

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

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

To the Board of Directors of Sterling Tools Limited

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of Sterling Tools Limited ('the Company') for the year ended 31 March 2026, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2026.

Basis for Opinion

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



Chartered Accountants

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

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Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;



Walker Chandiook & Co LLP

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
 - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2026, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/NE


Ashish Gera

Partner

Membership No. 508685

UDIN: 26508685GOGFJM8481



Place: Faridabad

Date: 15 May 2026



STERLING TOOLS LIMITED

Regd. Office: DJ-1210, 12th Floor, DLF Tower-B, Jasola District Centre, New Delhi – 110025
Website: stlfasteners.com, E-mail: csec@stlfasteners.com, CIN: L29222DL1979PLC009668

Standalone statement of profit and loss for the quarter and financial year ended 31 March 2026

(₹ in lakhs, except per share data)

S. No.	Particulars	Three months ended 31 March 2026	Three months ended 31 December 2025	Three months ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
		(Unaudited) (Refer note 3)	(Unaudited)	(Unaudited) (Refer note 3)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	20,532.47	18,035.89	16,336.06	71,672.27	64,478.34
	(b) Other income	260.74	218.96	187.94	915.05	683.14
	Total income	20,793.21	18,254.85	16,524.00	72,587.32	65,161.48
2	Expenses					
	(a) Cost of materials consumed	7,491.02	6,951.50	6,595.37	27,022.34	25,392.54
	(b) Changes in inventories of finished goods and work-in-progress	611.39	(15.98)	(10.67)	589.62	496.90
	(c) Employee benefits expense	1,738.24	1,738.93	1,513.39	6,802.96	5,949.23
	(d) Finance costs	128.68	123.60	143.83	514.98	585.19
	(e) Depreciation and amortisation expenses	792.51	783.83	859.87	3,175.90	3,090.21
	(f) Other expenses	7,762.38	6,683.07	5,932.54	27,076.87	23,844.46
	Total expense	18,524.22	16,264.95	15,034.33	65,182.67	59,358.53
3	Profit before exceptional items and tax (1-2)	2,268.99	1,989.90	1,489.67	7,404.65	5,802.95
4	Exceptional items (refer note 6)	774.11	(774.11)	-	949.64	-
5	Profit before tax (3+4)	3,043.10	1,215.79	1,489.67	8,354.29	5,802.95
6	Tax expense					
	(a) Current tax (including earlier years)	492.69	560.34	417.51	2,114.35	1,489.07
	(b) Deferred tax	165.36	(294.93)	(54.01)	(180.27)	26.91
	Total tax expense	658.05	265.41	363.50	1,934.08	1,515.98
7	Profit for the period/year (5-6)	2,385.05	950.38	1,126.17	6,420.21	4,286.97
8	Other comprehensive income					
	(A) (i) Items that will not be reclassified to profit or loss	77.46	2.89	(419.04)	64.35	(1,183.02)
	(ii) Income-tax relating to items that will not be reclassified to profit or loss	(19.50)	(0.73)	56.17	(16.19)	231.27
	(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 income	57.96	2.16	(362.87)	48.16	(951.75)
9	Total comprehensive income for the period/year (comprising profit and other comprehensive income for the period/year) (7+8)	2,443.01	952.54	763.30	6,468.37	3,335.22
10	Paid-up equity share capital (face value of ₹ 2 each)	726.89	723.69	723.69	726.89	723.69
11	Other equity				52,123.56	45,977.87
12	Earnings per share*					
	(a) Basic	6.59	2.63	3.12	17.73	11.89
	(b) Diluted	6.54	2.61	3.10	17.57	11.81

* not annualised except for the year ended 31 March 2026 and 31 March 2025

See accompanying notes to the audited standalone financial results

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STERLING TOOLS LIMITED

Regd. Office: DJ-1210, 12th Floor, DLF Tower-B, Jasola District Centre, New Delhi – 110025
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Standalone balance sheet

(₹ in lakhs)

