.

18 NON CURRENT FINANCIAL LIABILITIES - OTHERS

	As at 31 March 2019	As at 31 March 2018
Security deposits	30.58	25.80
	30.58	**25.80**

	As at 31 March 2019		As at 31 March 2018	
	Non-current	**Current**	**Non-current**	**Curr**
Provisions for employee benefits				
Compensated absences	106.90	16.64	91.44	15
Gratuity (refer note 36)	30.14	108.46	37.82	10
	137.04	**125.10**	**129.26**	**124**

20 DEFERRED TAX LIABILITIES (NET)

	As at 31 March 2019	As at 31 March 20
Deferred tax liability		
Fixed assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,760.41	1,670
Fair value of forward exchange contracts	22.67	(12.
Effective interest rate adjustment	0.30	1
Gross deferred tax liability	**1,783.38**	**1,659**
Deferred tax assets		
Employee benefits	132.00	137
Allowance for expected credit loss	12.87	
Gross deferred tax assets	**144.87**	**137**
Net deferred tax liability	**1,638.51**	**1,522**

Movement in deferred tax balances

Particulars	**As at 31 March 2018**	**Recognised in profit and loss**	**Recognised in OCI**	**A 31 March 2**
Deferred tax liabilities				
Fixed assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,670.53	89.88	-	1,76
Effective interest rate adjustment	1.37	(1.07)	-	(
Fair value of forward exchange contracts	(12.77)	35.44	-	2
Sub- total (a)	**1,659.13**	**124.26**	**-**	**1,78**
Deferred tax assets				
Employee benefits	137.04	(5.31)	0.28	13
Allowance for expected credit loss	-	12.87	-	1
Sub- total (b)	**137.04**	**7.56**	**0.28**	**14**
Net deferred tax liabilities (a)-(b)	**1,522.09**	**116.70**	**(0.28)**	**1,63**

Deferred tax liabilities				
Fixed assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,630.89	39.64	-	1,670.53
Effective interest rate adjustment	2.57	(1.20)	-	1.37
Fair value of forward exchange contracts	7.89	(20.66)	-	(12.77)
Sub- total (a)	**1,641.35**	**17.78**	**-**	**1,659.13**
Deferred tax assets				
Allowance for expected credit loss	9.45	(9.45)	-	
Employee benefits	66.52	46.11	24.41	137.04
Sub- total (b)	**75.97**	**36.66**	**24.41**	**137.04**
Net deferred tax liabilities (a)-(b)	**1,565.38**	**(18.88)**	**(24.41)**	**1,522.09**

i) Income tax recognised in Statement of Profit and Loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense		
Current year	2,356.10	2,645.39
	2,356.10	**2,645.39**
Deferred tax expense		
Origination and reversal of temporary differences	116.70	(18.88)
	116.70	**(18.88)**
Total income tax expense	**2,472.80**	**2,626.51**

ii) Income tax recognised in other comprehensive income

	31 March 2019			31 March 2018		
	Before tax	**Tax expense/ (benefit)**	**Net of tax**	**Before tax**	**Tax expense/ (benefit)**	**Net of tax**
Remeasurement of defined benefit plans	(0.79)	0.28	(0.52)	(70.53)	24.41	(46.12)
	(0.79)	**0.28**	**(0.52)**	**(70.53)**	**24.41**	**(46.12)**

	Rate	Amount	Rate	Amo
Profit before tax		**6,958.86**		**7,492**
Tax using the Company's domestic tax rate of 34.944% (31 March 2018 - 34.6081%)	34.94%	2,431.70	34.61%	2,593
Tax effect of:				
- Corporate social responsibility expenditure	0.30%	20.83	0.43%	31
- Change in tax rates	0.21%	14.78	0.00%	
- Others	0.08%	5.49	0.02%	1
At the effective income tax rate	**35.53%**	**2,472.80**	**35.05%**	**2,626**

(a) There is no temporary differences associated with investment in subsidiaries.

(b) Basis of computing Company's domestic tax rate:

	31 March 2019	**31 March 2**
Base rate	30.00%	30.0
Add: Surcharge @ 12%	3.60%	3.6
	33.60%	**33.6**
Add: Health and Education cess @ 4%	1.34%	1.0
(31 March 2018: Health and Education cess @ 3%)	**34.94%**	**34.6**

21 OTHER NON-CURRENT LIABILITIES

	As at 31 March 2019	**As 31 March 2**
Deferred income	1,708.62	1,073
Others	29.50	30
	1,738.12	**1,104**

22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2019	**As 31 March 2**
Loans repayable on demand from banks (secured)		
-Working capital facilities	3,229.74	858
	3,229.74	**858**

Note:

a) The working capital facilities include working capital demand loan, cash credit and buyers/ suppliers credit. same are secured by hypothecation of all inventories including those in transit, receivables, book debts on passu basis, equitable mortgage of land and building situated at Plot No 4, 5A, 52, 53,54 & 54A DLF Indu Estate, Phase-I, Delhi- Mathura Road and factory land and building situated at Prithla Village, Faridabad personal guarantee by some of the directors of the Company.

b) The outstanding balance is repayable on demand and the rate of interest ranges between 9 % to 11 % annum.

Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	54.91	164.00
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,220.57	3,482.78
	3,275.48	**3,646.78**

a) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 1 2007, the amount due as at the year end due to Micro, small and medium enterprises as defined in Industrie (Development and Regulation) Act, 1951 is as given below:

Particulars		**As at 31 March 2019**	**As at 31 March 2018**
i)	Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	- Principal Amount	54.91	164.00
	- Interest	0.22	0.29
ii)	The amount of interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	0.22	0.29
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.22	0.29
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

b) This information has been compiled in respect of parties to the extent they could be identified as Micro, sma and medium enterprises on the basis of information available with the management as at 31 March 2019.

24 CURRENT FINANCIAL LIABILITIES - OTHERS

	As at 31 March 2019	**As at 31 March 2018**
Current maturities of long-term borrowings (refer note 17)	1,304.39	923.00
Creditors for capital expenditure	127.52	83.51
Interest accrued but not due	28.47	6.25
Unclaimed dividend*	29.46	28.52
Derivative liability	-	36.90
	1,489.84	**1,078.18**

* the above amount does not include any sum due to be transferred to Investor Education and Protection Fund.

Advances received from customers	122.45	158
Statutory dues payable	484.51	363
	606.96	**522**

26 CURRENT TAX LIABILITIES

	As at 31 March 2019	As 31 March 2
Provision for income-tax (net)	84.28	12
	84.28	**12**

27 REVENUE FROM OPERATIONS

	For the year ended 31 March 2019	For the year end 31 March 2
Sale of products (refer note 44 and 46)		
- Finished goods	50,509.29	45,880
Other operating income		
- Steel scrap sale	546.87	400
- Export incentives	164.19	168
Total	**51,220.35**	**46,448**

28 OTHER INCOME

	For the year ended 31 March 2019	For the year end 31 March 2
Interest on		
- fixed deposits	0.07	4
- security deposit with electricity department	10.06	4
Other non operating income		
Liabilities no longer required, written back	1.30	2
Export promotion capital guarantee grant income	158.66	136
Gain on foreign exchange fluctuation	55.95	26
Profit on disposal of property, plant and equipment	-	26
Gain on fair value of forward contracts	101.43	
Income from mutual fund investment		
- gain on sale of mutual fund	10.92	57
- dividend income	107.12	99
- gain on fair value of mutual fund	152.26	142
Bad debts recovered	1.70	23
Scrap sales	24.53	30
Miscellaneous income	12.29	5
	636.29	**561**

Raw material at the beginning of the year	2,280.83	1,732.43
Add: purchases	23,130.70	17,942.95
Less: Raw material at the end of the year	2,845.98	2,280.83
Total cost of materials consumed	**22,565.55**	**17,394.55**

30 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year		
- Finished goods	1,746.27	2,131.94
- Work-in-progress	1,084.35	472.60
	2,830.62	**2,604.54**
Inventories at the end of the year		
- Finished goods	3,667.43	1,746.27
- Work-in-progress	1,043.90	1,084.35
	4,711.33	**2,830.62**
Increase in inventory	(1,880.71)	(226.08)
Increase/(decrease) in excise duty on finished goods	-	(343.27)
	(1,880.71)	**(569.35)**

31 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salary, wages and bonus	3,125.06	2,950.23
Contribution to provident and other funds	288.53	246.14
Gratuity expenses	58.56	49.75
Staff welfare expenses	110.96	106.09
	3,583.11	**3,352.21**

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 36

32 FINANCE COSTS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on borrowings measured at amortised cost	342.30	343.25
Other borrowing cost	23.54	23.15
Interest on delayed payment of taxes	0.54	11.43
	366.38	**377.83**

Depreciation expense	1,894.04	1,751
Amortisation expense	10.98	7
	1,905.02	**1,758**

34 OTHER EXPENSES

	For the year ended 31 March 2019	For the year en 31 March 2
Consumption of stores and spares	4,307.85	3,779
Job work charges	2,400.33	2,056
Consumption of packing materials	711.82	662
Power and fuel	3,792.98	3,498
Rent	97.37	48
Repairs and maintenance		
- Building	586.61	480
- Plant and machinery	1,588.13	1,259
Security charges	78.41	80
Insurance	75.84	63
Legal and professional charges	273.68	111
Rates and taxes	23.62	24
Sales promotion	126.53	155
Freight outward	1,759.95	1,535
Travelling and conveyance	250.32	192
Contract labour charges	1,285.60	1,056
Payment to auditors (refer details below)	22.23	19
Commission to director	228.00	240
Corporate social responsibility expenses	115.60	92
Provision for expected credit loss	9.53	
Loss on fair value of forward contracts	-	59
Miscellaneous expenses	624.03	629
	18,358.43	**16,045**

Details of payments to auditors

	For the year ended 31 March 2019	For the year en 31 March 2
As auditor		
- Statutory audit	11.00	11
- Tax audit	1.00	1
- Limited review	9.00	7
In other capacity		
- Reimbursement of expenses	1.23	0
	22.23	**19**

Profit for the year attributable to equity shareholders (A)	4,486.06	4,866.11
Weighted average number of equity shares outstanding during the year (B) (lakh)	360.24	356.2
Nominal value per share (Rs.)	2.00	2.0
Basic and diluted earnings per equity share (face value of share- Rs 2 each) (A/B) (Rs.)	12.45	13.6

38 Employee benefits

i) Defined contribution plans

The Company makes fixed contribution towards provident fund and ESI to a defined contribution retireme benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fun Commissioner and the Company is required to contribute a specified percentage of payroll cost to the retireme benefit schemes to fund the benefits. Similarly, the contribution is made in ESI at a specified percentage payroll cost.

The Company recognised Rs 215.67 lakh (31 March 2018: Rs 193.06 lakh) for provident fund contributio and Rs 29.40 lakh (31 March 2018: Rs 36.19 lakh) for ESI contribution in the Statement of Profit and Los and included in “”Employee benefits expenses”” in note 31. The contribution payable to these plans by th Company is at rates specified in the rules of the schemes.

ii) Defined benefit plans

Gratuity

Contribution to Gratuity funds- Life Insurance Corporation of India, Group Gratuity Scheme

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employee who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payab on retirement/termination is the employees last drawn basic salary per month computed proportionately for 1 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Compar makes contribution to recognised funds in India.

The unfunded gratuity obligation of directors is determined based on actuarial valuation using the Projected Unit Credit Method.

	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the y en 31 Ma 2
Present value of obligation at the beginning of the year	53.72	14.28	505.87	41
Included in profit or loss:				
Current service cost	-	-	50.70	46
Past service cost	-	-	-	
Interest cost	4.03	1.07	36.73	30
Total amount recognised in profit or loss	**4.03**	**1.07**	**87.43**	**76**
Included in other comprehensive income:				
Remeasurement loss/(gain) arising from:				
- demographic assumptions	-	(0.09)	-	
- financial assumptions	(0.06)	-	(6.81)	
- experience adjustment	(3.00)	38.46	9.99	31
Total amount recognised in other comprehensive income	**(3.06)**	**38.37**	**3.18**	**31**
Other	-	-	(0.80)	
Less: Benefits paid	-	-	31.52	21
Present value of obligation at the end of year	**54.69**	**53.72**	**564.16**	**505**

Change in the fair value of plan assets	**Gratuity (unfunded)**		**Gratuity (funded)**	
	For the year ended 31 March 2019	**For the year ended 31 March 2018**	**For the year ended 31 March 2019**	**For the y en 31 Ma 2**
Fair value of plan asset at the beginning of the year	-	-	412.77	363
Included in profit or loss:				
Expected return on plan assets	-	-	32.90	28
Contributions paid	-	-	67.57	43
Benefits paid	-	-	31.52	21
Other	-	-	(0.80)	
Included in other comprehensive income:				
Actuarial gain	-	-	0.67	0
Fair value of plan asset at the end of the year	**-**	**-**	**480.25**	**412**

	(%)	Amount	(%)	Amount
Insurance policies	100	480.25	100	412.77

Net defined benefit liability recognised in the balance sheet

	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
Present value of funded obligation at the end of the year	54.69	53.72	564.16	505.87
Fair value of plan asset as at the end of the period	-	-	480.25	412.77
Net defined benefit liability	**54.69**	**53.72**	**83.91**	**93.10**

B) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
Discount rate (per annum)	7.64%	7.50%	7.64%	7.50%
Salary growth rate (per annum)	7.00%	7.00%	7.00%	7.00%
Mortality rates inclusive of provision for disability	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Retirement age (years)	58	58	58	58
Withdrawal rate (%)	2% to 10%	2% to 10%	2% to 10%	2% to 10%

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

C) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding othe assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Gratuity (Funded)			
	31 March 2019		**31 March 2018**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	518.14	617.45	464.47	553.97
Salary escalation rate (1% movement)	619.52	515.09	556.45	461.56

	Gratuity (unfunded)			
	31 March 2019		**31 March 2018**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	54.27	55.14	53.20	54.27
Salary escalation rate (1% movement)	54.69	54.69	53.72	53.72

The sensitivity analysis above have been determined based on a method that extrapolates the impact c defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end (the reporting period. This analysis may not be representative of the actual change in the defined bene the prior period.

D) Risk exposure

i) Changes in discount rate

A decrease in discount yield will increase plan liabilities.

ii) Mortality table

The gratuity plan obligations are to provide benefits for the life of the member, so increases i expectancy will result in an increase in plan liabilities.

E) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flo Funded

	31 March 2019	31 March 2
Less than 1 year	68.11	68
Between 1-2 years	22.13	31
Between 2-5 years	107.96	80
Over 5 years	303.07	250
Total	**501.27**	**431**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 1 years (31 March 2018: 14.01 years).

Expected contribution to post-employment benefit plans in the next year is Rs 41.96 lakh (31 March 2018 46.55 lakh).

F) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flo Unfunded

	31 March 2019	31 March 2
Less than 1 year	40.35	40
Between 1-2 years	0.36	0
Between 2-5 years	19.28	19
Over 5 years	-	
Total	**59.98**	**60**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is years (31 March 2018: 1.95 years).

Expected contribution to post-employment benefit plans in the next year is Rs 27.35 lakh (31 March 2018 26.86 lakh).

iii) Other long-term employee benefit plans

The Company provides for compensated absences to its employees. Since the compensated abse do not fall due wholly within twelve months after the end of the period in which the employees rende related service and are also not expected to be utilised wholly within twelve months after the end of period, the benefit is classified as a long-term employee benefit. The Company records an obligatio such compensated absences in the period in which the employee renders the services that increase entitlement. The scheme is unfunded and liability for the same is recognised on the basis of actu valuation. A provision of Rs. 42.10 lakh (31 March 2018: Rs. 15.49 lakh) for the year have been n on the basis of actuarial valuation as at the year end and debited to the Statement of Profit and Lo

The Company's Board of directors have been identified as the Chief Operating Decision Maker ('CODM') as the monitors the results for the purpose of making decisions about resource allocation and performance assessmei and responsible for all major decision w.r.t. preparation of budget, planning, expansion, alliance, joint venture, merge and acquisitions, and expansion of new facility.

Accordingly, there is only one Reportable Segment for the Company which is "Automotive products", hence n specific disclosures have been made.

Entity wide disclosures

A. Information about products and services

The Company is engaged in the manufacturing and marketing of high tensile cold forged fasteners. Compar operates in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about geographical area

The major sales of the Company are made to customers which are domiciled in India.

C. Information about major customers

Revenues of Rs 11,325.97 lakh and Rs 8,099.86 lakh (31 March 2018: Rs 11,857.53 lakh and Rs 6,823.5 lakh) are derived from a two external customers.

38 Contingent liabilities, contingent assets and commitments

A. Capital Commitment:

Estimated amount of contracts remaining to be executed on the capital account and not provided for in th account (net of capital advances) Rs. 2,000.89 lakh (Rs. 2,059.46 lakh as at 31 March 2018).

The Company in 2014-15 had paid amounts to Senior Town Planner, Faridabad Circle, Faridabad, for th "change in land use" of part of the land situated at its Prithla unit. As per the agreed terms, there will be certai external development charges which are payable on a future date. However, the quantum of such future liabili is not quantified in the said letter.

B. Contingent liabilities and other commitments

		As at 31 March 2019	As a 31 March 201
(I)	**Guarantees excluding financial guarantees:**		
i)	Bank guarantee (net of margin of Rs. nil (Rs. 0.50 lakh as at 31 March 2018)	59.76	39.7
(II)	**Other money for which the company is contingently liable:**		
i)	Disputed liability - Central Excise Act **(refer note 'a' below)**	-	93.1
ii)	Disputed liability - Central Excise Act **(refer note 'b' below)**	227.68	
iii)	Interest on disputed liability- Central Excise Act **(refer note 'c' below)**	59.84	48.8
iv)	Letter of credit	-	723.0
v)	EPCG- export obligation	18,491.98	9,778.0
vi)	Demand under Income-tax Act, 1961 - Assessment year: 2013-14	0.62	0.6
vii)	Liability of sales tax due to pending C Forms	20.40	97.5

Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi. These appeals were allowe
CESTAT, Chandigarh, vide final order no A/63117-63118/2018- EX(DB) dated 7 September 2018.

b) Service Tax demand amounting to Rs 46.28 lakh for the period April 2016 to June 2017 under Ce Excise Act arised due to denial of Cenvat Credit on Outward Transportation of final product to bu premises against which representation were filed before the Assistant Commissioner of Ce Goods and Service Tax , Faridabad, Haryana. These demand orders are still in the dispute till adjudication.

Excise demand amounting to Rs 181.40 lakh for the period April 2013 to June 2017 under Central Ex Act arised due to dispute regarding not adding the value of drawings/designs and specifications ir cost of moulds/dies against which extension letter of granting 90 days for filling reply was subm on 6 March 2019 before the Additional/Joint Commissioner, CGST Commissionerate , Faridabad Bhawan. These demand orders are still in the dispute till final adjudication.

c) Interest amounting to Rs. 59.84 lakh on the demands raised by excise authorities has been calculate the Company based on the fact mentioned in demand cum show-cause notices pending adjudicati

III) The Honourable Supreme Court of India in its decision dated 28 February 2019 has held tha 'allowance' paid by an employer to its employee will be included in the scope of 'basic wages' and he should be included in the calculations for determining provident fund contributions. The said dec has not prescribed any clarification regarding its date of application. Company has obtained the l opinion in this regard. Based on the legal opinion, no additional provision for provident fund contribu have been recognised in the financial statements for the year ended 31 March 2019.

C. Contingent assets- Nil

39 Operating lease as lessee

The Company has entered into various agreements of cancellable and non-cancellable operating lease for fa premises, nitrogen plant, transformer and offices rent amounting to Rs. 97.37 lakh (31 March 2018: Rs. 48.72 l has been debited to Statement of Profit and Loss for the year ending 31 March 2019. The future minimum l payment is as under:

Particulars	For the year ended 31 March 2019	For the year enc 31 March 2(
Not later than one year	114.74	19
Later than one year and not later than five years	241.42	12
Total	**356.16**	**31**

40 Related party disclosures

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", n of the related party, related party relationship, transactions and outstanding balances including commitments w control exist and with whom transactions have taken place during the reported period are as follows:

Subsidiary company	Haryana Ispat Private Limited (w.e.f. 15 November 2018)
Enterprise over which KMP exercise control and/or significant influence	Sterling Technologies Private Limited
	Sterling Automobiles Private Limited
	Sterling Mobikes Private Limited
	Jaycee Automobiles Private Limited
	Sterling Fincap Private Limited
	Sterling E-mobility Private Limited (w.e.f - 24 May 2018)
	Jaycee Premium Cars Private Limited
	Noble Cars Private Limited
Key Management Personnel	Mr. Manohar Lal Aggarwal - Chairman
	Mr. Anil Aggarwal – Managing Director
	Mr. Atul Aggarwal – Whole Time Director
	Mr. Jaydeep Wadhwa (w.e.f. 07 February 2019) - Director
	Mr. Triloki Nath Kapoor- Independent director
	Ms. Malini Sud- Independent director
	Mr. Chotu Ram Sharma- Independent director
Relative of Key Managerial Personnel	Mr. Anish Aggarwal (Son of Mr. Anil Aggarwal)
Joint venture company	Sterling Fabory India Private Limited

II Disclosure of related parties transactions (including material transactions):

Particulars			For the year ended 31 March 2019	For the year ended 31 March 2018
i)	**Enterprises over which Key Management Personnel has significant influence**			
	a)	**Expenses paid- repairs and maintenance**		
		Sterling Automobiles Private Limited	3.31	4.7
		Jaycee Automobiles Private Limited	9.77	11.1
			13.08	**15.9**
	b)	**Expenses paid- sales promotion**		
		Sterling Mobikes Private Limited	0.35	
			0.35	
	c)	**Rent paid**		
		Sterling Technologies Private Limited	53.00	11.3
			53.00	**11.3**
	d)	**Purchase of asset**		
		Sterling Automobiles Private Limited	49.83	
		Jaycee Automobiles Private Limited	71.07	51.4
			120.90	**51.4**
	e)	**Sale of asset**		
		Sterling Automobiles Private Limited	8.35	
			8.35	
	f)	**Purchase of material**		
		Sterling Mobikes Private Limited	-	1.9
			-	1.9

	340.47	**24**
iii) Transaction with Key Management Personnel & their relatives		
Remuneration paid		
Mr. Manohar Lal Aggarwal	152.19	13
Mr. Anil Aggarwal	138.59	13
Mr. Atul Aggarwal	142.89	13
Mr. Anish Aggarwal	17.45	
	451.12	**40**
Commission paid		
Mr. Manohar Lal Aggarwal	76.00	8
Mr. Anil Aggarwal	76.00	8
Mr. Atul Aggarwal	76.00	8
	228.00	**24**
Compensation to Key management personnel *		
- Short term employee benefits	635.13	60
- Defined contribution plans	43.99	3
	679.12	**64**

* Does not include provisions/ contributions towards gratuity and compensated absences for all director such provisions/ contributions are for the Company as a whole.

	For the year ended 31 March 2019	For the year end 31 March 2
Director sitting fees		
Triloki Nath Kapoor	3.75	4
Malini Sud	2.75	3
Chotu Ram Sharma	4.00	4
	10.50	**12**

v) Closing balances

	As at 31 March 2019	A 31 March 2
Remuneration payable		
Mr. Manohar Lal Aggarwal	5.02	
Mr. Anil Aggarwal	4.66	
Mr. Atul Aggarwal	4.01	
Mr. Anish Aggarwal	1.43	
Total	**15.12**	

Commission payable		
Mr. Manohar Lal Aggarwal	48.73	5
Mr. Anil Aggarwal	48.73	5
Mr. Atul Aggarwal	48.73	5
Total	**146.19**	**15**

Jaycee Automobiles Private Limited	[illegible]	[illegible]
Sterling Fabory India Private Limited	2.87	25.3
Total	**4.80**	**28.2**

Outstanding receivables		
Sterling Fabory India Private Limited	92.47	26.7
	92.47	**26.7**

III Terms and conditions

All transactions were made on normal commercial terms and conditions.

All outstanding balances are unsecured and are repayable in cash.

43 Corporate social responsibility expenses

(a) Gross amount required to be spent by the Company (i.e. 2% of average net profits u/s 198 of Companies Ac 2013 of last three years): Rs. 115.09 lakh

(b) Amount spent during the year ended 31 March 2019:

S. No.	Purpose for which expenditure incurred	Amount in cash/ cheque	Remarks	Total	Outstanding amount to be spen for FY 2018-19
(i)	Construction/ acquisition of any asset	-		-	-
(ii)	On purposes other than (i) above	3.60	Payment to educational and other welfare societies	115.60	-
		112.00	Others		

(a) Gross amount required to be spent by the Company (i.e. 2% of average net profits u/s 198 of Companies Ac 2013 of last three years): Rs. 86.52 lakh

(b) Amount spent during the year ending 31 March 2018:

S. No.	Purpose for which expenditure incurred	Amount in cash/ cheque	Remarks	Total	Outstanding amount to be spen for FY 2017-18
(i)	Construction/ acquisition of any asset	-		-	-
(ii)	On purposes other than (i) above	1.10	Children welfare related activities and societies	92.20	-
		13.39	Employment generation		
		3.60	Payment to educational and other welfare societies		
		74.11	Others		

(a) Financial instruments by category

Except derivative financial instruments which are measured at fair value through profit or loss, all other fina assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balar interest receivable, other receivables, trade payables, employee related liabilities and short-term loans banks, are measured at amortised cost.

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the fina instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost an which fair values are disclosed in the standalone financial statements. To provide an indication abou reliability of the inputs used in determining fair value, the Company has classified its financial instruments the three levels prescribed under the accounting standard. An explanation of each level follows underneatl table.

The following table shows the carrying amounts and fair values of financial assets and financials liabil including their levels of in the fair value hierarchy:

As at 31 March 2019

Particulars	Carrying amount					Fair value			
	FVOCI	Mandatorily at FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	
Financial assets measured at fair value									
Investments	-	4,945.77	-	-	4,945.77	4,945.77	-	-	4,9
Financial assets not measured at fair value									
Investments	401.38	-	1,886.75	-	2,288.13	-	-	2,288.13	2,2
Loans	-	-	345.58	-	345.58	-	-	345.58	3
Other financial assets	-	64.53	231.83	-	296.36	-	64.53	231.83	2
Trade receivables	-	-	4,219.34	-	4,219.34	-	-	4,219.34	4,2
Cash and cash equivalents	-	-	358.83	-	358.83	-	-	358.83	3
Other bank balance	-	-	29.46	-	29.46			29.46	
	401.38	**5,010.30**	**7,071.79**	**-**	**12,483.47**	**4,945.77**	**64.53**	**7,473.17**	**12,4**
Financial liabilities measured at fair value									
Other forward exchange contracts	-	-	-	-	-	-	-	-	
Financial liabilities not measured at fair value									
Borrowings	-	-	-	9,928.68	9,928.68	-	-	9,928.68	9,9
Trade payables	-	-	-	3,275.48	3,275.48	-	-	3,275.48	3,2
Other financial liabilities	-	-	-	216.03	216.03	-	-	216.03	2
	-	**-**	**-**	**13,420.19**	**13,420.19**	**-**	**-**	**13,420.19**	**13,4**

		at FVTPL	financial assets - amortised cost	financial liabilities - amortised cost	carrying amount				
Financial assets measured at fair value									
Investments	-	5,353.18	-	-	5,353.18	5,353.18	-	-	5,353.1
Financial assets not measured at fair value									
Investments	-	-	1,886.75	-	1,886.75	-	-	1,886.75	1,886.7
Loans	-	-	146.52	-	146.52	-	-	146.52	146.5
Other financial assets	-	-	168.15	-	168.15	-	-	168.15	168.1
Trade receivables	-	-	4,546.89	-	4,546.89	-	-	4,546.89	4,546.8
Cash and cash equivalents	-	-	100.84	-	100.84	-	-	100.84	100.8
Other bank balance	-	-	48.63	-	48.63	-	-	48.63	48.6
	-	**5,353.18**	**6,897.78**	**-**	**12,250.96**	**5,353.18**	**-**	**6,897.78**	**12,250.9**
Financial liabilities measured at fair value									
Other forward exchange contracts	-	36.90	-	-	36.90	-	36.90	-	36.9
Financial liabilities not measured at fair value									
Borrowings	-	-	-	3,428.73	3,428.73	-	-	3,428.73	3,428.7
Trade payables	-	-	-	3,646.78	3,646.78	-	-	3,646.78	3,646.7
Other financial liabilities	-	-	-	144.08	144.08	-	-	144.08	144.0
	-	**36.90**	**-**	**7,219.59**	**7,256.49**	**-**	**36.90**	**7,219.59**	**7,256.4**

The Company has an established control framework with respect to the measurement of fair values. Th finance and accounts team that has overall responsibility for overseeing all significant fair value measuremen and reports directly to the board of directors. The team regularly reviews significant unobservable inputs an valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measu fair values, then the team assesses the evidence obtained from the third parties to support the conclusion th these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which th valuations should be classified. Significant valuation issues are reported to the Company's board of director

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in th valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, eith directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended 31 March 2019 and 31 March 2018.

Measurement of fair values

Valuation techniques and significant unobservable inputs

		inputs	inputs and fair value
Forward exchange contracts	The fair value of forward exchange contracts is determined using forward exchange rates as at the balance sheet date.	Not applicable	Not applicable

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equival and other bank balances are considered to be the same as their fair values, due to their short-term nature

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the values.

II. Financial risk management

The Company's principal financial liabilities comprise borrowings, derivatives, trade payables and c payables. The Company's principal financial assets include trade & other receivables, and cash and short- deposits that it derive directly from its operations.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instru fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises princi from trade receivables, derivative financial instruments, loans and advances, cash and cash equivalents deposits with banks.

Trade receivables

The Company primarily sells high tensile cold forged fasteners to bulk customers comprising mainly autom manufacturers operate in India and outside India. The Company's exposure to credit risk is influenced m by the individual characteristics of each customer. However, management also considers the factors that influence the credit risk of its customer base, including the default risk of the industry and country in w customers operate. Further details of concentration of revenue are included in Note 37(C).

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high external rating. The Comp considers that its cash and cash equivalents have low credit risk based on the external credit ratings o counterparties.

Loans to employees and securities deposits

The Company provides loans to its employees and furnish security deposit to various parties for electr communication, etc.. The Company considers that its loans have low credit risk or negligible risk of defau the parties are well established entities and have strong capacity to meet the obligations.

Investments

The Company have invested in unquoted equity instruments of its subsidiary and its joint venture. management actively monitors the operation of subsidiary and joint venture which affect investments. Company does not expect the counterparty to fail to meet its obligations, and has not experienced significant impairment losses in respect of any of the investments.

Particulars	31 March 2019	31 March 201
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current loans	311.99	125.0
Non current investments	2,288.13	1,886.7
Other non-current financial assets	-	
Current Investments	4,945.77	5,353.1
Cash and cash equivalents	358.83	100.8
Other bank balances	29.46	48.6
Current loans	33.59	21.4
Other current financial assets	2,96.36	168.1
	8,264.13	**7,704.0**
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Trade receivables	4,219.34	4,546.8
	4,219.34	**4,546.8**

Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and wher the risk of default is very low. Hence, no impairment loss has been recognised during the reporting periods i respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers with strong capacity to meet the obligations and therefore the risk of defau is negligible in respect of outstanding from customers. Further, management believes that the unimpaire amounts that are past due by more than 30 days are still collectible in full. Hence, no impairment loss has bee recognised during the reporting periods in respect of trade receivables.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	Tota
Gross carrying amount as 31 March 2019	3,747.68	394.64	39.60	15.92	21.50	4,219.34
Gross carrying amount as 31 March 2018	4,413.92	86.07	31.60	5.66	9.64	4,546.89

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with i financial liabilities that are settled by delivering cash or another financial asset.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generate from operations. The Company believes that the working capital is sufficient to meet its capital requirement Accordingly, no liquidity risk is perceived.

As at 31 March 2019, the Company had a working capital of Rs 10,698.60 lakh including cash and cas equivalents of Rs 358.83 lakh. As at 31 March 2018, the Company had a working capital of Rs 10,911.25 lak including cash and cash equivalents of Rs 100.84 lakh.

Particulars	As at 31 March 2019	As 31 March 2
Non- derivative financial liabilities		
Floating-rate borrowings		
- Expiring within one year	5,770.26	5,704
- Expiring beyond one year	-	

(ii) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual flows:

31 March 2019

Contractual maturities of financial liabilities	Contractual cash flows					
	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	T
Non-derivative financial liabilities						
Non current borrowings	400.02	433.74	463.86	562.86	6,394.17	8,25
Other non current financial liabilities						
- Security deposits	-	-	-	-	30.58	3
Current borrowings						
- Working capital loans	3,229.74	-	-	-	-	3,22
Trade payables	3,275.48	-	-	-	-	3,27
Creditors for capital expenditure	127.52	-	-	-	-	12
Interest accrued but not due	28.47	-	-	-	-	2
Unclaimed dividend	29.46	-	-	-	-	2
Derivative financial liabilities						
Other forward exchange contracts	-	-	-	-	-	
Total	**7,090.69**	**433.74**	**463.86**	**562.86**	**6,424.75**	**14,97**

31 March 2018

Contractual maturities of financial liabilities	Contractual cash flows					
	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	T
Non-derivative financial liabilities						
Non current borrowings	210.78	208.82	230.75	230.75	2,068.26	2,94
Other non current financial liabilities						
- Security deposits	-	-	-	-	25.80	25
Current borrowings						
- Working capital loans	858.66	-	-	-	-	858
Trade payables	3,646.78	-	-	-	-	3,646
Creditors for capital expenditure	83.51	-	-	-	-	83
Interest accrued but not due	6.25	-	-	-	-	6
Unclaimed dividend	28.52	-	-	-	-	28
Derivative financial liabilities						
Other forward exchange contracts	19.77	16.12	1.01	-	-	36
Total	**4,854.27**	**224.94**	**231.76**	**230.75**	**2,094.06**	**7,635**

exposures within acceptable parameters, while optimising the return.

The Board of directors is responsible for setting up of policies and procedures to manage market risks (the company. The Company is carrying out imports of certain raw materials and capital goods and export finished goods which are denominated in the currency other than the functional currency of the Company whic exposes it to foreign currency risk. In order to minimise the risk, the Company executes forwards contract w.r purchases and sale made in currency other than functional currency, the foreign exchange exposure of th Company is ascertained on the basis of the progress billings and purchase orders issued.

D. Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currenc other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that th functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial assets and financial liabilities are as below:

Particulars	**As at 31 March 2019**			
	EURO	**JPY**	**USD**	**GBF**
Financial assets				
Trade receivables (INR in lakh)	841.96	-	58.23	7.85
Derivatives assets (INR in lakh)	71.95	-	(7.42)	-
Financial liabilities				
Trade payables (INR in lakh)	-	0.81	53.88	1.60
Derivatives liabilities (INR in lakh)	-	-	-	-
Net exposure to foreign currency risk - assets / (liabilities)	**913.91**	**(0.81)**	**(3.07)**	**6.25**

Particulars	**As at 31 March 2018**			
	EURO	**JPY**	**USD**	**GBF**
Financial assets				
Trade receivables (INR in lakh)	765.45	-	67.75	9.48
Financial liabilities				
Trade payables (INR in lakh)	-	0.06	108.23	-
Derivatives liabilities (INR in lakh)	36.90	-	-	-
Net exposure to foreign currency risk - assets / (liabilities)	**728.55**	**(0.06)**	**(40.48)**	**9.48**

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against foreign currency at 31 March would hav increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based c foreign currency exchange rate variances that the company considered to be reasonably possible at the end (the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constan The analysis is performed on the same basis for previous year, except that the reasonably possible foreig exchange rate variances were different, as indicated below:

31 March 2019		
INR/EUR	45.70	(45.
INR/USD	(0.15)	0
INR/GBP	0.31	(0.
INR/JPY	(0.04)	0

5% movement	**Profit and loss (before tax**	
	Strengthening	**Weaken**
31 March 2018		
INR/EUR	36.43	(36.
INR/USD	(2.02)	2
INR/GBP	0.47	(0.
INR/JPY	(0.00)	0

E. Interest rate risk

The Company is exposed to interest rate risk arising mainly from non-current and current borrowings floating interest rates. The Company is exposed to interest rate risk because the cash flows associated floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments i follows:

Particulars	**31 March 2019**	**31 March 2**
Financial assets:		
Fixed rate instruments		
- Fixed deposits	-	0
Total	**-**	**0**
Variable-rate instruments		
- Rupee term loans	6,727.41	2,576
- Working capital facility	3,229.74	858
- Buyer's credit	-	
Total	**9,957.15**	**3,434**

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to int rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a chan market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in parti foreign currency rates, remain constant. The analysis is performed on the same basis for the previous ye

31 March 2019		
Rupee term loans	(25.65)	25.65
Working capital facility	(12.58)	12.58
Cash flow sensitivity (net)	**(38.23)**	**38.23**

Particulars	**Profit or loss (before tax)**	
	100 bp increase	**100 bp decrease**
31 March 2018		
Rupee term loans	(31.47)	31.47
Working capital facility	(2.35)	2.35
Cash flow sensitivity (net)	**(33.82)**	**33.82**

43 Capital management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders an benefits for other stakeholders and

- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capit through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic an international financial markets so as to maintain investors, creditors and markets' confidence and to sustain futur development of the business.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financi ratios generally used by industry. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of lon term and short term borrowings less cash and cash equivalents. Equity includes equity share capital and reserve that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

Particulars	**31 March 2019**	**31 March 2018**
Total borrowings	9,957.15	3,434.98
Less: Cash and cash equivalents	358.83	100.84
Net debt	**9,598.32**	**3,334.15**
Total equity	**28,420.53**	**24,803.57**
Net debt to equity ratio	**0.34**	**0.13**

44 Note on revenue recognition

Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contract(s) with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

18 upto 31 March 2018.

Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

Description	31 March 2(
Opening balance of contract liabilities	184
Amount of revenue recognised against opening contract liabilities	(158.
Addition in balance of contract liabilities for current year	127
Closing balance of contract liabilities	153

There has been no significant changes in contract assets/liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract lia balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obliga satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year enc 31 March 2(
Amounts included in contract liabilities at the beginning of the year	(158.
Performance obligations satisfied in previous years	
	(158.

Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncert of revenues. This includes disclosure of revenues by segment and type.

Description	Year enc 31 March 2(
Revenue by segment	**Fasten**
Geography wise	
Domestic	46,836
Export	3,672
	50,509
Customers wise	
Related party	245
Non-related party	50,263
	50,509

Revenue by time	To
Revenue recognised at point in time	50,509
	50,509

	Non-current	Current
Contract assets related to sale of goods	-	-
Contract liabilities related to sale of goods		
Advance from customers	-	122.45
Security deposit	30.58	-

Reconciliation of revenue from Ind AS 18 to Ind AS 115

Description	Amount
Revenue from operations as per Ind AS 18	50,583.28
Adjustment related to Ind AS 115	
Netting off of freight charges	(73.99)
Revenue from operations as per Ind AS 115	50,509.29

Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily stainless its products unde arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligatic occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of th goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenu (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to whic it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrie or the buyer takes possession of the goods, depending on the delivery terms. For the Company's operations, generally th criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transpo the goods to its customers, this is the point in time when the Company has completed its performance obligations. Revenu is measured at the transaction price of the consideration received or receivable, the amount the Company expects to b entitled to.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges betwee 0-30 days.

Variable considerations associated with such sales

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions ar met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Compar only recognizes revenue for the amounts it ultimately expects to realize from the customer. The Company estimates th variable consideration for these programs using the most likely amount method or the expected value method, whicheve approach best predicts the amount of the consideration based on the terms of the contract and available information an updates its estimates each reporting period.

	31 March 2019	31 March 2
Financial assets:	Haryana Ispat Private Limited (Wholly owned subsidiary)	Haryana Is Private Lim (Wholly ow subsidi
Investments		
Investments at the beginning of the year	1,198.50	1,198
Investments at the end of the year	1,198.50	1,198

There are no guarantees and loans and advances which are given to Haryana Ispat Private Limited (wl owned subsidiary of the Company.)

44. Revenue from operations for the year ended 31 March 2019 is net of Goods and Service Tax (GST) whi applicable from 1 July 2017, however, revenue for the periods upto 30 June 2017 included in the year er 31 March 2018, is net of VAT but gross of excise duty. Accordingly, revenue for the year ended 31 March 2 is not comparable with the previous year presented in these financial statements.

As per our report of even date attached

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

For & on behalf of Board of Direc
Sterling Tools Lim

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Aggai
Dire
DIN No. 00125

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali Si
Company Secre
Membership No. A15

Place: Faridabad
Date: 23 May, 2019

Opinion

1. We have audited the accompanying consolidated financial statements of Sterling Tools Limited ('the Holdin Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group' and joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidate Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statemen the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significa accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and base on the consideration of the reports of the other auditors on separate financial statements and on the othe financial information of the subsidiary and joint venture, the aforesaid consolidated financial statements giv the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true an fair view in conformity with the accounting principles generally accepted in India including Indian Accountin Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidate financial position) of the Group as at 31 March 2019, its consolidated profit (consolidated financial performanc including other comprehensive income), its consolidated cash flows and the consolidated changes in equity f the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of th Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for th Audit of the Consolidated Financial Statements section of our report. We are independent of the Company i accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') togethe with the ethical requirements that are relevant to our audit of the financial statements under the provisior of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance wi these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the auc evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matt paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of th reports of the other auditors on separate financial statements and on the other financial information of th subsidiary and joint venture, were of most significance in our audit of the consolidated financial statemen of the current period. These matters were addressed in the context of our audit of the consolidated financi statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on thes matters.

5. We have determined the matters described below to be the key audit matters to be communicated in o report.

note 5 for the related disclosure The Company has made investment in a joint venture, Sterling Fabory India Private Limited, amounting to Rs. 287.59 lakh as at 31 March 2019. The management makes an assessment of the recoverable value of the investment when impairment indicators exist by comparing the recoverable value and carrying value of such investment. As at 31 March 2019, impairment indicators existed for the investment made in the aforesaid joint venture considering the negative profits in the earlier years and accumulated losses as at 31 March 2019 in the joint venture. The management during the year ended 31 March 2019 has carried out an impairment test for such investment, whereby the carrying amount of the investment was compared with the recoverable amount. The recoverable value of the investment is determined based on discounted cash flows method which requires management estimates and judgements around assumptions used in the method, primarily around estimated growth in the operations of the joint venture, ability to generate cash profits in the future, estimated future financial performance, capital expenditure and the discount rates applied. Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment in the value of the investments. Accordingly, assessment of impairment losses to be recognised, if any, on the carrying value of investment made in the joint venture has been considered as be a key audit matter for current year audit.	processes and controls for determining the recovera value of the investment including the identificatior the impairment indicators and assessed the same accordance with the accounting standards. • Obtained an understanding, evaluated and tested controls around management's assessment of impairment indicators and the testing performed. • Obtained from the management of the Company, approved future business plans of the joint vent and held detailed discussions with the managem to understand the assumptions used and estima made by them for determining the cash fl projections. • Involved auditor's expert to assess the appropriatene of the valuation methodology used for calculatior the recoverable value. • Performed sensitivity analysis on managemei calculated recoverable value by changing significant assumptions used in the calculation. • Assessed the appropriateness and adequacy of related disclosures in the financial statements accordance with the applicable accounting standar

We have determined that there are no other key audit matters to communicate in our report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the othe information identified above when it becomes available and, in doing so, consider whether the other informatio is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit o otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are require to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financi Statements

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the A with respect to the preparation of these consolidated financial statements that give a true and fair view of th consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financi performance including other comprehensive income), consolidated changes in equity and consolidated cas flows of the Group including its joint venture in accordance with the accounting principles generally accepte in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of th companies included in the Group and its joint ventures are responsible for maintenance of adequate accountin records in accordance with the provisions of the Act for safeguarding of the assets of the Company and f preventing and detecting frauds and other irregularities; selection and application of appropriate accountin policies; making judgments and estimates that are reasonable and prudent; and design, implementation an maintenance of adequate internal financial controls, that were operating effectively for ensuring the accura and completeness of the accounting records, relevant to the preparation and presentation of the consolidate financial statements that give a true and fair view and are free from material misstatement, whether due t fraud or error, which have been used for the purpose of preparation of the consolidated financial statemen by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud
involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal cont

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsibl expressing our opinion on whether the holding company has adequate internal financial controls sys in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accour estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accour and, based on the audit evidence obtained, whether a material uncertainty exists related to even conditions that may cast significant doubt on the Group's ability to continue as a going concern. I conclude that a material uncertainty exists, we are required to draw attention in our auditor's repo the related disclosures in the consolidated financial statements or, if such disclosures are inadequ to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date o auditor's report. However, future events or conditions may cause the Group to cease to continue going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial stateme including the disclosures, and whether the consolidated financial statements represent the underl transactions and events in a manner that achieves fair presentation.

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

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

14. From the matters communicated with those charged with governance, we determine those matters that of most significance in the audit of the consolidated financial statements of the current period and are there the key audit matters. We describe these matters in our auditor's report unless law or regulation precl public disclosure about the matter or when, in extremely rare circumstances, we determine that a m should not be communicated in our report because the adverse consequences of doing so would reason be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of one subsidiary, whose financial statements reflect total asse ₹241.10 lakh and net assets of ₹239.62 lakh as at 31 March 2019, total revenues of ₹18.16 lakh and net outflows amounting to ₹ 5.70 lakh for the year ended on that date, as considered in the consolidated fina statements. The consolidated financial statements also include the Group's share of net profit (including c comprehensive income) of ₹13.59 lakh for the year ended 31 March 2019, as considered in the consolid financial statements, in respect of one joint venture, whose financial statements have not been audite us. These financial statements have been audited by other auditors whose reports have been furnishe

requirements below, are not modified in respect of the above matters with respect to our reliance on the wor done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports o the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiary and joir venture, we report that the Holding Company paid remuneration to their respective directors during the yea in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Ac Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to on subsidiary companies and one joint venture companies covered under the Act, since none of such companie is a public company as defined under section 2(71) of the Act.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of th other auditors on separate financial statements and other financial information of the subsidiary and joir venture, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledg and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statement:

b) In our opinion, proper books of account as required by law relating to preparation of the aforesai consolidated financial statements have been kept so far as it appears from our examination of thos books and the reports of the other auditors;

c) the consolidated financial statements dealt with by this report are in agreement with the relevant book of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified unde section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company an taken on record by the Board of Directors of the Holding Company and the reports of the other statutor auditors of its subsidiary company and joint venture company covered under the Act, none of th directors of the Group companies and joint venture companies covered under the Act, are disqualifie as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holdin Company, its subsidiary company and joint venture company covered under the Act, and the operatin effectiveness of such controls, refer to our separate report in ‘Annexure I’; and

g) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 o the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of ou information and according to the explanations given to us and based on the consideration of the repo of the other auditors on separate financial statements as also the other financial information of th subsidiary and joint venture:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidate financial position of the Group and joint ventures as detailed in Note 39 to the consolidated financia statements.;

company during the year ended 31 March 2019; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes v applicable for the period from 8 November 2016 to 30 December 2016, which are not releva these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co
Chartered Account
Firm's Registration No.: 001076N/N500

Anamitra
Par
Membership No.: 062

Place: Faridabad
Date: 23 May 2019

143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Sterling Tools Limited ('the Holdin Company'), its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') an joint venture as at and for the year ended 31 March 2019, we have audited the internal financial controls ove financial reporting ('IFCoFR') of the Holding Company, its subsidiary company and joint venture compan which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company and joint venture compan which are companies covered under the Act, are responsible for establishing and maintaining internal financi controls based on the internal control over financial reporting criteria established by the Holding Compan its subsidiary and joint venture company considering the essential components of internal control stated i the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the desig implementation and maintenance of adequate internal financial controls that were operating effectively fo ensuring the orderly and efficient conduct of the company's business, including adherence to the company policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy an completeness of the accounting records, and the timely preparation of reliable financial information, as require under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary compan and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with th Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, t the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards an the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtai reasonable assurance about whether adequate IFCoFR were established and maintained and if such control operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR an their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessin the risk that a material weakness exists, and testing and evaluating the design and operating effectivenes of internal control based on the assessed risk. The procedures selected depend on the auditor's judgemen including the assessment of the risks of material misstatement of the financial statements, whether due t fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for ou audit opinion on the IFCoFR of the Holding Company, its subsidiary company, and joint venture company a aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability o financial reporting and the preparation of financial statements for external purposes in accordance wit generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1 pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance that transactions ar recorded as necessary to permit preparation of financial statements in accordance with generally accepte accounting principles, and that receipts and expenditures of the company are being made only in accordanc

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper manager override of controls, material misstatements due to error or fraud may occur and not be detected. A projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR become inadequate because of changes in conditions, or that the degree of compliance with the policie procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsic company and joint venture companies, the Holding Company, its subsidiary company and joint ver companies, which are companies covered under the Act, have in all material respects, adequate inte financial controls over financial reporting and such controls were operating effectively as at 31 March 2 based on the internal control over financial reporting criteria established by the Holding Company, its subsic company and joint venture company considering the essential components of internal control stated in Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to one subsidiary company which are companies cov under the Act, whose financial statements reflect total assets of ₹241.10 lakh and net assets of ₹239.62 as at 31 March 2019, total revenues of ₹18.16 lakh and net cash outflows amounting to ₹5.70 lakh fo year ended on that date, as considered in the consolidated financial statements. The consolidated fina statements also include the Group's share of net profit (including other comprehensive income) of ₹13.59 for the year ended 31 March 2019, in respect of one joint venture company, which are companies cov under the Act, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsic company and joint venture company have been audited by other auditors whose reports have been furnis to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR fo Holding Company, its subsidiary company and joint venture company, as aforesaid, under Section 143(of the Act in so far as it relates to such subsidiary company and joint venture company is based solely or reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respe our reliance on the work done by and on the reports of the other auditors.

For Walker Chandiok & Co
Chartered Account
Firm's Registration No.: 001076N/N50(

Anamitra
Place: Faridabad **Par**
Date: 23 May 2019 **Membership No.: 06**

for the year ended 31 March 2019, being submitted by the Holding Company pursuant to the requiremen of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Thes consolidated financial results are based on the consolidated financial statements for the year ended 31 Marc 2019 prepared in accordance with the accounting principles generally accepted in India, including India Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 (the 'Act') and SEE Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company management. Our responsibility is to express an opinion on these consolidated financial results based on ou audit of the consolidated financial statements for the year ended 31 March 2019.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Thos standards require that we plan and perform the audit to obtain reasonable assurance about whether th consolidated financial results is free of material misstatement. An audit includes examining, on a test basi evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessin the accounting principles used and significant estimates made by management. We believe that our aud provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us and based o the consideration of reports of other auditors on separate financial results of the subsidiary and joint ventur this consolidated financial results:

   (i) includes the financial results for the year ended 31 March 2019 of the following entities:

      a) Haryana Ispat Private Limited, Subsidiary; and

      b) Sterling Fabory India Private Limited, Joint Venture.

   (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations an Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated July 2016 in this regard; and

   (iii) give a true and fair view of the consolidated net profit (including other comprehensive income) and oth financial information in conformity with the accounting principles generally accepted in India includin Ind AS specified under section 133 of the Act for the year ended 31 March 2019.

4. We did not audit the financial statements of one subsidiary whose financial statements reflect total asse of ₹ 241.10 lakh and net assets of ₹ 239.62 lakh as at 31 March 2019 and total revenues of ₹ 18.16 lakh f the year ended on that date as considered in the consolidated financial results. The consolidated financi results also include the Group's share of net profit (including other comprehensive income) of ₹ 13.59 lak for the year ended 31 March 2019, as considered in the consolidated financial results, in respect of one joi ventures whose financial statements have not been audited by us. These financial statements have bee audited by other auditors whose reports have been furnished to us by the management and our opinion o the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect a subsidiary and a joint venture, and our report in terms of Regulation 33 of the SEBI (Listing Obligations an Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 Ju 2016, in so far as it relates to the aforesaid subsidiary and joint venture are based solely on the reports of suc other auditors.

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

For Walker Chandiok & Co LL
Chartered Accountant
Firm's Registration No.: 001076N/N50001

Anamitra Da
Partn
Membership No.: 06219

Place: Faridabad
Date: 23 May 2019

Non-current assets			
(a) Property, plant and equipment	2	19,142.24	15,82
(b) Capital work-in-progress	3	4,680.96	97
(c) Intangible assets	4	18.41	2
(d) Financial assets			
(i) Investments	5	688.97	27
(ii) Loans	6	311.99	12
(iii) Other financial assets	7	0.90	
(e) Other non-current tax assets	8	1,208.61	47
Total non-current assets		**26,052.08**	**17,69**
Current assets			
(a) Inventories	9	8,248.76	5,45
(b) Financial assets			
(i) Investments	5	4,945.77	5,35
(ii) Trade receivables	10	4,219.34	4,54
(iii) Cash and cash equivalents	11	386.14	10
(iv) Bank balances other than (iii) above	12	117.46	16
(v) Loans	13	151.63	13
(vi) Other financial assets	14	301.98	16
(c) Other current assets	15	1,377.88	1,46
Total current assets		**19,748.96**	**17,38**
TOTAL ASSETS		**45,801.04**	**35,08**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	720.48	72
(b) Other equity	17	27,329.19	23,68
Total equity		**28,049.67**	**24,40**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	5,394.55	1,64
(ii) Other financial liabilities [other than those specified in item (b)]	19	30.58	2
(b) Provisions	20	137.05	12
(c) Deferred tax liabilities (net)	21	1,638.17	1,52
(d) Other non-current liabilities	22	1,738.12	1,10
Total non-current liabilities		**8,938.47**	**4,42**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	3,229.74	86
(ii) Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises; and		54.91	16
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	3,220.93	3,48
(iii) Other financial liabilities [other than those specified in item (c)]	25	1,489.84	1,07
(b) Other current liabilities	26	606.96	52
(c) Provisions	20	125.10	12
(d) Current tax liabilities (net)	27	85.42	1
Total current liabilities		**8,812.90**	**6,25**
Total liabilities		**17,751.37**	**10,67**
TOTAL EQUITY AND LIABILITIES		**45,801.04**	**35,08**

Note 1 to 48 form an integral part of these consolidated financial statements.