Particulars	As at	As at
	31 March 2026	31 March 2025
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	24,432.33	25,955.29
(b) Capital work-in-progress	290.89	375.92
(c) Other intangible assets	21.14	38.01
(d) Financial assets		
(i) Investments	9,317.07	5,573.61
(ii) Other financial assets	540.65	539.74
(e) Income-tax assets (net)	12.33	94.65
(f) Other non-current assets	481.12	285.15
Total non current assets (I)	35,095.53	32,862.37
Current assets		
(a) Inventories	11,214.93	11,883.53
(b) Financial assets		
(i) Investments	-	1,502.28
(ii) Trade receivables	7,175.64	5,772.17
(iii) Cash and cash equivalents	3,452.63	668.11
(iv) Bank balances other than (iii) above	10,453.23	8,529.70
(v) Loans	3.50	4.15
(vi) Other financial assets	96.00	119.00
(c) Other current assets	2,283.44	2,237.15
Total current assets (II)	34,679.37	30,716.09
TOTAL ASSETS (I+II)	69,774.90	63,578.46
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	726.89	723.69
(b) Other equity	52,123.56	45,977.87
Total equity (III)	52,850.45	46,701.56
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,222.87	2,220.89
(ia) Lease liabilities	14.96	33.08
(ii) Other financial liabilities	43.55	46.25
(b) Provisions	163.79	89.65
(c) Deferred tax liabilities (net)	1,130.97	1,295.04
(d) Other non-current liabilities	586.15	718.34
Total non current liabilities (IV)	3,162.29	4,403.25
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	7,829.18	7,259.39
(ia) Lease liabilities	18.12	30.76
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	2,013.05	1,126.76
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,353.49	2,134.83
(iii) Other financial liabilities	419.23	467.48
(b) Other current liabilities	867.83	1,232.82
(c) Provisions	217.37	221.61
(d) Current tax liabilities (net)	43.89	-
Total current liabilities (V)	13,762.16	12,473.65
Total liabilities (IV+V)	16,924.45	16,876.90
TOTAL EQUITY AND LIABILITIES (III+IV+V)	69,774.90	63,578.46

See accompanying notes to the standalone audited financial results

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Standalone statement of cash flows

(₹ in lakhs)

Particulars	For the year ended	For the year ended
	31 March 2026	31 March 2025
	(Audited)	(Audited)
A Cash flow from operating activities		
Profit before tax	8,354.29	5,802.95
Adjustments for:		
Depreciation and amortisation expenses	3,175.90	3,090.21
Unrealised foreign exchange (gain)	(13.07)	(1.10)
Loss on disposal of property, plant and equipment (net)	60.08	43.30
Receipt of enhanced compensation from sale of land	(327.19)	-
Finance costs	514.98	585.19
Interest income	(1,392.60)	(576.05)
Amortisation of government grant	(154.81)	(167.99)
Gain on sale of investments	(48.34)	(61.13)
Changes in fair value of financial asset at fair value through profit or loss	-	(2.28)
Liabilities no longer required, written back	(4.48)	-
Bad debts written off	-	2.35
Provision for inventory	219.27	146.52
Provision for expected credit loss	-	40.00
Operating profit before working capital changes	10,384.03	8,937.45
Net changes in working capital:		
Change in financial assets	(1,363.65)	554.83
Change in other assets	(22.54)	596.23
Change in financial liabilities	1,084.87	(2.00)
Change in inventories	449.33	986.81
Change in other liabilities	(342.36)	(460.04)
Change in provisions	134.24	(14.77)
Net cash generated from operations	10,323.92	10,598.51
Income-tax paid (net of refunds)	(1,988.14)	(1,546.64)
Net cash from operating activities (A)	8,335.78	9,051.87
B Cash flow from investing activities		
Purchase of property, plant and equipment	(1,885.93)	(3,545.69)
Proceeds from disposal of property, plant and equipment	353.71	194.55
Investment in fixed deposits	(16,001.47)	(12,323.00)
Maturity of fixed deposits	14,151.00	10,958.00
Investment in mutual funds	(12,300.00)	(11,110.00)
Redemption of mutual funds	13,850.62	9,671.13
Interest received	1,315.83	553.31
Investment in subsidiary company	(3,161.54)	(1,408.44)
Net cash used in investing activities (B)	(3,677.78)	(7,010.14)
C Cash flows from financing activities		
Repayment of non-current borrowings	(1,389.99)	(2,059.66)
Proceeds from issue of equity share capital	3.20	3.21
Dividend paid	(902.70)	(718.79)
Proceeds from/(repayment of) current borrowings (net)	973.35	554.20
Repayment of lease liabilities	(30.76)	(31.85)
Interest paid on lease liabilities	(4.32)	(5.57)
Interest paid	(522.26)	(933.98)
Net cash used in financing activities (C)	(1,873.48)	(2,142.44)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,784.52	(100.71)
Cash and cash equivalents at the beginning of the period	668.11	768.82
Cash and cash equivalents at the end of the period	3,452.63	668.11