As per our report of even date attached

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

For & on behalf of Board of Direc
Sterling Tools Lin

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Agga
Dire
DIN No. 0012

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali S
Company Secre
Membership No. A1

Place: Faridabad
Date: 23 May, 2019

Revenue from operations	28	51,220.35	46,448.9
Other income	29	654.45	580.9
Total income		**51,874.80**	**47,029.9**
Expenses			
Cost of materials consumed	30	22,565.55	17,394.5
Changes in inventories of finished goods and work-in-progress	31	(1,880.71)	(569.35
Excise duty		-	1,158.3
Employee benefits expense	32	3,583.11	3,352.2
Finance costs	33	366.48	378.0
Depreciation and amortisation expense	34	1,905.02	1,758.8
Other expenses	35	18,359.86	16,046.9
Total expenses		**44,899.31**	**39,519.5**
Share of profit of joint venture		13.59	25.8
Profit before tax		**6,989.08**	**7,536.1**
Tax expense:	**21**		
Current tax		2,360.98	2,649.8
Deferred tax		116.36	(18.88
Total tax expense		**2,477.34**	**2,630.9**
Profit for the year		**4,511.74**	**4,905.1**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(0.79)	(70.53
(ii) Income-tax relating to items that will not be reclassified to profit or loss		0.28	24.4
(B) (i) Items that will be reclassified to profit or loss		-	
(ii) Income-tax relating to items that will be reclassified to profit or loss		-	
Other comprehensive loss for the year (net of tax)		**(0.52)**	**(46.12**
Total comprehensive income for the year		**4,511.22**	**4,859.0**
Earnings per equity share			
Basic and diluted (Rs.) [nominal value of share Rs. 2 (31 March 2018: Rs. 2)]	37	12.52	13.7

Note 1 to 48 form an integral part of these consolidated financial statements.

As per our report of even date attached

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

For & on behalf of Board of Director
Sterling Tools Limite

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Aggarwa
Directo
DIN No. 0012582

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali Sing
Company Secretar
Membership No. A1510

Place: Faridabad
Date: 23 May, 2019

Balance as at 1 April 2017	342.23	684
Changes in equity share capital during the year	18.01	36
Balance as at 31 March 2018	**360.24**	**720**
Changes in equity share capital during the year	-	
Balance as at 31 March 2019	**360.24**	**720**

(B) Other equity

	Reserves and surplus				
	Capital reserve	**Securities premium**	**General reserve**	**Retained earnings**	**To**
Balance as at 1 April 2017	6.65	340.72	2,786.46	12,165.84	15,299
Profit for the year	-	-	-	4,905.18	4,905
Remeasurement of defined benefit obligation	-	-	-	(46.12)	(46.
Share issue expenses	-	(10.79)	-	-	(10.
Addition during the year		4,405.76	-	-	4,405
Interim dividend paid on equity shares (including dividend distribution tax paid of Rs. 146.67 lakh)	-	-	-	(867.15)	(867.
Balance as at 31 March 2018	**6.65**	**4,735.69**	**2,786.46**	**16,157.75**	**23,686**
Profit for the year	-	-	-	4,511.74	4,511
Remeasurement of defined benefit obligation	-	-	-	(0.52)	(0.
Interim dividend paid on equity shares (including dividend distribution tax paid of Rs.148.10 lakh)	-	-	-	(868.58)	(868.
Balance as at 31 March 2019	**6.65**	**4,735.69**	**2,786.46**	**19,800.39**	**27,329**

Note 1 to 48 form an integral part of these consolidated financial statements.

As per our report of even date attached

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

For & on behalf of Board of Direc
Sterling Tools Lim

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Aggai
Dire
DIN No. 00125

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali Si
Company Secre
Membership No. A15

Place: Faridabad
Date: 23 May, 2019

	Net profit before tax	6,989.08	7,536.1
	Adjustments for:		
	Depreciation and amortisation expense	1,905.02	1,758.8
	Unrealised foreign exchange (gain)/loss	(18.07)	5.3
	Interest on delayed payment of advance tax	0.64	11.6
	Loss/(Profit) on disposal of property, plant and equipment	16.05	(26.48
	Remeasurement loss on defined benefit plans	(0.52)	(46.12
	Finance costs	342.33	343.2
	Gain on sale of mutual fund	(10.92)	(57.75
	Dividend income on mutual fund	(107.12)	(99.29
	Gain on fair value of mutual fund	(152.26)	(142.96
	Liabilities no longer required, written back	(1.30)	(2.87
	Gain on foreign exchange fluctuation	(101.43)	
	Bad debts recovered	(1.70)	
	Provision for expected credit loss	9.53	
	Operating profit before working capital changes	**8,869.33**	**9,279.7**
	Decrease/(increase) in financial assets	153.59	(1,366.74
	Decrease/(increase) in other assets	28.84	(327.25
	(Decrease)/increase in financial liabilities	(402.87)	792.7
	(Increase) in inventory	(2,794.32)	(860.67
	Increase/(decrease) in other liabilities	718.73	(34.97
	Increase in provisions	8.15	34.5
	Net cash generated from operations	**6,581.45**	**7,517.4**
	Income-tax paid (net)	(2,292.57)	(2,813.56
	Net cash generated from operating activities (A)	**4,288.88**	**4,703.8**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work- in progress and payment for capital advances)	(9,509.16)	(2,461.35
	Maturity of fixed deposit	0.50	23.3
	Disposal of property, plant and equipment	37.99	32.8
	Investment in fixed deposit	-	120.0
	Gain on sale of mutual fund	10.92	57.7
	Redemption of/(investment in) mutual fund	666.79	(5,110.92
	Share of profit for the investment in joint venture	(13.59)	(125.86
	Investment in equity shares	(401.38)	
	Net cash used in investing activities (B)	**(9,207.93)**	**(7,464.27**
C	**Cash flows from financing activities**		
	Proceeds from non-current borrowings	5,050.00	53.6
	Repayment of non-current borrowings	(924.18)	(1,227.05
	Proceeds from issue of equity share capital	-	4,431.0
	Interim dividend paid including dividend distribution tax	(868.58)	(867.16
	Proceeds from current borrowings	2,371.08	591.1
	Repayment of current borrowings	(4.58)	
	Interest paid	(420.37)	(348.98
	Net cash generated from financing activities (C)	**5,203.37**	**2,632.5**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**284.32**	**(127.85**
	Cash and cash equivalents at the beginning of the year	101.85	229.6
	Cash and cash equivalents at the end of the year	**386.17**	**101.8**
	Components of cash and cash equivalents (refer note 11):		
	Cash on hand	4.47	5.3
	Balances with scheduled banks:		
	- in current accounts	381.67	96.0
	- in fixed deposit accounts	-	0.5
		386.14	**101.8**

	borrowings including current maturities of long term borrowings	borrowings	
Opening balance as on 1 April 2017	3,755.50	272.08	
Add: Non cash changes due to-			
- Interest expense	324.73	15.09	
- Fair value changes	3.43	-	
- Interim dividend	-	-	86
Add: Cash inflows during the year			
- Proceeds from non-current borrowings	53.60	-	
- Proceeds from current borrowings	-	591.16	
Less: Cash outflow during the year			
- Repayment of non-current borrowings	(1,227.05)	-	
- Interest paid	(333.89)	(15.09)	
- Interim dividend paid including dividend distribution tax	-		(867
Closing balance as on 31 March 2018	**2,576.32**	**863.24**	
Add: Non cash changes due to-			
- Interest expense	241.92	97.36	
- Interest capitalised	103.30	-	
- Fair value changes	3.05	-	
- Interim dividend	-	-	86
Add: Cash inflows during the year			
- Proceeds from non-current borrowings	5,050.00	-	
- Proceeds from current borrowings	-	2,371.08	
Less: Cash outflow during the year			
- Repayment of non-current borrowings	(924.18)	-	
- Repayment of current borrowings	-	(4.58)	
- Interest paid	(323.00)	(97.36)	
- Interim dividend paid including dividend distribution tax	-	-	(868
Closing balance as on 31 March 2019	**6,727.41**	**3,229.74**	

The consolidated cash flow statement has been prepared in accordance with the 'Indirect Method' as set out in the Inc 7 on "Cash flow statements".

Note 1 to 48 form an integral part of these consolidated financial statements.

As per our report of even date attached

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

For & on behalf of Board of Direc
Sterling Tools Lim

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Aggai
Dire
DIN No. 00125

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali Si
Company Secre
Membership No. A15

Place: Faridabad
Date: 23 May, 2019

Sterling Tools Limited (the "Holding Company") is a company limited by shares is incorporated o
7 June, 1979 and domiciled in India (CIN: L29222DL1979PLC009668). The address of the Holdin Company's registered office is K-40, Connaught Circus, New Delhi-110001. The equity shares of th Holding Company is listed on Bombay Stock Exchange and National Stock Exchange in India. Th Holding Company is engaged in the manufacturing and marketing of high tensile cold forged fastener: It is one of the progressive Original Equipment Manufacturer (OEM) suppliers in India with a client bas that spans automotive companies in India, Europe and USA.

B. Basis of preparation

(1) Statement of compliance

These consolidated financial statements are prepared on accrual basis of accounting and comply wit the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified an applicable).

These consolidated financial statements of Sterling Tools Limited as at and for the year ended 31 Marc 2019 (including comparatives) were approved and authorised for issue by Board of Directors on 23 Ma 2019.

(2) Standards issued but not yet effective

Ind AS 116 "Leases":

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replac the existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard sets ou the principles for the recognition, measurement, presentation and disclosure of leases for both partie to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting mode and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelv months, unless the underlying asset is of low value. Currently, operating lease expenses are charge to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements fo lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. Th standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 – "Accountin Policies, Changes in Accounting Estimates and Errors"
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standar recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of th remaining lease payments, discounted at the incremental borrowing rate and the right of use asset eithe as:

- Its carrying amount as if the standard had been applied since the commencement date, bu discounted at lessee's incremental borrowing rate at the date of initial application; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued leas payments related to that lease recognized under Ind AS 17 immediately before the date of initia application.

Certain practical expedients are available under both the methods.

The group is currently evaluating the effect of this amendment on the standalone financial statements.

entity shall recognise the income tax consequences of dividends in profit or loss, other comprehen income or equity according to where the entity originally recognised those past transactions or eve

Effective date for application of this amendment is annual period beginning on or after April 1, 2019

The group is currently evaluating the effect of this amendment on the standalone financial stateme

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Bene in connection with accounting for plan amendments, curtailments and settlements. The amendm require an entity:

- to use updated assumptions to determine current service cost and net interest for the remai of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, reduction in a surplus, even if that surplus was not previously recognised because of the impa the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019

The group does not have any impact on account of this amendment.

(3) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The group controls an entity w the group is exposed to, or has rights to, variable returns from its involvement with the entity has the ability to affect those returns through its power to direct the relevant activities of the e Subsidiaries are fully consolidated from the date on which control is transferred to the group. T are deconsolidated from the date that control ceases.

The group combines the consolidated financial statements of the parent and its subsidiary lin line adding together like items of assets, liabilities, equity, income and expenses. Inter-com transactions, balances and unrealised gains on transactions between group companies eliminated. Unrealised losses are also eliminated unless the transactions provides evidenc an impairment of the transferred asset. Accounting policies of the subsidiary have been cha where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and the equity of subsidiary is shown separately in consolidated statement of profit and loss, consolidated statement of changes in equity and bal sheet respectively.

(ii) Joint ventures

Interest in joint venture is accounted for using the equity method, after initially being recognise cost in the consolidated balance sheet.

Under the equity method of accounting, the investment are initially recognised at cost and adju thereafter to recognise the group's share of the post-acquisition profits or losses of the inve in profit and loss, and the group's share of other comprehensive income of the investee in c comprehensive income. Dividends received or receivable from joint venture are recognised reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equal or exceeds its inte in the entity, including any other unsecured long-term receivables, the group does not recog further losses, unless it has incurred obligations or made payments on behalf of the other en accounted investees have been changed where necessary to ensure consistency with the policie adopted by the group.

(4) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for th following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value.
Net defined benefit (assets)/ liability	Fair value of planned assets less present value of defined benefit obligations.

The methods used to measure fair values are discussed further in notes to consolidated financi statements.

(5) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (Rs.), which is also the group functional currency. All financial information presented in Indian Rupees has been rounded to the neare lakh (upto two decimals), except as stated otherwise.

(6) Current and non-current classification

The group presents assets and liabilities in the balance sheet based on current/non-current classificatio

An asset is current when it is:

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

Current assets include current portion of non-current financial assets. All other assets are classified a non-current.

A liability is current when:

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

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classifie as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cas or cash equivalents.

The group has an established control framework with respect to the measurement of fair values. includes a central valuation team that has overall responsibility for overseeing all significant fair v measurements, including Level 3 fair values, and reports directly to the board of directors.

The central valuation team regularly reviews significant unobservable inputs and valuation adjustme If third party information, such as broker quotes or pricing services, is used to measure fair val then the central valuation team assesses the evidence obtained from the third parties to support conclusion that these valuations meet the requirements of Ind AS, including the level in the fair v hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Holding Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used ir valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liak either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobserv inputs).

When measuring the fair value of an asset or a liability, the group uses observable market data as fa possible. If the inputs used to measure the fair value of an asset or a liability fall into different leve the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same l of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognises transfer between levels of the fair value hierarchy at the end of the repo period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the follov notes:

- Note 43- financial instruments

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the consolidated finai statements are as given below. These accounting policies have been applied consistently to all per presented in the consolidated financial statements.

(1) Property, plant and equipment

1.1 Initial recognition and measurement

Items of property, plant and equipment are measured at cost, which included, accumul depreciation and accumulated impairment losses, if any.

Cost of an items of property, plant and equipment comprises its purchase price, including im duties and non-refundable purchase taxes, after deducting trade discounts and rebates, directly attributable cost of bringing the items to its working condition for its intended use estimated cost of dismantling and removing the item and restoring the site on which it is locat

The cost of a self-constructed property, plant and equipment comprises the cost of materials direct labour, any other costs directly attributable to bringing the item to working condition fc intended use, and estimated costs of dismantling and removing the item and restoring the sit which it is located.

.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when is probable that future economic benefits deriving from the cost incurred will flow to the enterpris and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carryin amount of the item if it is probable that the future economic benefits embodied within the pa will flow to the group and its cost can be measured reliably. The carrying amount of the replace part is derecognised. The costs of the day-to-day servicing of property, plant and equipment ar recognised in profit or loss as incurred.

1.3 Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use i included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4 Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expecte from their use or upon their disposal. Gains and losses on disposal of an item of property, plar and equipment are determined by comparing the proceeds from disposal with the carrying amour of property, plant and equipment, and are recognised in the statement of profit and loss.

(2) Depreciation

Depreciation is recognised in statement of profit and loss on a straight-line basis over the estimate useful lives of each part of an item of property, plant and equipment specified in schedule II to th Companies Act, 2013.

Leasehold improvements are amortised over the lease period.

Depreciation on additions to/deductions from property, plant & equipment during the year is charged o pro-rata basis from/up to the date in which the asset is available for use/disposed.

Depreciation method, useful lives and residual values are reviewed at each financial year-end an adjusted if appropriate. Based on technical evaluation and consequent advice, the management believe that its estimates of useful lives as given above best represent the period over which managemer expects to use these assets.

(3) Intangible assets

3.1 Recognition and measurement

Intangible assets that are acquired by the group, have finite useful lives, are measured at cost les accumulated amortisation and accumulated impairment losses, if any. Cost includes any directl attributable incidental expenses necessary to make the assets ready for its intended use.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when is probable that future economic benefits deriving from the cost incurred will flow to the enterpris and the cost of the item can be measured reliably.

3.2 Derecognition

An intangible asset is derecognised when no future economic benefits are expected from their us or upon their disposal. Gains and losses on disposal of an item of intangible assets are determine by comparing the proceeds from disposal with the carrying amount of intangible assets and ar recognised in the statement of profit and loss.

Amortisation method, useful lives and residual values are reviewed at the end of each finar
year and adjusted, if appropriate.

(4) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings of fu
Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets
capitalised as part of cost of such asset until such time the assets are substantially ready for
intended use. Qualifying assets are assets which take a substantial period of time to get ready for
intended use or sale.

When the group borrows funds specifically for the purpose of obtaining a qualifying asset, the borro
costs incurred are capitalised. When group borrows funds generally and uses them for the purpos
obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weig
average cost of general borrowing that are outstanding during the period and used for the acquisitic
construction of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare
qualifying assets for their intended uses are complete. Income earned on temporary investment o
borrowings pending their expenditure on the qualifying assets is deducted from the borrowing c
eligible for capitalisation.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

(5) Impairment of non-financial assets

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

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

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

The group's corporate assets (eg. Central office building for providing support to various CGUs) dc
generate independent cash inflows. To determine impairment of a corporate asset, recoverable am
is determined for the CGUs to which the corporate assets belongs.

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

(6) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolesce
and other losses wherever considered necessary. Cost of inventories comprises of cost of purch
cost of conversion and other costs incurred in bringing the inventories to their present location

Net realisable value is the estimated selling price in the ordinary course of business, less estimate costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

The methods of determining cost of various categories of inventories are as under:

Nature of inventories	Method of valuation
Raw materials	First in first out method
Stores and spares and consumables	Weighted average method
Finished goods and work-in-progress	Raw material cost on first in first out method and includes conversion and other costs incurred in bringing the inventories to their present value and locations

Stock in transit is valued at lower of cost and net realisable value. Scrap is valued at estimated ne realisable value.

(7) Provisions and contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the group has a present legal or constructiv obligation that can be estimated reliably, and it is probable that an outflow of economic benefits w be required to settle the obligation. If the effect of the time value of money is material, provisions ar determined by discounting the expected future cash flows at a pre-tax rate that reflects current marke assessments of the time value of money and the risks specific to the liability. When discounting is usec the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle th present obligation at reporting date, taking into account the risks and uncertainties surrounding th obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovere from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursemer will be received and the amount of the receivable can be measured reliably. The expense relating to provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will onl be confirmed by the occurrence or non-occurrence of one or more future events not wholly within th control of the group. Where it is not probable that an outflow of economic benefits will be required, c the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless th probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis c judgment of the management/independent experts. These are reviewed at each balance sheet date an are adjusted to reflect the current management estimate.

Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

(8) Government grants

Government grants and subsidies are accounted for in the books of account when the ultimate collectio of the grant/subsidy is reasonable certain. Grants that compensate the group for expenses incurred ar recognised in profit or loss as other operating revenues on a systematic basis in the periods in whic such expenses are recognised.

(9) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-terr deposits with an original maturity of three months or less, which are subject to an insignificant risk c changes in value.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional curr
spot rates of exchange at the reporting date. Exchange differences arising on settlement or translatic
monetary items are recognised in profit or loss in the year in which it arises.

Non-monetary items that are measured in terms of historical cost in a foreign currency are transl
using the exchange rate at the date of the transaction.

The group uses derivative financial instruments, such as forward currency contracts to hedge its for
currency risks in respect of its imports and exports. Such derivative financial instruments are ini
recognised at fair value on the date on which a derivative contract is entered into and are subsequ
re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive
as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the
value of derivatives are taken to statement of profit and loss.

(11) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and exclu
amounts collected on behalf of third parties. A performance obligation is a promise in a contra
transfer a distinct good (or a bundle of goods) to the customer and is the unit of account in Ind AS
A contract's transaction price is allocated to each distinct performance obligation and recognize
revenue, as or when, the performance obligation is satisfied. The group recognizes revenue wh
transfers control of a product to a customer. Revenue is measured at the fair value of the considera
received or receivable, taking into account contractually defined terms of payments and excludes
and duties collected on behalf of the government. The group recognizes revenue from the follo
major sources:

Sale of products

Revenue from sale of products is measured based on the consideration specified in a contract
a customer and excludes amounts collected on behalf of third parties. It is measured at fair v
consideration received or receivable, net of returns and allowances, trade discounts and vol
rebates. The group recognizes revenue when it transfers control over a product to a customer i.e. w
goods are delivered at the delivery point, as per terms of the agreement, which could be either custo
premises or carrier premises who will deliver goods to the customer. When payments received
customers exceed revenue recognised to date on a particular contract, any excess (a contract liab
is reported in the Balance Sheet under other current liabilities (see Note 26).

Satisfaction of performance obligations

The group's revenue is derived from the single performance obligation to transfer primarily prod
under arrangements in which the transfer of control of the products and the fulfilment of the gro
performance obligation occur at the same time. Revenue from the sale of goods is recognized w
the group has transferred control of the goods to the buyer and the buyer obtains the benefits from
goods, the potential cash flows and the amount of revenue (the transaction price) can be meas
reliably, and it is probable that the group will collect the consideration to which it is entitled to in excha
for the goods.

Whether the customer has obtained control over the asset depends on when the goods are m
available to the carrier or the buyer takes possession of the goods, depending on the delivery terms.
the group, generally the criteria to recognize revenue has been met when its products are delivere
its customers or to a carrier who will transport the goods to its customers, this is the point in time w
the group has completed its performance obligations. Revenue is measured at the transaction pric
the consideration received or receivable, the amount the group expects to be entitled to.

Variable considerations associated with such sales

Periodically, the group enters into volume or other rebate programs where once a certain volum or other conditions are met, it gives the customer as volume discount some portion of the amoun previously billed or paid. For such arrangements, the group only recognizes revenue for the amounts ultimately expects to realize from the customer. The group estimates the variable consideration for thes programs using the most likely amount method or the expected value method, whichever approach be predicts the amount of the consideration based on the terms of the contract and available informatio and updates its estimates each reporting period.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding an rate applicable.

Income from export incentives

Income from export incentives viz. Duty Drawback and MEIS are recognized on accrual basis.

(12) Other income

Interest income is recognised, when no significant uncertainty as to measurability or collectability exist on a time proportion basis taking into account the amount outstanding and the applicable interest rat using the effective interest rate method (EIR).

(13) Employee Benefits

13.1 Short term employee benefits

Short- term employee benefit obligations are measured on an undiscounted basis and ar expenses as the relative service is provided. A liability is recognised for the amount expected to b paid e.g., under short-term cash bonus, if the group has a present legal or constructive obligatio to pay this amount as a result of past service provided by the employee, and the amount obligation can be estimated reliably.

13.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixe contributions into separate entities and will have no legal or constructive obligation to pay furthe amounts. Obligations for contributions to defined contribution plans are recognised as an employe benefits expense in profit or loss in the period during which services are rendered by employees

The group pays fixed contribution to government administered provident fund scheme predetermined rates. The contributions to the fund for the year are recognised as expense an are charged to the profit or loss.

13.3 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution pla The group's liability towards gratuity is in the nature of defined benefit plans.

The group's net obligation in respect of defined benefit plan is calculated separately by estimatin the amount of future benefit that employees have earned in return for their service in the curre and prior periods; that benefit is discounted to determine its present value. Any unrecognised pa service costs are deducted. The discount rate is based on the prevailing market yields of India government securities as at the reporting date that have maturity dates approximating the term

When the calculation results in a benefit to the group, the recognised asset is limited to the of any unrecognised past service costs. Any actuarial gains or losses are recognised in c comprehensive income in the period in which they arise.

13.4 Other long term employee benefits

Benefits under the group's leave encashment constitute other long term employee benefit.

The employees can carry forward a portion of the unutilised accrued compensated absences utilise it in future service periods or receive cash compensation on termination of employment. benefit is discounted to determine its present value. The discount rate is based on the preva market yields of Indian government securities as at the reporting date that have maturity d approximating the terms of the group's obligations. The obligation is measured on the bas independent actuarial valuation using the projected unit credit method.

(14) Lease

Accounting for operating leases- As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the g as lessee are classified as operating lease. Payments made under operating leases are recognise an expense over the lease term unless the payments are structured to increase in line with expe general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct c incurred specifically for an operating lease are deferred and charged to the Statement of Profit and l over the lease term.

(15) Taxes on income

Income tax expense comprises current and deferred tax. Current tax expense is recognised in pro loss except to the extent that it relates to items recognised directly in other comprehensive incom equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacte substantively enacted and as applicable at the reporting date, and any adjustment to tax payab respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences betw the carrying amounts of assets and liabilities for financial reporting purposes and the amounts use taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to tempo differences when they reverse, based on the laws that have been enacted or substantively enacte the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable rig offset current tax liabilities and assets, and they relate to income taxes levied by the same tax auth

Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised dir in other comprehensive income or equity, in which case it is recognised in other comprehensive inc or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits wi available against which the temporary difference can be utilised. Deferred tax assets are reviewe each reporting date and are reduced to the extent that it is no longer probable that the related tax be will be realised.

(16) Earning per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to e shareholders of the group by the weighted average number of equity shares outstanding during financial year.

been issued upon conversion of all dilutive potential equity shares.

(17) Operating segment

In accordance with Ind AS 108, the operating segments used to present segment information ar identified on the basis of internal reports used by the Holding Company's Management to allocat resources to the segments and assess their performance. The Board of Directors is collectively th Holding Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Th indicators used for internal reporting purposes may evolve in connection with performance assessmer measures put in place.

(18) Equity investment

Equity investments in Joint Venture and subsidiaries are measured at cost. The investments ar reviewed at each reporting date to determine whether there is any indication of impairment considerin the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment o non-financial assets is followed.

(19) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financia liability or equity instrument of another entity.

19.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets no recorded at fair value through profit or loss, transaction costs that are attributable to the acquisitio or issue of the financial asset.

Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a busines model whose objective is to hold the asset in order to collect contractual cash flows and th contractual terms of the financial asset give rise on specified dates to cash flows that ar solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensiv income if it is held within a business model whose objective is achieved by both collectin contractual cash flows and selling financial assets and the contractual terms of the financia asset give rise on specified dates to cash flows that are solely payments of principal an interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fa valued through statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of simila financial assets) is primarily derecognised (i.e. removed from the group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assume an obligation to pay the received cash flows in full without material delay to a third part

Impairment of financial assets

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

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

(b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the group determ that whether there has been a significant increase in the credit risk since initial recognitio credit risk has not increased significantly, 12-month ECL is used to provide for impairment l However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent pe credit quality of the instrument improves such that there is no longer a significant increas credit risk since initial recognition, then the entity reverts to recognising impairment loss allowa based on 12-month ECL.

19.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value thro profit or loss, borrowings, payables, or as derivatives designated as hedging instrument an effective hedge, as appropriate. All financial liabilities are recognised initially at fair v and, in the case of borrowings and payables, net of directly attributable transaction costs. group's financial liabilities include trade and other payables, borrowings and derivative finai instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised using the EIR method. Gains and losses are recognised in profit or loss when the liabilities derecognised as well as through the EIR amortisation process Amortised cost is calculate taking into account any discount or premium on acquisition and fees or costs that are an inte part of the EIR. The EIR amortisation is included in finance costs in the profit or loss. This cate generally applies to borrowings, trade payables and other contractual liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cance or expires. When an existing financial liability is replaced by another from the same lende substantially different terms, or the terms of an existing liability are substantially modified, suc exchange or modification is treated as the derecognition of the original liability and the recogn of a new liability. The difference in the respective carrying amounts is recognised in the stater of profit and loss.

19.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance s where there is a legally enforceable right to offset the recognised amounts and there is an inter to settle on a net basis or realise the asset and settle the liability simultaneously. The le enforceable right must not be contingent on future events and must be enforceable in the no course of business and in the event of default, insolvency or bankruptcy of the group or counterparty.

value of assets, liabilities, income, expenses and related disclosures concerning the items involved a well as contingent assets and liabilities at the balance sheet date. The estimates and management judgments are based on previous experience and other factors considered reasonable and prudent i the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accountin estimates are recognised in the period in which the estimates are revised and in any future period affected.

In order to enhance understanding of the consolidated financial statements, information about significar areas of estimation, uncertainty and critical judgments in applying accounting policies that have the mos significant effect on the amounts recognised in the consolidated financial statements is as under:

(1) Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factor including the effects of obsolescence, demand, competition and other economic factors (suc as the stability of the industry and known technological advances) and the level of maintenanc expenditures required to obtain the expected future cash flows from the asset.

The group reviews at the end of each reporting date the useful life of property, plant and equipmen and are adjusted prospectively, if appropriate.

(2) Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regardin in particular the expected market outlook and future cash flows. Any changes in these assumption may have a material impact on the measurement of the recoverable amount and could result i impairment.

(3) Employee benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which includ mortality and withdrawal rates as well as assumptions concerning future developments in discour rates, the rate of salary increases and the inflation rate. The group considers that the assumption used to measure its obligations are appropriate and documented. However, any changes in thes assumptions may have a material impact on the resulting calculations.

(4) Leases not in legal form of lease

Significant judgment is required to apply lease accounting rules under Appendix C to Ind A 17 'Determining whether an arrangement contains a lease'. In assessing the applicability t arrangements entered into by the group, management has exercised judgment to evaluate th right to use the underlying asset, substance of the transactions including legally enforceabl agreements and other significant terms and conditions of the arrangements to conclude whethe the arrangement needs the criteria under Appendix C to Ind AS 17.

(5) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been mad in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. Th evaluation of the likelihood of the contingent events has required best judgment by managemer regarding the probability of exposure to potential loss. Should circumstances change followin unforeseeable developments, this likelihood could alter.

				fixtures			and equipments		
Gross block									
As at 1 April 2017	2,068.05	3,411.36	19,982.24	124.91	469.19	204.26	444.90	51.61	26,7
Additions	-	-	1,025.74	20.34	56.53	32.74	-	6.33	1,1
Disposals/assets written off	-	(9.71)	-	-	-	-	-	-	(
Balance as at 31 March 2018	**2,068.05**	**3,401.65**	**21,007.98**	**145.25**	**525.72**	**237.00**	**444.90**	**57.94**	**27,8**
Additions	980.43	288.05	3,780.85	11.03	129.93	33.48	26.04	10.94	5,2
Disposals/assets written off	-	-	(213.91)	-	(94.90)	-	-	-	(30
Balance as at 31 March 2019	**3,048.48**	**3,689.70**	**24,574.92**	**156.28**	**560.75**	**270.48**	**470.94**	**68.88**	**32,8**
Accumulated depreciation									
As at 1 April 2017	-	1,018.58	8,557.54	69.14	170.11	138.19	325.36	32.26	10,3
Charge for the year	-	107.83	1,523.29	12.55	51.89	23.47	23.79	8.32	1,7
Adjustments for disposals	-	(3.38)	-	-	-	-	-	-	(
Balance as at 31 March 2018	**-**	**1,123.03**	**10,080.83**	**81.69**	**222.00**	**161.66**	**349.15**	**40.58**	**12,0**
Charge for the year	-	107.40	1,657.39	10.84	58.33	28.91	22.21	8.95	1,8
Adjustments for disposals	-	-	(184.28)	-	(70.50)	-	-	-	(25
Balance as at 31 March 2019	**-**	**1,230.43**	**11,553.94**	**92.53**	**209.83**	**190.57**	**371.36**	**49.53**	**13,6**
Net block as at 31 March 2018	**2,068.05**	**2,278.62**	**10,927.15**	**63.56**	**303.72**	**75.34**	**95.75**	**17.36**	**15,8**
Net block as at 31 March 2019	**3,048.48**	**2,459.27**	**13,020.98**	**63.75**	**350.92**	**79.91**	**99.58**	**19.35**	**19,1**

Notes:

a. Refer note a of Note 18 "Non current financial liabilities- Borrowings" and note 23 "Current financial liabili Borrowings" for details regarding property, plant and equipment which are pledged as security for obtai long-term borrowings and short term borrowings.

b. Refer Note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipm

3. CAPITAL WORK-IN-PROGRESS

Particulars	Amo
Balance as at 1 April 2017	
Additions	1,857
Capitalised during the year	(880.
Balance as at 31 March 2018	**976**
Additions	4,687
Capitalised during the year	(983.
Balance as at 31 March 2019	**4,680**

During the year, the Group has capitalized interest on borrowed capital of Rs. 103.30 lakh (31 March 2 – Rs. nil) and pre-operative expenses (including salary, legal and professional and other expenses dir related to the project) of Rs. 200.75 lakh (31 March 2018 – Rs. nil).

Gross block		
As at 1 April 2017	14.60	14.60
Additions	21.20	21.20
Disposals/assets written off		-
Balance as at 31 March 2018	**35.80**	**35.80**
Additions	7.66	7.66
Disposals/assets written off	-	-
Balance as at 31 March 2019	**43.46**	**43.46**
Accumulated amortisation		
As at 1 April 2017	6.35	6.35
Charge for the year	7.71	7.71
Adjustments for disposals	-	-
Balance as at 31 March 2018	**14.06**	**14.06**
Charge for the year	10.99	10.99
Adjustments for disposals	-	-
Balance as at 31 March 2019	**25.05**	**25.05**
Net block as at 31 March 2018	**21.74**	**21.74**
Net block as at 31 March 2019	**18.41**	**18.41**

5 NON-CURRENT INVESTMENTS

	As at 31 March 2019	As at 31 March 2018
Unquoted investments		
Investment in equity instrument in Joint Venture (valued at cost)		
3,405,000 equity shares (31 March 2018: 3,405,000 equity shares) of Rs 10 each fully paid up in Sterling Fabory India Private Limited, a joint venture (refer note: a)	287.59	274.00
Investment in equity instruments (valued at FVOCI)	401.38	-
9,400 equity shares (31 March 2018: Nil equity shares) of Rs. 10 each fully paid up in Altigreen Propulsion Labs Private Limited (refer note: b)		
	688.97	**274.00**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	688.97	274.00
Aggregate amount of impairment in value of investments	-	-

Note:

a. Proportion of ownership interest in joint venture are stated as follows:

Name of jointly controlled entity	Place of business	% of ownership interest		Accounting method
		As at 31 March 2019	As at 31 March 2018	
Sterling Fabory India Private Limited	India	50	50	Equity method

		31 March 2019	31 March 2
Current investments			
Quoted investment			
Investment in mutual funds (at fair value through profit and loss)			
a)	Nil units (31 March 2018: 77.65 units) in DSP Blackrock Money Manager Fund -Regular Plan-Growth	-	1
b)	b) 3,981,081.90 units (31 March 2018: 3,981,081.90 units) in Edelweis Arbitrage Fund Monthly Dividend Direct Plan	501.43	497
c)	3,830,534.46 units (31 March 2018: 3,628,626.63 units) in ICICI Prudential Equity Arbitrage Fund - Direct Plan-Dividend Reinvestment	555.10	524
d)	5,050,487.64 units (31 March 2018: 4,778,023.51 units) in Kotak Equity Arbitrage Fund-Direct Plan-Dividend Reinvestment	555.94	525
e)	3,279,315.91 units (31 March 2018: 3,143,942.76 units) in UTI Spread Fund-Direct Plan-Dividend Reinvestment	555.95	524
f)	1,000,000.00 units (31 March 2018: 1,000,000.00 units) in DSP Blackrock India Enhanced Equity Fund	1,121.30	1,056
g)	Nil units (31 March 2018: 21,986.53 units) in SBI Magnum Insta Cash Fund Liquid Floater-Direct Plan Growth	-	639
h)	150,000.00 units (31 March 2018: 150,000.00 units) in Edelweis Alpha Fund	1,656.05	1,583
		4,945.77	**5,353**
	Aggregate amount of quoted investments and market value thereof	4,945.77	5,353
	Aggregate amount of unquoted investments	-	
	Aggregate amount of impairment in value of investments	-	

6 NON-CURRENT FINANCIAL ASSETS - LOANS

	As at 31 March 2019	As 31 March 2
(Unsecured, considered good)		
Security deposits	311.99	125
	311.99	**125**

7 NON-CURRENT FINANCIAL ASSETS - OTHERS

	As at 31 March 2019	As 31 March 2
(Unsecured, considered good)		
Security deposits	0.90	0
	0.90	**0**

(Unsecured and considered good)		
Capital advances	1,130.26	446.23
Prepaid expenses	59.75	3.88
Balances with statutory authorities	18.60	20.26
	1,208.61	**470.37**

9 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at 31 March 2019	**As at 31 March 2018**
Raw material	2,845.97	2,280.83
Work in progress	1,043.90	1,084.35
Finished goods (includes goods in transit of Rs. 346.76 lakh (31 March 2018: 112.99 lakh))	3,667.42	1,746.27
Stores, spares and consumables	691.47	333.98
Stores, spares and consumables- goods-in-transit	-	9.00
	8,248.76	**5,454.43**

Refer Note 23 for information on inventory pledged as security by the Group.