Components of cash and cash equivalents:

Balances with scheduled banks in current accounts	950.58	666.24
Cash on hand	2.05	1.87
Balances with banks in deposit accounts with original maturity upto three months	2,500.00	-
	3,452.63	668.11

Non-cash financing and investing activities

Acquisition of right-of-use assets	-	51.36
Deemed investment in subsidiary	581.93	1,118.88

Note:

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

See accompanying notes to the audited standalone financial results

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STERLING TOOLS LIMITED

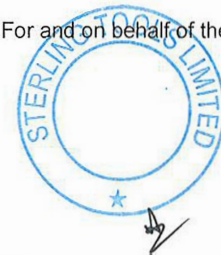
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Notes:

1. The audited standalone financial results of Sterling Tools Limited (the 'Company') for the year ended 31 March 2026 which have been extracted from the audited standalone financial statements and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 15 May 2026. The statutory auditors of the Company have expressed an unmodified audit opinion on these standalone annual financial results.
2. The above results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) specified under section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended).
3. Figures for the quarters ended 31 March 2026 and 31 March 2025 represents the balancing figures between the audited figures in respect of the full financial year and published year to date reviewed figures up to the third quarter of the years ended 31 March 2026 and 31 March 2025 respectively.
4. The Company is primarily in the business of manufacturing of fasteners (i.e. automotive components) which falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments, and accordingly there are no reportable segments.
5. The Board of Directors have considered and recommended a final dividend of ₹ 2.75 per share (face value of ₹ 2 per share) [previous year- ₹2.5 per share (face value of ₹ 2 per share)] for the financial year 2025-26 which is subject to approval of the members at the ensuing Annual General Meeting.
6. Exceptional items for the year ended 31 March 2026 represent enhanced compensation amounting to ₹ 949.64 lakhs (including interest of ₹ 622.45 lakhs) received from Delhi Metro Rail Corporation ("DMRC") against land acquired by DMRC in an earlier year.
7. On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating twenty-nine existing labour laws. The Company has assessed and disclosed the incremental impact of these changes on the basis of best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. The incremental impact on provision for gratuity of ₹ 146.78 lakhs and on provision for long-term compensated absences of ₹ 15.05 lakhs has primarily arisen due to changes in definition of wages. The Company will continue to monitor the finalization of Central and State Rules and further Government clarifications, and will record any additional accounting impact, as required.
8. The Holding Company has granted 1,60,108 options to an employee of a subsidiary company under "STL Employee Stock Option Plan 2023" which were vested on 31st January 2026 and were subsequently exercised by employee. Based on the Exercise Letter, recommendation of Nomination and Remuneration Committee, and approval by the board of directors of the Holding Company, the equity shares have been allotted.
9. Previous year figures have been regrouped/reclassified, where necessary, to conform to the current period's classification. The impact of such reclassification/regrouping is not material to the standalone annual financial results.

SIGNED FOR
IDENTIFICATION
PURPOSES

For and on behalf of the Board of Directors



Atul Aggarwal
Managing Director
DIN: 00125825

Place: Faridabad
Date: 15 May 2026

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

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BPTP Capital City,
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To the Board of Directors of Sterling Tools Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Sterling Tools Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2026, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2026.

Basis for Opinion

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

Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Gurgaon, Guwahati, Hyderabad, Indore, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



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Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement has been prepared on the basis of the consolidated annual financial statements and has been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit and other comprehensive income, and other financial information of the Group in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



Walker Chandiook & Co LLP

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

- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

12. We did not audit the annual financial statements of five subsidiaries included in the Statement whose financial information reflects total assets of ₹ 22,028.92 lakhs as at 31 March 2026, total revenues of ₹ 11,118.15 lakhs, total net loss after tax of ₹ 3,147.43 lakhs total comprehensive loss of ₹ 3,124.31 lakhs, and net cash outflows of ₹ 309.77 lakhs for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 11 above.