10 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

	As at 31 March 2019	**As at 31 March 2018**
Trade receivables		
Considered good -secured	4,219.34	4,546.89
Credit impaired	36.83	27.30
	4,256.17	4,574.19
Less: allowance for expected credit loss	(36.83)	(27.30)
	4,219.34	**4,546.89**

Movement in the allowance for expected credit loss

	As at 31 March 2019	**As at 31 March 2018**
Balance at the beginning of the year	27.30	27.30
Add: Allowance provided during the year	9.53	-
Less: Amounts written off during the year	-	-
Balance at the end of the year	**36.83**	**27.30**

a. All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

b. Refer Note 23 for information on trade receivables pledged as security by the Group.

Balances with scheduled banks :		
- in current accounts	381.67	96
- in fixed deposit accounts	-	0
Cash on hand	4.47	5
	386.14	**101**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting pe and prior periods.

12 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March 2019	**As 31 March 2**
Deposit accounts with original maturity of more than 3 months but less than 12 months	88.00	120
Unpaid dividend accounts (earmarked balances with banks)*	29.46	28
Other bank balances	-	20
	117.46	**168**

* Not due for deposit in the investor education and protection fund.

13 CURRENT FINANCIAL ASSETS - LOANS

(Unsecured considered good)

	As at 31 March 2019	**As 31 March 20**
Loans to employees	17.00	10
Loans to others	5.83	
Security deposit	1.60	5
Interest accrued but not due	9.16	5
Loans to related party	118.04	111
	151.63	**133**

14 CURRENT FINANCIAL ASSETS - OTHERS

	As at 31 March 2019	**As 31 March 20**
Derivatives designated as hedges		
- Foreign exchange forward contracts	64.53	
Other financial assets		
- Gratuity recoverable	13.26	3
- Interest accrued but not due	5.62	1
- Export incentive receivable	152.86	164
- Others	65.71	
	301.98	**169**

Prepaid expenses	51.39	145.62
Balance with government authorities	369.45	337.1C
Advance to suppliers	957.04	978.21
	1,377.88	**1,460.93**

16 EQUITY SHARE CAPITAL

	As at 31 March 2019	**As at 31 March 2018**
Authorised:		
50,000,000 [31 March 2018: 50,000,000 equity shares of Rs 2/- each] equity shares of Rs 2/- each	1,000.00	1,000.0C
Issued, subscribed and paid up:		
36,024,211 [31 March 2018: 36,024,211 equity shares of Rs 2/- each] equity shares of Rs 2/- each	720.48	720.48
	720.48	**720.48**

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	For the year ended 31 March 2019		**For the year ended 31 March 2018**	
	Number (in lakh)	**Amount**	**Number (in lakh)**	**Amount**
Outstanding at the beginning of the year	360.24	720.48	342.23	684.46
Addition during the year	-	-	18.01	36.02
Outstanding at the end of the year	**360.24**	**720.48**	**360.24**	**720.48**

b. Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs 2 per share (31 Marc 2018: Rs 2 per share). Each holder of equity shares is entitled to one vote per share. The Holding Compar declares and pays dividend in Indian rupees.

During the year ended 31 March 2019, the amount of per share interim dividend recognised as distributions t equity shareholders is Rs. 2 per share (31 March 2018: Rs 2 per share).

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receiv remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportic to the number of equity shares held by the shareholders.

c. Shareholders holding more than 5% shares in the Company

	As at 31 March 2019		**As at 31 March 2018**	
	No. of shares (lakh)	**% holding**	**No. of shares (lakh)**	**% holding**
Mr. Manohar Lal Aggarwal, Promoter	38.55	10.70%	38.55	10.70%
Mr. Anil Aggarwal, Promoter	80.27	22.28%	73.66	20.45%
Mr. Atul Aggarwal, Promoter	95.79	26.59%	86.48	24.01%
Mr. Jagdish Kumar Aggarwal	17.98	4.99%	18.34	5.09%
L&T Mutual Fund Trustee Limited	24.49	6.80%	15.62	4.34%
Meidoh Company Limited	18.01	5.00%	18.01	5.00%

17 OTHER EQUITY

	As at 31 March 2019	As 31 March 20
Capital reserve	6.65	6
Security premium	4,735.69	4,735
General reserve	2,786.46	2,786
Retained earnings	19,800.39	16,157
Total	**27,329.19**	**23,686**

i) Capital reserve

	As at 31 March 2019	As 1 April 20
Balance at the beginning of the year	6.65	6
Add:- Addition during the year	-	
Less:- Utilised during the year	-	
Balance at the end of the year	**6.65**	**6**

Capital reserves represents proceeds of forfeited shares.

ii) Security premium

	As at 31 March 2019	As 1 April 20
Balance at the beginning of the year	4,735.69	340
Add:- Addition during the year	-	4,405
Less:- Utilised during the year	-	10
Balance at the end of the year	**4,735.69**	**4,735**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance the provisions of the Act.

iii) General reserve

	As at 31 March 2019	A 1 April 2
Balance at the beginning of the year	2,786.46	2,786
Add:- Addition during the year	-	
Less:- Utilised during the year	-	
Balance at the end of the year	**2,786.46**	**2,786**

The Company transferred certain percentage of retained earnings to general reserve as per the provision dividend distribution under the Companies Act, 2013.

Balance at the beginning of the year	16,157.75	12,165.8
Add: Profit for the year	4,511.74	4,905.1
Less: Utilised during the year	-	
- Interim dividend on equity shares	720.48	720.4
- Dividend distribution tax on interim dividend	148.10	146.6
- Remeasurement of defined benefit obligation	(0.52)	(46.12
Balance at the end of the year	19,800.39	16,157.7

18 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2019	As at 31 March 2018
Indian rupee loan from banks (secured)		
- Term loans	6,727.41	2,576.32
Less: Interest accrued but not due (refer note 24)	(28.47)	(6.25)
Less: Current maturities of long-term borrowings (refer note 24)	(1,304.39)	(923.00)
	5,394.55	**1,647.07**

a) The term loans are secured by equitable mortgage of certain land and building at Plot No. 4, 5A, 52, 53, 5 & 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road and factory land and building situated at Prithl Village and Kolar district Bangalore, and hypothecation of plant and machinery and other property, plant an equipment and personal guarantee by some of the directors of the Holding Company.

b) The repayment profile of the term loans from banks is as set out below:

31 March 2019

Rate of interest (%)	Amount	Instalments starting on	Repayment mode	Instalments ending on	Number of instalments outstanding
9.65%	280.07	February 2016	Monthly	January 2021	22
9.65%	749.71	June 2016	Monthly	May 2021	26
8.70%	130.40	January 2015	Monthly	December 2019	9
8.70%	273.25	February 2017	Monthly	January 2021	22
8.70%	210.61	November 2017	Monthly	October 2022	33
9.75%	1,200.00	June 2020	Monthly	May 2025	60
8.70%	750.00	January 2020	Monthly	December 2025	60
8.50%	175.00	October 2019	Monthly	November 2024	60
8.60%	425.00	October 2019	Monthly	November 2024	60
8.95%	800.00	October 2019	Monthly	November 2024	60
8.50%	600.00	October 2019	Monthly	November 2024	60
8.95%	1,100.00	October 2019	Monthly	November 2024	60

(%)					
9.45%	449.03	February 2016	Monthly	January 2021	34
9.45%	1,095.67	June 2016	Monthly	May 2021	38
9.55%	322.40	January 2015	Monthly	December 2019	21
9.55%	423.25	February 2017	Monthly	January 2021	34
9.45%	284.03	November 2017	Monthly	October 2022	45

(c) There has been no default in servicing of loan as at the end of the year.

19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2019	As 31 March 20
Security deposits	30.58	25
	30.58	**25**

20 PROVISIONS

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Curr
Provisions for employee benefits				
Compensated absences	106.90	16.64	91.44	15
Gratuity (refer note 37)	30.15	108.46	37.82	109
	137.05	**125.10**	**129.26**	**124**

21 DEFERRED TAX LIABILITIES (NET)

	As at 31 March 2019	As 31 March 20
Deferred tax liability		
Fixed assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,760.07	1,670
Fair value of forward exchange contracts	22.68	(12.
Effective interest rate adjustment	0.30	1
Gross deferred tax liability	**1,783.05**	**1,659**
Deferred tax assets		
Employee benefits	132.01	137
Allowance for expected credit loss	12.87	
Gross deferred tax assets	**144.88**	**137**
Net deferred tax liability	**1,638.17**	**1,522**

		loss		
Deferred tax liabilities				
Fixed assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,670.53	89.54	-	1,760.0
Effective interest rate adjustment	1.37	(1.07)	-	0.3
Fair value of forward exchange contracts	(12.77)	35.44	-	22.6
Sub- total (a)	**1,659.13**	**123.92**	**-**	**1,783.0**
Deferred tax assets				
Employee benefits	137.04	(5.31)	0.28	132.0
Allowance for expected credit loss	-	12.87	-	12.8
Sub- total (b)	**137.04**	**7.56**	**0.28**	**144.8**
Net deferred tax liabilities (a)-(b)	**1,522.09**	**116.36**	**(0.28)**	**1,638.1**

Particulars	**As at 1 April 2017**	**Recognised in profit and loss**	**Recognised in OCI**	**As a 31 March 201**
Deferred tax liabilities				
Fixed assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,630.89	39.64	-	1,670.5
Effective interest rate adjustment	2.57	(1.20)	-	1.3
Fair value of forward exchange contracts	**7.89**	**(20.66)**	**-**	**(12.77**
Sub- total (a)	**1,641.35**	**17.78**	**-**	**1,659.1**
Deferred tax assets				
Allowance for expected credit loss	9.45	(9.45)	-	
Employee benefits	66.52	46.11	24.41	137.0
Sub- total (b)	**75.97**	**36.66**	**24.41**	**137.0**
Net deferred tax liabilities (a)-(b)	**1,565.38**	**(18.88)**	**(24.41)**	**1,522.0**

i) Income tax recognised in Statement of Profit and Loss

	For the year ended 31 March 2019	**For the year endec 31 March 201**
Current tax expense		
Current year	2,360.98	2,649.87
	2,360.98	**2,649.87**
Deferred tax expense		
Origination and reversal of temporary differences	116.36	(18.88
	116.36	**(18.88**
Total income tax expense	**2,477.33**	**2,630.9**

	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of
Remeasurement of defined benefit plans	(0.79)	0.28	(0.52)	(70.53)	24.41	(46.
	(0.79)	**0.28**	**(0.52)**	**(70.53)**	**24.41**	**(46.**

iii) **Reconciliation of effective tax rate**

	31 March 2019		31 March 2018	
	Rate	Amount	Rate	Amo
Profit before tax		**6,989.08**		**7,536**
Tax using the Company's domestic tax rate of 34.944% (31 March 2018 - 34.6081%)	34.94%	2,442.26	34.61%	2,608
Tax effect of:				
- Corporate social responsibility expenditure	0.30%	20.83	0.42%	31
- Change in tax rates	0.21%	14.78	0.00%	
- Others	-0.01%	(0.52)	-0.12%	(9.
At the effective income tax rate	**35.45%**	**2,477.34**	**34.91%**	**2,630**

(a) There is no temporary differences associated with investment in subsidiaries.

(b) Basis of computing Company's domestic tax rate:

	31 March 2019	31 March 2(
Base rate	30.00%	30.0
Add: Surcharge @ 12%	3.60%	3.6
	33.60%	**33.6**
Add: Health and Education cess @ 4%	1.34%	1.0
(31 March 2018: Health and Education cess @ 3%)	**34.94%**	**34.6**

22 OTHER NON-CURRENT LIABILITIES

	As at 31 March 2019	As 31 March 2(
Deferred income	1,708.62	1,073
Others	29.50	30
	1,738.12	**1,104**

23 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31 March 2019	As 31 March 2(
Loans repayable on demand from banks (secured)		
-Working capital facilities	3,229.74	858
Loan from related party (unsecured)	-	4
	3,229.74	**863**

passu basis, equitable mortgage of land and building situated at Plot No 4, 5A, 52, 53,54 & 54A DLF Industri Estate, Phase-I, Delhi- Mathura Road and factory land and building situated at Prithla Village and Kular distri Bangalore, and personal guarantee by some of the directors of the Holding Company.

b) The outstanding balance is repayable on demand and the rate of interest ranges between 9 % to 11 % pe annum.

23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	54.91	164.00
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,220.93	3,483.07
	3,275.84	**3,647.07**

a) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 1 2007 , the amount due as at the year end due to Micro, small and medium enterprises as defined in Industrie (Development and Regulation) Act, 1951 is as given below:

Particulars		As at 31 March 2019	As at 31 March 2018
i)	Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	- Principal Amount	54.91	164.00
	- Interest	0.22	0.29
ii)	The amount of interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	0.22	0.29
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.22	0.29
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

b) This information has been compiled in respect of parties to the extent they could be identified as Micro, sma and medium enterprises on the basis of information available with the management as at 31 March 2019.

Current maturities of long-term borrowings (refer note 18)	1,304.39	923
Creditors for capital expenditure	127.52	83
Interest accrued but not due	28.47	6
Unclaimed dividend*	29.46	28
Derivative liability	-	36
	1,489.84	**1,078**

* the above amount does not include any sum due to be transferred to Investor Education and Protection Fund.

26 OTHER CURRENT LIABILITIES

	As at 31 March 2019	As 31 March 2
Advances received from customers	122.45	158
Statutory dues payable	484.51	363
	606.96	**522**

27 CURRENT TAX LIABILITIES

	As at 31 March 2019	As 31 March 2
Provision for income-tax (net)	85.42	16
	85.42	**16**

28 REVENUE FROM OPERATIONS

	For the year ended 31 March 2019	For the year end 31 March 2
Sale of products (refer note 44 and 46)		
- Finished goods	50,509.29	45,880
Other operating income		
- Steel scrap sale	546.87	400
- Export incentives	164.19	168
Total	**51,220.35**	**46,448**

Interest on		
- fixed deposits	6.62	6.35
- security deposit with electricity department	10.06	4.52
- loans to related party	11.61	17.99
Other non operating income		
Liabilities no longer required, written back	1.30	2.87
Export promotion capital guarantee grant income	158.66	136.64
Gain on foreign exchange fluctuation	55.95	26.38
Profit on disposal of property, plant and equipment	-	26.48
Gain on fair value of forward contracts	101.43	-
Income from mutual fund investment		
- gain on sale of mutual fund	10.92	57.75
- dividend income	107.12	99.29
- gain on fair value of mutual fund	152.26	142.96
Bad debts recovered	1.70	23.52
Scrap sales	24.53	30.93
Miscellaneous income	12.29	5.28
	654.45	**580.97**

30 COST OF MATERIALS CONSUMED

	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw material at the beginning of the year	2,280.83	1,732.43
Add: purchases	23,130.70	17,942.95
Less: Raw material at the end of the year	2,845.98	2,280.83
Total cost of materials consumed	**22,565.55**	**17,394.55**

31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year		
- Finished goods	1,746.27	2,131.94
- Work-in-progress	1,084.35	472.60
	2,830.62	**2,604.54**
Inventories at the end of the year		
- Finished goods	3,667.43	1,746.27
- Work-in-progress	1,043.90	1,084.35
	4,711.33	**2,830.62**
Increase in inventory	(1,880.71)	(226.08)
Increase/(decrease) in excise duty on finished goods	-	(343.27)
	(1,880.71)	**(569.35)**

Salary, wages and bonus	3,125.06	2,950
Contribution to provident & other funds	288.53	246
Gratuity expenses	58.56	49
Staff welfare expenses	110.96	106
	3,583.11	**3,352**

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note

33 FINANCE COSTS

	For the year ended 31 March 2019	For the year en 31 March 2
Interest expense on borrowings measured at amortised cost	342.33	343
Other borrowing cost	23.51	23
Interest on delayed payment of taxes	0.64	11
	366.48	**378**

34 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31 March 2019	For the year en 31 March 2
Depreciation expense	1,894.04	1,751
Amortisation expense	10.98	7
	1,905.02	**1,758**

35 OTHER EXPENSES

	For the year ended 31 March 2019	For the year en 31 March 2
Consumption of stores and spares	4,307.85	3,779
Job work charges	2,400.33	2,056
Consumption of packing materials	711.82	662
Power and fuel	3,792.98	3,498
Rent	97.74	49
Repairs and maintenance		
- Building	586.61	480
- Plant and machinery	1,588.13	1,259
Security charges	78.41	80
Insurance	75.84	63
Legal and professional charges	273.88	111
Rates and taxes	24.23	25
Sales promotion	126.53	155
Freight outward	1,759.95	1,535
Travelling and conveyance	250.32	192
Contract labour charges	1,285.60	1,056
Payment to auditors (refer details below)	22.47	20
Commission to director	228.00	240
Corporate social responsibility expenses	115.60	92
Provision for expected credit loss	9.53	
Loss on fair value of forward contracts	-	59
Miscellaneous expenses	624.04	629
	18,359.86	**16,046**

As auditor		
- Statutory audit	11.20	11.20
- Tax audit	1.00	1.00
- Limited review	9.00	7.50
In other capacity		
- Other services	-	0.03
- Reimbursement of expenses	1.27	0.48
	22.47	**20.21**

36 EARNINGS PER SHARE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit for the year attributable to equity shareholders (A)	4,511.74	4,905.19
Weighted average number of equity shares outstanding during the year (B) (lakh)	360.24	356.29
Nominal value per share (Rs.)	2.00	2.00
Basic and diluted earnings per equity share (face value of share- Rs 2 each) (A/B) (Rs.)	12.52	13.77

37 Employee benefits

i) Defined contribution plans

The Group makes fixed contribution towards provident fund and ESI to a defined contribution retirement bene plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissione and the group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. Similarly, the contribution is made in ESI at a specified percentage of payroll cos The group recognised Rs 215.67 lakh (31 March 2018: Rs 193.06 lakh) for provident fund contributions and R 29.40 lakh (31 March 2018: Rs 36.19 lakh) for ESI contribution in the Statement of Profit and Loss and include in ”Employee benefits expenses” in note 32. The contribution payable to these plans by the group is at rate specified in the rules of the schemes.

ii) Defined benefit plans

Gratuity

Contribution to Gratuity funds- Life Insurance Corporation of India, Group Gratuity Scheme

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The gratuity plan is a funded plan and the Group makes contribution to recognised funds in India.