Further, of these subsidiaries, one subsidiary is located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in its respective country, and which has been audited by other auditor under Singapore Standards on Auditing applicable in its respective country. The Holding Company's management has converted the financial statements of such subsidiary from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary located outside India, is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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



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

13. The Statement includes the consolidated financial results for the quarter ended 31 March 2026, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Ashish Gera

Partner

Membership No. 508685

UDIN: 26508685SHVIMF8526



Place: Faridabad

Date: 15 May 2026

Walker ChandioK &Co LLP

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

Annexure 1

List of entities included in the Statement

Holding Company:

- a) Sterling Tools Limited

Subsidiaries:

- a) Sterling E-Mobility Solutions Limited (formerly known as Sterling Gtake E-Mobility Limited),
- b) Sterling Advanced Electric Machines Private Limited,
- c) Sterling E-Mobility Private Limited (with effect from 28 June 2024),
- d) Sterling Tech-Mobility Limited (with effect from 28 June 2024), and
- e) Sterling Overseas Pte. Limited (with effect from 23 September 2024)





STERLING TOOLS LIMITED

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

Consolidated statement of profit and loss for the quarter and financial year ended 31 March 2026

(₹ in lakhs, except per share data)

S. No.	Particulars	Three months ended 31 March 2026	Three months ended 31 December 2025	Three months ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
		(Unaudited) (Refer note 3)	(Unaudited)	(Unaudited) (Refer note 3)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	22,197.36	20,584.57	19,976.15	82,780.78	1,02,629.95
	(b) Other income	295.10	287.06	593.33	1,169.73	1,165.40
	Total income	22,492.46	20,871.63	20,569.48	83,950.51	1,03,795.35
2	Expenses					
	(a) Cost of materials consumed	8,654.29	9,237.91	9,658.92	32,858.52	51,495.92
	(b) Purchase of stock-in-trade	24.13	68.29	-	92.42	-
	(c) Changes in inventories of finished goods and work-in-progress	343.46	(925.69)	(633.57)	725.96	(305.33)
	(d) Employee benefits expense	2,410.61	2,532.05	2,241.40	9,799.42	9,179.24
	(e) Finance costs	238.75	239.37	255.61	981.71	976.99
	(f) Depreciation and amortisation expenses	1,012.21	999.10	1,001.44	3,988.87	3,481.79
	(g) Other expenses	9,968.46	7,416.15	6,856.55	31,688.25	31,303.22
	Total expenses	22,651.91	19,567.18	19,380.35	80,135.15	96,131.83
3	Profit/(Loss) before exceptional items and tax (1-2)	(159.45)	1,304.45	1,189.13	3,815.36	7,663.52
4	Exceptional items (refer note 6)	857.40	(857.40)	-	949.64	-
5	Profit before tax (3+4)	697.95	447.05	1,189.13	4,765.00	7,663.52
6	Tax expense					
	(a) Current tax (including earlier years)	486.44	551.28	389.03	2,108.10	1,956.29
	(b) Deferred tax	52.48	(260.59)	(81.07)	(275.94)	(122.08)
	Total tax expense	538.92	290.69	307.96	1,832.16	1,834.21
7	Profit for the period/year (5-6)	159.03	156.36	881.17	2,932.84	5,829.31
8	Other comprehensive income					
	(A) (i) Items that will not be reclassified to profit or loss	78.57	29.65	(418.73)	91.74	(1,183.97)
	(ii) Income-tax relating to items that will not be reclassified to profit or loss	(19.69)	(5.32)	56.12	(20.90)	231.43
	(B) (i) Items that will be reclassified to profit or loss	1.10	0.39	(0)	0.42	(0.19)
	(ii) Income-tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Other comprehensive income	59.98	24.72	(362.69)	71.26	(952.73)
9	Total comprehensive income for the period/year (comprising profit and other comprehensive income for the period/year) (7+8)	219.01	181.08	518.48	3,004.10	4,876.58
10	Profit for the period attributable to					
	(a) Owners of the Holding Company	159.03	156.36	881.17	2,932.84	5,829.31
	(b) Non controlling interests	-	-	-	-	-
11	Other comprehensive income/(loss) attributable to					
	(a) Owners of the Holding Company	59.98	24.72	(362.69)	71.26	(952.73)
	(b) Non controlling interests	-	-	-	-	-
12	Total comprehensive income/(loss) attributable to					
	(a) Owners of the Holding Company	219.01	181.08	518.48	3,004.10	4,876.58
	(b) Non controlling interests	-	-	-	-	-
13	Paid-up equity share capital (face value of ₹ 2 each)	726.89	723.69	723.69	726.89	723.69
14	Other equity				51,898.17	49,243.75
15	Earnings per share*					
	(a) Basic	0.44	0.43	2.44	8.10	16.17
	(b) Diluted	0.44	0.43	2.42	8.02	16.05