The unfunded gratuity obligation of directors is determined based on actuarial valuation using the Projected Unit Credit Method.

	Gratuity (unfunded)		Gratuity (funded)	
	For the year ended 31 March 2019	**For the year ended 31 March 2018**	**For the year ended 31 March 2019**	**For the y en 31 Ma 2**
Present value of obligation at the beginning of the year	53.72	14.28	505.87	419
Included in profit or loss:				
Current service cost	-	-	50.70	46
Past service cost	-	-	-	
Interest cost	4.03	1.07	36.73	30
Total amount recognised in profit or loss	4.03	1.07	87.43	76
Included in other comprehensive income:				
Remeasurement loss/(gain) arising from:				
- demographic assumptions	-	(0.09)	-	
- financial assumptions	(0.06)	-	(6.81)	
- experience adjustment	(3.00)	38.46	9.99	31
Total amount recognised in other comprehensive income	(3.06)	38.37	3.18	31
Other	-	-	(0.80)	
Less: Benefits paid	-	-	31.52	21
Present value of obligation at the end of year	**54.69**	**53.72**	**564.16**	**505**

Change in the fair value of plan assets	**Gratuity (unfunded)**		**Gratuity (funded)**	
	For the year ended 31 March 2019	**For the year ended 31 March 2018**	**For the year ended 31 March 2019**	**For the y en 31 Ma 2**
Fair value of plan asset at the beginning of the year	-	-	412.77	363
Included in profit or loss:				
Expected return on plan assets	-	-	32.90	28
Contributions paid	-	-	67.57	43
Benefits paid	-	-	31.52	21
Other	-	-	(0.80)	
Included in other comprehensive income:				
Actuarial gain	-	-	0.67	0
Fair value of plan asset at the end of the year	**-**	**-**	**480.25**	**412**

Insurance policies	100	480.25	100	412.77

Net defined benefit liability recognised in the balance sheet

	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Present value of funded obligation at the end of the year	54.69	53.72	564.16	505.87
Fair value of plan asset as at the end of the period	-	-	480.25	412.77
Net defined benefit liability	**54.69**	**53.72**	**83.91**	**93.10**

B) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Discount rate (per annum)	7.64%	7.50%	7.64%	7.50%
Salary growth rate (per annum)	7.00%	7.00%	7.00%	7.00%
Mortality rates inclusive of provision for disability	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Retirement age (years)	58	58	58	58
Withdrawal rate (%)	2% to 10%	2% to 10%	2% to 10%	2% to 10%

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

C) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding othe assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Gratuity (Funded)			
	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	518.14	617.45	464.47	553.97
Salary escalation rate (1% movement)	619.52	515.09	556.45	461.56

	Gratuity (unfunded)			
	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	54.27	55.14	53.20	54.27
Salary escalation rate (1% movement)	54.69	54.69	53.72	53.72

The sensitivity analysis above have been determined based on a method that extrapolates the impact c defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end (the reporting period. This analysis may not be representative of the actual change in the defined bene obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some (the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared t the prior period.

A decrease in discount yield will increase plan liabilities.

ii) Mortality table

The gratuity plan obligations are to provide benefits for the life of the member, so increases in expectancy will result in an increase in plan liabilities.

E) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flo Funded

	31 March 2019	31 March 2
Less than 1 year	68.11	68
Between 1-2 years	22.13	31
Between 2-5 years	107.96	80
Over 5 years	303.07	250
Total	**501.27**	**431**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 1 years (31 March 2018: 14.01 years).

Expected contribution to post-employment benefit plans in the next year is Rs 41.96 lakh (31 March 2018 46.55 lakh).

F) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flo Unfunded

	31 March 2019	31 March 2
Less than 1 year	40.35	40
Between 1-2 years	0.36	0
Between 2-5 years	19.28	19
Over 5 years	-	
Total	**59.98**	**60**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is years (31 March 2018: 1.95 years).

Expected contribution to post-employment benefit plans in the next year is Rs 27.35 lakh (31 March 2018 26.86 lakh).

iii) Other long-term employee benefit plans

The group provides for compensated absences to its employees. Since the compensated absences do no due wholly within twelve months after the end of the period in which the employees render the related se and are also not expected to be utilised wholly within twelve months after the end of such period, the bene classified as a long-term employee benefit. The group records an obligation for such compensated absenc the period in which the employee renders the services that increase this entitlement. The scheme is unfu and liability for the same is recognised on the basis of actuarial valuation. A provision of Rs. 42.10 lakh March 2018: Rs. 15.49 lakh) for the year have been made on the basis of actuarial valuation as at the year and debited to the Statement of Profit and Loss.

38 Operating segments

Segment information is presented in respect of the Group's key operating segments. The operating segments based on the Holding Company's management and internal reporting structure.

The Holding Company's Board of directors have been identified as the Chief Operating Decision Maker ('CODM they monitors the results for the purpose of making decisions about resource allocation and performance assess and responsible for all major decision w.r.t. preparation of budget, planning, expansion, alliance, joint venture, me and acquisitions, and expansion of new facility.

Accordingly, there is only one reportable segment for the Group which is “”Automotive products””, hence no spe disclosures have been made.

The group is engaged in the manufacturing and marketing of high tensile cold forged fasteners. The Grou
operates in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about geographical area

The major sales of the Group are made to customers which are domiciled in India.

C. Information about major customers

Revenues of Rs 11,325.97 lakh and Rs 8,099.86 lakh (31 March 2018: Rs 11,857.53 lakh and Rs 6,823.5 lakh) are derived from a two external customers.

39 Contingent liabilities, contingent assets and commitments

A. Capital Commitment:

Estimated amount of contracts remaining to be executed on the capital account and not provided for in th account (net of capital advances) Rs. 2,000.89 lakh (Rs. 2,059.46 lakh as at 31 March 2018).

The Holding Company in 2014-15 had paid amounts to Senior Town Planner, Faridabad Circle, Faridabad, fo the “change in land use” of part of the land situated at its Prithla unit. As per the agreed terms, there will b certain external development charges which are payable on a future date. However, the quantum of such futur liability is not quantified in the said letter.

B. Contingent liabilities and other commitments

		As at 31 March 2019	As a 31 March 201
(I)	**Guarantees excluding financial guarantees:**		
i)	Bank guarantee (net of margin of Rs. nil (Rs. 0.50 lakh as at 31 March 2018)	59.76	39.2
(II)	**Other money for which the company is contingently liable:**		
i)	**Disputed liability - Central Excise Act (refer note 'a' below)**	-	93.1
ii)	**Disputed liability - Central Excise Act (refer note 'b' below)**	227.68	
iii)	Interest on disputed liability- Central Excise Act **(refer note 'c' below)**	59.84	48.8
iv)	Letter of credit	-	723.0
v)	EPCG- duty in relation to export obligation	18,491.98	9,778.0
vi)	Demand under Income-tax Act, 1961 - Assessment year: 2013-14	0.62	0.6
vii)	Liability of sales tax due to pending C Forms	20.40	97.5

a) Excise demand amounting to Rs 39.90 lakh for the period February 2010 to March 2010 and Rs 53.2 lakh for the period November 2010 to January 2011 under Central Excise Act arised due to disput regarding assessable value with reference to MRP against which appeals were filed before the Custom Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi. These appeals were allowed b CESTAT, Chandigarh, vide final order no A/63117-63118/2018- EX(DB) dated 7 September 2018.

b) Service Tax demand amounting to Rs 46.28 lakh for the period April 2016 to June 2017 under Centr Excise Act arised due to denial of Cenvat Credit on Outward Trasportation of final product to buyer premises against which representation were filed before the Assistant Commissioner of Central Good and Service Tax , Faridabad, Haryana. These demand orders are still in the dispute till final adjudicatio

Excise demand amounting to Rs 181.40 lakh for the period April 2013 to June 2017 under Central Excis Act arised due to dispute regarding not adding the value of drawings/designs and specifications in th cost of moulds/dies against which extension letter of granting 90 days for filling reply was submitte on 6 March 2019 before the Additional/Joint Commissioner, CGST Commissionerate , Faridabad GS Bhawan. These demand orders are still in the dispute till final adjudication.

'allowance' paid by an employer to its employee will be included in the scope of 'basic wages' and he should be included in the calculations for determining provident fund contributions. The said dec has not prescribed any clarification regarding its date of application. group has obtained the legal opi in this regard. Based on the legal opinion, no additional provision for provident fund contribution l been recognised in the financial statements for the year ended 31 March 2019.

C. **Contingent assets-** Nil

40 Operating lease as lessee

The group has entered into various agreements of cancellable and non-cancellable operating lease for fa premises, nitrogen plant, transformer and offices rent amounting to Rs. 97.74 lakh (31 March 2018: Rs. 49.14 l has been debited to Statement of Profit and Loss for the year ending 31 March 2019. The future minimum l payment is as under:

Particulars	For the year ended 31 March 2019	For the year end 31 March 2(
Not later than one year	114.98	19
Later than one year and not later than five years	241.42	12
Total	**356.40**	**32**

41 Related party disclosures

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", n of the related party, related party relationship, transactions and outstanding balances including commitments w control exist and with whom transactions have taken place during the reported period are as follows:

I **Name of the related parties and description of relationship:**

Relationship	Name of related party
Subsidiary company	Haryana Ispat Private Limited (w.e.f. 15 November 2016)
Enterprise over which KMP exercise control and/or significant influence	Sterling Technologies Private Limited
	Sterling Automobiles Private Limited
	Sterling Mobikes Private Limited
	Jaycee Automobiles Private Limited
	Sterling Fincap Private Limited
	Sterling E-mobility Private Limited (w.e.f - 24th May 2018)
	Jaycee Premium Cars Private Limited
	Noble Cars Private Limited
	Fabory Netherlands
	Fabory USA Grand Rapids
	Fabory Shanghai
Key Management Personnel	Mr. Manohar Lal Aggarwal - Chairman
	Mr. Anil Aggarwal – Managing Director
	Mr. Atul Aggarwal – Whole Time Director
	Mr. Jaydeep Wadhwa (w.e.f. 07 February 2019) - Director
	Mr. Triloki Nath Kapoor- Independent director
	Ms. Malini Sud- Independent director
	Mr. Chotu Ram Sharma- Independent director
Relative of Key Managerial Personnel	Mr. Anish Aggarwal (Son of Mr. Anil Aggarwal)
Joint venture company	Sterling Fabory India Private Limited

i)	**Enterprises over which Key Management Personnel has significant influence**		
	a) Interest income		
	Sterling Fincap Private Limited	11.61	17.99
		11.61	**17.99**
	b) Expenses paid- repairs and maintenance		
	Sterling Automobiles Private Limited	3.31	4.78
	Jaycee Automobiles Private Limited	9.77	11.19
		13.09	**15.97**
	c) Expenses paid- sales promotion		
	Sterling Mobikes Private Limited	0.35	
		0.35	
	d) Rent paid		
	Sterling Technologies Private Limited	53.00	11.30
		53.00	**11.30**
	e) Purchase of asset		
	Sterling Automobiles Private Limited	49.83	
	Jaycee Automobiles Private Limited	71.07	51.40
		120.90	**51.40**
	f) Sale of asset		
	Sterling Automobiles Private Limited	8.35	
		8.35	
	g) Purchase of material		
	Sterling Mobikes Private Limited	-	1.97
		-	**1.97**
ii)	**Transaction with Key Management Personnel & their relatives**		
	Remuneration paid		
	Mr. Manohar Lal Aggarwal	152.19	132.59
	Mr. Anil Aggarwal	138.59	133.54
	Mr. Atul Aggarwal	142.89	131.30
	Mr. Anish Aggarwal	17.45	8.30
		451.12	**405.73**
	Commission paid		
	Mr. Manohar Lal Aggarwal	76.00	80.00
	Mr. Anil Aggarwal	76.00	80.00
	Mr. Atul Aggarwal	76.00	80.00
		228.00	**240.00**
	Unsecured loan		
	Mr. Anil Aggarwal	-	4.58
		-	**4.58**
	Compensation to Key management personnel *		
	- Short term employee benefits	635.13	607.23
	- Defined contribution plans	43.99	38.50
		679.12	**645.73**

*Does not include provisions/ contributions towards gratuity and compensated absences for all directors as such provisions/ contributions are for the group as a whole.

	Chotu Ram Sharma	4.00	4
		10.50	**12**

iii)	**Closing balances**		
		For the year ended 31 March 2019	**For the year en 31 March 2**
	Remuneration payable		
	Mr. Manohar Lal Aggarwal	5.02	3
	Mr. Anil Aggarwal	4.66	1
	Mr. Atul Aggarwal	4.01	0
	Mr. Anish Aggarwal	1.43	1
	Total	**15.12**	**7**
	Unsecured loan		
	Mr. Anil Aggarwal	-	4
		-	**4**
	Commission payable		
	Mr. Manohar Lal Aggarwal	48.73	51
	Mr. Anil Aggarwal	48.73	51
	Mr. Atul Aggarwal	48.73	51
	Total	**146.19**	**154**
	Outstanding payables		
	Sterling Automobiles Private Limited	0.62	0
	Jaycee Automobiles Private Limited	1.31	2
	Total	**1.93**	**2**
	Outstanding receivables		
	Sterling Fincap Private Limited	118.04	111
	Total	**118.04**	**111**

II Terms and conditions

All transactions were made on normal commercial terms and conditions.

All outstanding balances are unsecured and are repayable in cash.

42 Corporate social responsibility expenses

(a) Gross amount required to be spent by the group (i.e. 2% of average net profits u/s 198 of Companies Act, 2 of last three years): Rs. 115.09 lakh

(b) Amount spent during the year ended 31 March 2019:

S. No.	Purpose for which expenditure incurred	Amount in cash/ cheque	Remarks	Total	Outstanding amount to be sp for FY 2018-1
(i)	Construction/acquisition of any asset	-	-	-	
(ii)	On purposes other than (i) above	3.60 112.00	Payment to educational and other welfare societies Others	115.60	

S. No.	Purpose for which expenditure incurred	Amount in cash/ cheque	Remarks	Total	Outstanding amount to be spen for FY 2017-18
(i)	Construction/ acquisition of any asset	-		-	-
(ii)	On purposes other than (i) above	1.10	Children welfare related activities and societies	92.20	-
		13.39	Employment generation		
		3.60	Payment to educational and other welfare societies		
		74.11	Others		

43 Fair value measurements

I Financial instruments

(a) Financial instruments by category

Except derivative financial instruments which are measured at fair value through profit or loss, all other financi assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balance interest receivable, other receivables, trade payables, employee related liabilities and short term loans fro banks, are measured at amortised cost.

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financi instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for whic fair values are disclosed in the consolidated financial statements. To provide an indication about the reliabili of the inputs used in determining fair value, the group has classified its consolidated financial instruments in the three levels prescribed under the accounting standard. An explanation of each level follows underneath th table.