* not annualised except for the year ended 31 March 2026 and 31 March 2025

See accompanying notes to the audited consolidated financial results

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Consolidated balance sheet

(₹ in lakhs)

Particulars	As at	As at
	31 March 2026	31 March 2025
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	31,526.23	31,711.23
(b) Capital work-in-progress	2,213.64	724.02
(c) Other intangible assets	162.28	194.38
(d) Intangible assets under development	944.22	578.73
(e) Financial assets		
(i) Investments	-	-
(ii) Other financial assets	653.06	654.99
(f) Deferred-tax assets (net)	511.46	420.51
(g) Income-tax assets (net)	51.89	149.41
(h) Other non-current assets	773.77	1,097.26
Total non current assets (I)	36,836.55	35,530.53
Current assets		
(a) Inventories	15,904.00	17,405.79
(b) Financial assets		
(i) Investments	-	1,502.28
(ii) Trade receivables	9,946.31	6,544.76
(iii) Cash and cash equivalents	4,841.36	2,366.35
(iv) Bank balances other than (iii) above	11,025.97	12,427.23
(v) Loans	6.15	11.78
(vi) Other financial assets	70.33	51.40
(c) Other current assets	3,480.78	3,228.35
Total current assets (II)	45,274.90	43,537.94
TOTAL ASSETS (I+II)	82,111.45	79,068.47
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	726.89	723.69
(b) Other equity	51,898.17	49,243.75
Total equity (III)	52,625.06	49,967.44
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,028.37	3,468.03
(ia) Lease liabilities	1,294.21	1,565.14
(ii) Other financial liabilities	43.55	46.25
(b) Provisions	1,442.63	1,654.37
(c) Deferred tax liabilities (net)	1,131.00	1,295.07
(d) Other non-current liabilities	586.15	718.34
Total non current liabilities (IV)	6,525.91	8,747.20
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	11,095.25	10,276.63
(ia) Lease liabilities	252.27	197.61
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	2,099.37	1,217.47
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,312.12	5,013.34
(iii) Other financial liabilities	2,200.57	678.43
(b) Other current liabilities	1,129.94	1,990.72
(c) Provisions	827.07	979.63
(d) Current tax liabilities (net)	43.89	-
Total current liabilities (V)	22,960.48	20,353.83
Total liabilities (IV+V)	29,486.39	29,101.03
TOTAL EQUITY AND LIABILITIES (III+IV+V)	82,111.45	79,068.47

See accompanying notes to the consolidated annual financial results

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Consolidated statement of cash flows

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2026	31 March 2025
	(Audited)	(Audited)
A Cash flow from operating activities		
Net profit before tax	4,765.00	7,663.52
Adjustments for:		
Depreciation and amortisation expenses	3,988.87	3,481.79
Unrealised foreign exchange loss (net)	125.84	17.81
Loss on disposal of property, plant and equipment (net)	59.39	41.22
Receipt of enhanced compensation from sale of land	(327.19)	-
Finance costs	981.71	976.99
Gain on termination of lease liability	-	(0.31)
Interest income	(1,647.54)	(712.87)
Amortisation of government grant	(154.81)	(167.99)
Gain on sale of investments	(48.34)	(61.13)
Changes in fair value of financial asset at fair value through profit or loss	-	(2.28)
Liabilities no longer required, written back	(4.48)	(2.11)
Bad debts recovered	(11.10)	-
Unwinding of discount on deposits	(5.95)	(0.73)
Bad debts written off	-	2.35
Provision for warranty	557.81	2,275.08
Provision for inventory (net of reversal)	(878.54)	2,555.32
Inventory written off	-	35.79
Employee share based payments	581.93	1,118.88
Provision for doubtful advances	20.91	-
Provision for expected credit loss	1,505.81	114.91
Operating profit before working capital changes	9,509.32	17,336.24
Net changes in working capital:		
Change in financial assets	(5,020.89)	2,231.15
Change in other assets	(154.37)	(180.47)
Change in financial liabilities	2,516.24	(1,223.10)
Change in inventories	2,380.33	(2,086.63)
Change in other liabilities	(838.16)	(75.38)
Change in provisions	(830.37)	(1,616.45)
Net cash generated from operations	7,562.10	14,385.36
Income-tax paid (net of refunds)	(1,966.68)	(2,035.56)
Net cash from operating activities (A)	5,595.42	12,349.81
B Cash flow from investing activities		
Purchase of property, plant and equipment	(5,462.99)	(7,576.20)
Proceeds from disposal of property, plant and equipment	357.76	222.43
Investment in fixed deposits	(21,321.06)	(15,291.51)
Maturity of fixed deposits	22,780.00	10,958.00
Investment in mutual funds	(12,300.00)	(11,110.00)
Redemption of mutual funds	13,850.62	9,671.13
Interest received	1,602.14	653.59
Net cash used in investing activities (B)	(493.53)	(12,472.56)
C Cash flows from financing activities		
Proceeds from non-current borrowings	-	2,383.27
Repayment of non-current borrowings	(1,849.32)	(2,354.47)
Proceeds from issue of equity share capital	3.20	3.21
Dividend paid	(902.70)	(718.79)
Proceeds from/(repayment of) current borrowings (net)	1,227.12	2,112.11
Repayment of lease liabilities	(123.89)	(70.00)
Interest paid on lease liabilities	(144.41)	(103.67)
Interest paid	(837.30)	(1,222.94)
Net cash (used in)/from financing activities (C)	(2,627.30)	28.72
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,474.59	(94.04)
Cash and cash equivalents at the beginning of the year	2,366.35	2,460.58
Exchange fluctuation translation difference	0.42	(0.19)
Cash and cash equivalents at the end of the year	4,841.36	2,366.35