The following table shows the carrying amounts and fair values of financial assets and financials liabilitie including their levels of in the fair vale hierarchy:

Particulars	FVOCI	at FVTPL	financial assets - amortised cost	financial liabilities - amortised cost	carrying amount				
Financial assets measured at fair value									
Investments	-	4,945.77	-	-	4,945.77	4,945.77	-	-	4,9
Financial assets not measured at fair value									
Investments	401.38	-	287.59	-	688.97	-	-	688.97	6
Loans	-	-	463.61	-	463.61	-	-	463.61	4
Other financial assets	-	64.53	238.35	-	302.88	-	64.53	238.35	3
Trade receivables	-	-	4,219.34	-	4,219.34	-	-	4,219.34	4,2
Cash and cash equivalents	-	-	386.14	-	386.14	-	-	386.14	3
Other bank balance	-	-	117.46	-	117.46			117.46	1
	401.38	**5,010.30**	**5,712.49**	**-**	**11,124.17**	**4,945.77**	**64.53**	**6,113.87**	**11,1**
Financial liabilities measured at fair value									
Other forward exchange contracts	-	-	-	-	-	-	-	-	
Financial liabilities not measured at fair value									
Borrowings		-	-	9,928.68	9,928.68	-	-	9,928.68	9,9
Trade payables		-	-	3,275.84	3,275.84	-	-	3,275.84	3,2
Other financial liabilities		-	-	216.03	216.03	-	-	216.03	2
		-	**-**	**13,420.55**	**13,420.55**	**-**	**-**	**13,420.55**	**13,4**

As at 31 March 2018

Particulars	Carrying amount					Fair value			
	FVOCI	Mandatorily at FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	
Financial assets measured at fair value									
Investments	-	5,353.18	-	-	5,353.18	5,353.18	-	-	5,3
Financial assets not measured at fair value									
Investments	-	-	274.00	-	274.00	-	-	274.00	2
Loans	-	-	258.10	-	258.10	-	-	258.10	2
Other financial assets	-	-	170.32	-	170.32	-	-	170.32	1
Trade receivables	-	-	4,546.89	-	4,546.89	-	-	4,546.89	4,5
Cash and cash equivalents	-	-	101.85	-	101.85	-	-	101.85	1
Other bank balance	-	-	168.62	-	168.62	-	-	168.62	1
	-	**5,353.18**	**5,519.78**	**-**	**10,872.96**	**5,353.18**	**-**	**5,519.78**	**10,8**
Financial liabilities measured at fair value									
Other forward exchange contracts	-	36.90	-	-	36.90	-	36.90	-	
Financial liabilities not measured at fair value									
Borrowings	-	-	-	3,433.31	3,433.31	-	-	3,433.31	3,4
Trade payables	-	-	-	3,647.07	3,647.07	-	-	3,647.07	3,6
Other financial liabilities	-	-	-	144.07	144.07	-	-	144.07	1
	-	**36.90**	**-**	**7,224.45**	**7,224.45**	**-**	**36.90**	**7,224.45**	**7,2**

valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measur fair values, then the team assesses the evidence obtained from the third parties to support the conclusion tha these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which th valuations should be classified. Significant valuation issues are reported to the Holding Company's board (directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in th valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, eithe directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the years ended 31 March 2019 and 31 March 2018.

Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value
Forward exchange contracts	The fair value of forward exchange contracts is determined using forward exchange rates as at the balance sheet date.	Not applicable	Not applicable

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short term trade and other receivables, trade payables, cash and cash equivalen and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are equal to the fa values.

II. Financial risk management

The group's principal financial liabilities comprise borrowings, derivatives, trade payables and other payable The group's principal financial assets include trade & other receivables, and cash and short-term deposits th derive directly from its operations.

The group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk"

This note presents information about the group's exposure to each of the above risks, the group's objective policies and processes for measuring and managing risk.

A. Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails t meet its contractual obligations resulting in a financial loss to the group. Credit risk arises principally from trad receivables, derivative financial instruments, loans and advances, cash and cash equivalents and deposi with banks.

by the individual characteristics of each customer. However, management also considers the factors that influence the credit risk of its customer base, including the default risk of the industry and country in w customers operate. Further details of concentration of revenue are included in Note 38(C).

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the group are held with banks which have high external rating. The g considers that its cash and cash equivalents have low credit risk based on the external credit ratings o counterparties.

Loans to employees and securities deposits

The group provides loans to its employees and furnish security deposit to various parties for electr communication, etc.. The group considers that its loans have low credit risk or negligible risk of default a: parties are well established entities and have strong capacity to meet the obligations.

Investments

The Holding Company have invested in unquoted equity instruments of its subsidiary and its joint ven The management actively monitors the operation of subsidiary and joint venture which affect investments. Holding Company does not expect the counterparty to fail to meet its obligations, and has not experiencec significant impairment losses in respect of any of the investments.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposu credit risk at the reporting date was:

Particulars	31 March 2019	31 March 2
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current loans	311.99	12
Non-current Investments	688.97	27
Other non-current financial assets	0.90	(
Current Investments	4,945.77	5,35
Cash and cash equivalents	386.14	10
Other bank balances	117.46	16ε
Current loans	151.63	13
Other current financial assets	301.98	16
	6,904.84	**6,32**
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Trade receivables	4,219.34	4,54
	4,219.34	**4,54**

Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The group has assets where the counter- parties have sufficient capacity to meet the obligations and w the risk of default is very low. Hence, no impairment loss has been recognised during the reporting perio respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The group has customers with strong capacity to meet the obligations and therefore the risk of defau negligible in respect of outstanding from customers. Further, management believes that the unimpa

The ageing analysis of the trade receivables is as below:

Ageing	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	Total
Gross carrying amount as 31 March 2019	3,747.68	394.64	39.60	15.92	21.49	4,219.34
Gross carrying amount as 31 March 2018	4,413.92	86.07	31.60	5.66	9.64	4,546.89

B. Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The group believes that the working capital is sufficient to meet its capital requirements. Accordingly, no liquidity risk is perceived.

As at 31 March 2019, the group had a working capital of Rs 10,936.07 lakh including cash and cash equivalents of Rs 386.14 lakh. As at 31 March 2018, the group had a working capital of Rs 11,136.99 lakh including cash and cash equivalents of Rs 101.85 lakh

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2019	As at 31 March 2018
Non- derivative financial liabilities		
Floating-rate borrowings		
- Expiring within one year	5,770.26	5,704.48
- Expiring beyond one year	-	-

(ii) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March 2019

Contractual maturities of financial liabilities	Contractual cash flows					
	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	Total
Non-derivative financial liabilities						
Non current borrowings	400.02	433.74	463.86	562.86	6,394.18	8,254.66
Other non current financial liabilities						
- Security deposits	-	-	-	-	30.58	30.58
Current borrowings						
- Working capital loans	3,229.74	-	-	-	-	3,229.74
Trade payables	3,275.84	-	-	-	-	3,275.84
Creditors for capital expenditure	127.52	-	-	-	-	127.52
Interest accrued but not due	28.47	-	-	-	-	28.47
Unclaimed dividend	29.46	-	-	-	-	29.46
Derivative financial liabilities						
Other forward exchange contracts	-		-	-	-	-
Total	**7,091.05**	**433.74**	**463.86**	**562.86**	**6,424.76**	**14,976.27**

	90 days	days	days	days	360 days	
Non-derivative financial liabilities						
Non current borrowings	210.78	208.82	230.75	230.75	2,068.26	2,949
Other non current financial liabilities						
- Security deposits	-	-	-	-	25.79	25
Current borrowings						
- Working capital loans	858.66	-	-	-	-	858
Trade payables	3,647.07	-	-	-	-	3,647
Creditors for capital expenditure	83.51	-	-	-	-	83
Interest accrued but not due	6.25	-	-	-	-	6
Unclaimed dividend	28.52	-	-	-	-	28
Derivative financial liabilities						
Other forward exchange contracts	**19.77**	**16.12**	**1.01**	**-**	**-**	**36**
Total	**4,854.56**	**224.94**	**231.76**	**230.75**	**2,094.05**	**7,636**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates wi affect the group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of directors is responsible for setting up of policies and procedures to manage market risks of company. The group is carrying out imports of certain raw materials and capital goods and exports finish goods which are denominated in the currency other than the functional currency of the group which expo: it to foreign currency risk. In order to minimise the risk, the group executes forwards contract w.r.t purchas and sale made in currency other than functional currency, the foreign exchange exposure of the group is ascertained on the basis of the progress billings and purchase orders issued.

D. Currency risk

The group is exposed to foreign currency risk on certain transactions that are denominated in a currency c than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is tha functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial assets and financial liabilities are as below:

Particulars	**As at 31 March 2019**			
	EURO	**JPY**	**USD**	**G**
Financial assets				
Trade receivables (INR in lakh)	841.96	-	58.23	7
Derivatives assets (INR in lakh)	71.95	-	(7.42)	
Financial liabilities				
Trade payables (INR in lakh)	-	0.81	53.88	1
Derivatives liabilities (INR in lakh)	-	-	-	
Net exposure to foreign currency risk - assets / (liabilities)	**913.91**	**(0.81)**	**(3.07)**	**6**

Financial assets				
Trade receivables (INR in lakh)	765.45	-	67.75	9.48
Financial liabilities				
Trade payables (INR in lakh)	-	0.06	108.23	-
Derivatives liabilities (INR in lakh)	36.90	-	-	-
Net exposure to foreign currency risk - assets / (liabilities)	**728.55**	**(0.06)**	**(40.48)**	**9.48**

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against foreign currency at 31 March would hav increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based c foreign currency exchange rate variances that the group considered to be reasonably possible at the end (the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constan The analysis is performed on the same basis for previous year, except that the reasonably possible foreig exchange rate variances were different, as indicated below.

5% movement	**Profit and loss (before tax)**	
	Strengthening	**Weakening**
31 March 2019		
INR/EUR	45.70	(45.70)
INR/USD	(0.15)	0.15
INR/GBP	0.31	(0.31)
INR/JPY	(0.04)	0.04

5% movement	**Profit and loss (before tax)**	
	Strengthening	**Weakening**
31 March 2018		
INR/EUR	36.43	(36.43)
INR/USD	(0.20)	0.20
INR/GBP	0.47	(0.47)
INR/JPY	(0.00)	0.00

E. Interest rate risk

The group is exposed to interest rate risk arising mainly from non current and current borrowings with floatin interest rates. The group is exposed to interest rate risk because the cash flows associated with floating rat borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is a follows:

Particulars	**31 March 2019**	**31 March 2018**
Financial assets:		
Fixed rate instruments		
- Fixed deposits	88.00	120.50
Total	**88.00**	**120.50**

- Working capital facility	3,229.74	858
- Buyer's credit	-	
Total	**9,957.15**	**3,434**

Fair value sensitivity analysis for fixed-rate instruments

The group's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in ma interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) p or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in partic foreign currency rates, remain constant. The analysis is performed on the same basis for the previous ye

Particulars	Profit or loss (before tax)	
	100 bp increase	100 bp decre
31 March 2019		
Rupee term loans	(25.65)	25
Working capital facility	(12.58)	12
Cash flow sensitivity (net)	**(38.23)**	**38**

Particulars	Profit or loss (before tax)	
	100 bp increase	100 bp decre
31 March 2018		
Rupee term loans	(31.47)	31
Working capital facility	(2.35)	2
Cash flow sensitivity (net)	**(33.82)**	**33**

44 Capital management

The group's objectives when managing capital are to:
- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders benefits for other stakeholders and

- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of ca through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic international financial markets so as to maintain investors, creditors and markets' confidence and to sustain fu development of the business.

The group monitors capital, using a medium term view of three to five years, on the basis of a number of fina ratios generally used by industry. The group is not subject to externally imposed capital requirements.

The group monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of term and short term borrowings less cash and cash equivalents. Equity includes equity share capital and rese that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

Less: Cash and cash equivalents	386.14	101.85
Net debt	**9,571.01**	**3,337.71**
Total equity	**28,049.67**	**24,407.03**
Net debt to equity ratio	**0.34**	**0.14**

45 Interests in other entities

(a) Subsidiaries

Name of entity	Principal place of	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal actitvities
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	
Haryana Ispat Private Limited	India	100%	100%	-	-	Leasing of immovable property

(b) Joint venture

The group has a 50% interest in a joint venture i.e. Sterling Fabory (India) Private Limited which was incorporated in March 2010 with M/s Fabory Masters in Fasteners Group B.V., Netherlands. The Company is engaged in the business of sale of fasteners. The principal place of business of the joint venture is in India.

Name of entity	% of ownership interest	Quoted fair value*		Carrying amount		Accounting method
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	
Sterling Fabory (India) Private Limited	50%	-	-	287.59	274.00	Equity method

* Since the entity is not listed, quoted value is not available.

(i) Summarised financial information for joint venture

Summarised balance sheet

Particulars	As at 31 March 2019	As a 31 March 201
Current assets		
- Cash and cash equivalents	132.18	141.1
- Other assets	812.58	642.9
Total current assets	944.76	784.0
Total non-current assets	57.72	64.1
Current liabilities		
- Trade payables	385.28	285.0
- Other liabilities	30.09	5.9
Total current liabilities	**415.37**	**291.0**
Total non-current liabilities	**11.93**	**9.1**
Net assets	**575.18**	**548.0**

	31 March 2019	31 March 2
Revenue from operations	1,405.70	1,21
Profit before tax	30.46	5
Tax expenses	4.35	(0
Profit after tax	26.10	5
Other comprehensive income	1.07	(0
Total comprehensive income	27.18	51
Dividend received	-	

Reconciliation of carrying amounts

Particulars	For the year ended 31 March 2019	For the year en 31 March 2
Opening net assets	548.01	29
Profit for the year	26.10	5
Other comprehensive income	1.07	(0
Dividends paid	-	
Issue of equity shares	-	20
Closing net assets	**575.18**	**54**
Group's share in %	50%	5
Group's share in INR lakh	287.59	27
Carrying amount of investment in joint venture	**287.59**	**27**

46 **Note on revenue recognition**

Revenue from Contracts with Customers

Revenue from Contracts with Customers
Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framewo for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contract(s) with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

The Group has adopted the standard on 1 April 2018.

However, pursuant to change in accounting policy, revenue from operations have been disclosed net of freight charges. Such expenses were earlier grouped under 'other expenses' in accordance with the requirements of Ir AS 18 upto 31 March 2018.

Description	31 March 2019
Opening balance of contract liabilities	184.73
Amount of revenue recognised against opening contract liabilities	(158.93)
Addition in balance of contract liabilities for current year	127.23
Closing balance of contract liabilities	153.03

There has been no significant changes in contract assets/liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liabili balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligatior satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended 31 March 2019
Amounts included in contract liabilities at the beginning of the year	(158.93)
Performance obligations satisfied in previous years	-
	(158.93)

Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty (revenues. This includes disclosure of revenues by segment and type.

Revenue by segment	Fasteners
Geography wise	
Domestic	46,836.51
Export	3,672.78
	50,509.29
Customers wise	
Related party	-
Non-related party	50,509.29
	50,509.29

Revenue by time	Total
Revenue recognised at point in time	50,509.29
	50,509.29

Assets and liabilities related to contracts with customers

Description	As at 31 March 2019	
	Non-current	Current
Contract assets related to sale of goods	-	-
Contract liabilities related to sale of goods		
Advance from customers	-	122.45
Security deposit	30.58	-

Revenue from operations as per Ind AS 18	50,583
Adjustment related to Ind AS 115	
Netting off of freight charges	(73.
Revenue from operations as per Ind AS 115	50,509

Satisfaction of performance obligations

The Group's revenue is derived from the single performance obligation to transfer primarily its products under arrangem in which the transfer of control of the products and the fulfillment of the group's performance obligation occur at the s time. Revenue from the sale of goods is recognized when the group has transferred control of the goods to the buyer the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction p can be measured reliably, and it is probable that the group will collect the consideration to which it is entitled to in excha for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the ca or the buyer takes possession of the goods, depending on the delivery terms. For the group's operations, generally criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will trans the goods to its customers, this is the point in time when the group has completed its performance obligations. Reven measured at the transaction price of the consideration received or receivable, the amount the group expects to be en to.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges betv 0-30 days.

Variable considerations associated with such sales

Periodically, the Group enters into volume or other rebate programs where once a certain volume or other conditions met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Group recognizes revenue for the amounts it ultimately expects to realize from the customer. The group estimates the vari consideration for these programs using the most likely amount method or the expected value method, whichever appr best predicts the amount of the consideration based on the terms of the contract and available information and update estimates each reporting period.

47 Additional information required by Schedule III:

Name of entity	Net assets, i.e., total assets minus total liabilities		Share in profit		Share in other comprensive income (net of tax)		Share in total comprensive incon	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % consolida net asse
Holding Company								
Sterling Tools Limited	27,810.05	99.15%	4,499.64	99.73%	(0.52)	100%	4,499.13	1
Subsidiary								
Haryana Ispat Private Limited	239.62	0.85%	12.10	0.27%	-	0%	12.10	
Total	**28,049.67**	**100%**	**4,511.74**	**100%**	**(0.52)**	**100%**	**4,511.22**	**1**

the previous year presented in these financial statements.

As per our report of even date attached

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

For & on behalf of Board of Director
Sterling Tools Limite

Anamitra Das
Partner
Membership No. 062191

Anil Aggarwal
Managing Director
DIN No. 00027214

Atul Aggarwa
Directo
DIN No. 0012582

Narayan Vijay Gopal
Chief Financial Officer
PAN No. ACMPG3119Q

Vaishali Singl
Company Secretar
Membership No. A1510

Place: Faridabad
Date: 23 May, 2019

STERLING TOOLS LIMITED

Regd. Office:

Office No. 243 C-10,
Regus Elegance, 2F Elegance
Old Mathura Road,
Jasola District Centre,
New Delhi-110025

Corporate Office:

Plot No. 4, DLF Industrial Estate
Faridabad - 121 003 (Haryana)
Tel: +91-129-227 0621
Fax: +91-129-227 7359

Chennai Office:

606, 6th Floor, Challa Mall
11 & 11A Sir Thiagaraya Road
T.Nagar Chennai - 600 017
Telefax: +91-44-4212 9372

Works:

5-A DLF Industrial Estate
Faridabad - 121 003, Haryana (India)
Tel: +91-129-227 0621 to 24, 225 5551 to 53
Fax: +91-129-227 7359

49 K.M. Stone Delhi Mathura Road
Village - Prithla, Tehsil - Palwal
Distt. - Palwal, Haryana (India)
Tel: +91-1275-270 134 to 136

81, Sector - 25, Ballabhgarh
Faridabad, Haryana (India)
Telefax: +91-129-406 3462/3463

Plot No. 109 P1, 109 P2, 110
Vemagal Industrial Area
Harjenahalli Village
Kolar (District), Karnataka-563102

Website: www.stlfasteners.com