Components of cash and cash equivalents:

Balances with scheduled banks in current accounts	1,092.24	753.53
Cash on hand	2.36	2.67
Balances with banks in deposit accounts with original maturity upto three months	3,746.76	1,610.15
	4,841.36	2,366.35

Non-cash financing and investing activities

Acquisition of right-of-use assets	-	1,743.40
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Note:

- The above consolidated statement of cash flow has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.
See accompanying notes to the audited consolidated financial results

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Notes:

1. The consolidated annual financial results of Sterling Tools Limited ('the Company') and its subsidiaries (collectively 'the Group') for the year ended 31 March 2026 have been extracted from the audited consolidated financial statements and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 15 May 2026. The statutory auditors of the Group have expressed an unmodified audit opinion on these consolidated annual financial results.
2. The above results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) specified under section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended).
3. Figures for the quarters ended 31 March 2026 and 31 March 2025 represents the balancing figures between the audited figures in respect of the full financial year and published year to date reviewed figures upto the third quarter of the years ended 31 March 2026 and 31 March 2025 respectively.
4. The Group is primarily in the business of manufacturing of automotive components which falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments and hence no additional disclosures have been furnished.
5. The Board of Directors of the Company have considered and recommended a final dividend of ₹ 2.75 per share (face value of ₹ 2 per share) [previous year- ₹ 2.5 per share (face value of ₹ 2 per share)] for the financial year 2025-26 which is subject to approval of the members at the ensuing Annual General Meeting.
6. Exceptional items for the year ended 31 March 2026 represent enhanced compensation amounting to ₹ 949.64 lakhs (including interest of ₹ 622.45 lakhs) received from Delhi Metro Rail Corporation ("DMRC") against land acquired by DMRC in an earlier year.
7. On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating twenty-nine existing labour laws. The Group has assessed and disclosed the incremental impact of these changes on the basis of best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. The incremental impact on provision for gratuity of ₹ 160.55 lakhs and on provision for long-term compensated absences of ₹ 27.44 lakhs has primarily arisen due to changes in definition of wages. The Group will continue to monitor the finalization of Central and State Rules and further Government clarifications, and will record any additional accounting impact, as required.
8. Consolidated revenues and profit before tax declined as compared to the previous year, primarily due to a shift in the customer mix of a subsidiary company. However, such variations are expected to be temporary within the context of an overall growing market. Further a provision for expected credit loss has been recognised in accordance with Ind-AS 109 for a customer, the subsidiary company has taken legal recourse and the matter is pending at National Company Law Tribunal (NCLT)
9. The Holding Company has granted 1,60,108 options to an employee of a subsidiary company under "STL Employee Stock Option Plan 2023" which were vested on 31st January 2026 and were subsequently exercised by employee. Based on the Exercise Letter, recommendation of Nomination and Remuneration Committee, and approval by the board of directors of the Holding Company, the equity shares have been allotted.
10. Previous year figures have been regrouped/reclassified, where necessary, to conform to the current period's classification. The impact of such reclassification/regrouping is not material to the consolidated annual financial results.

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Place: Faridabad
Date: 15 May 2026

For and on behalf of the Board of Directors



Atul Aggarwal
Managing Director
DIN: 00125825