

# Walker Chandiook & Co LLP

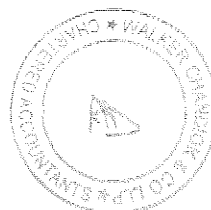
Walker Chandiook & Co LLP  
(Formerly Walker, Chandiook & Co)  
21st Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurgaon 122002  
India

T +91 124 462 8000  
F +91 124 462 8001

## Independent Auditor's Review Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### To the Board of Directors of Sterling Tools Limited

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of Sterling Tools Limited (the "Company") for the quarter ended 31 December 2017 and the year to date results for the period 1 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



4. The financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 included in this Statement, are based on previously issued financial results prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies reviewed by S. R. Dinodia & Co LLP who issued an unmodified review report dated 11 February 2017 on such financial results in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been reviewed by us. Our review report is not modified in respect of this matter.

*Walker Chandiook & Co LLP*

**For Walker Chandiook & Co LLP**

Chartered Accountants

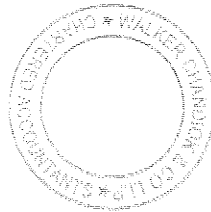
Firm Registration No: 001076N/N500013

*Anamitra Das*

per **Anamitra Das**

Partner

Membership No. 062191



**Place:** Faridabad

**Date:** 13 February 2018



# STERLING TOOLS LIMITED

Regd. Office: K-40, CONNAUGHT CIRCUS, NEW DELHI-110001

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

## Statement of unaudited financial results for the quarter and nine months ended 31 December 2017

(₹ in lakhs except per share data)

S. No.	Particulars	Quarter ended			Nine months ended	
		31 December 2017 (Unaudited)	30 September 2017 (Unaudited)	31 December 2016 (Unaudited)	31 December 2017 (Unaudited)	31 December 2016 (Unaudited)
1	<b>Income</b>					
	(a) Revenue from operations	10,884.12	11,495.85	9,188.31	33,329.86	30,468.87
	(b) Other income	231.98	143.41	71.57	407.82	146.90
	<b>Total income</b>	<b>11,116.10</b>	<b>11,639.26</b>	<b>9,259.88</b>	<b>33,737.68</b>	<b>30,615.77</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	4,457.47	4,412.23	2,946.16	12,365.86	10,275.85
	(b) Changes in inventories of finished goods and work-in-progress	(712.85)	(284.77)	(152.31)	(680.10)	(729.84)
	(c) Excise duty	-	-	989.68	1,158.34	3,291.20
	(d) Employee benefits expense	848.66	802.15	781.06	2,528.61	2,336.00
	(e) Finance costs	85.12	92.59	130.27	282.12	420.92
	(f) Depreciation and amortisation expense	468.33	434.88	441.32	1,334.07	1,223.55
	(g) Power and fuel	918.57	887.22	590.40	2,562.51	2,118.39
	(h) Other expenses	3,067.67	2,988.85	1,742.18	8,390.71	6,981.39
	<b>Total expenses</b>	<b>9,132.97</b>	<b>9,333.15</b>	<b>7,468.76</b>	<b>27,942.12</b>	<b>25,917.46</b>
3	<b>Profit before tax (1-2)</b>	<b>1,983.13</b>	<b>2,306.12</b>	<b>1,791.11</b>	<b>5,795.56</b>	<b>4,698.31</b>
4	<b>Tax expense</b>					
	(a) Current tax	717.12	856.21	516.00	2,123.20	1,502.27
	(b) Deferred tax	9.35	(19.71)	17.49	(13.26)	73.82
	<b>Total tax expenses</b>	<b>726.47</b>	<b>836.50</b>	<b>533.49</b>	<b>2,109.94</b>	<b>1,576.09</b>
5	<b>Profit for the period (3-4)</b>	<b>1,256.66</b>	<b>1,469.62</b>	<b>1,257.62</b>	<b>3,685.62</b>	<b>3,122.22</b>
6	<b>Other comprehensive income</b>					
	(A) (i) Items that will not be reclassified to the statement of profit and loss	(3.59)	(3.60)	(3.60)	(10.78)	(10.78)
	(ii) Income tax relating to items that will not be reclassified to the statement of profit and loss	1.24	1.25	1.24	3.73	3.73
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	<b>Total other comprehensive income</b>	<b>(2.35)</b>	<b>(2.35)</b>	<b>(2.36)</b>	<b>(7.05)</b>	<b>(7.05)</b>
7	<b>Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (5+6)</b>	<b>1,254.31</b>	<b>1,467.26</b>	<b>1,255.26</b>	<b>3,678.57</b>	<b>3,115.17</b>
8	<b>Paid-up equity share capital (face value of ₹ 2 each)</b>	<b>720.48</b>	<b>720.48</b>	<b>684.46</b>	<b>720.48</b>	<b>684.46</b>
9	<b>Earnings per share*</b>					
	(a) Basic	3.65	4.27	3.65	10.71	9.12
	(b) Diluted	3.65	4.27	3.65	10.71	9.12

\* not annualised

### Notes:

- Results for the quarter and nine months ended 31 December 2017 have been prepared in compliance with the recognition and measurement principles of the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. Consequently, results for the quarter and nine months ended 31 December 2016 have been restated to comply with Ind AS to make them comparable.
- The Audit Committee has reviewed these results and the Board of Directors have approved the above results and its release at their respective meetings held on 13 February 2018. The statutory auditors of the Company have also carried out the limited review of the above results.
- The Company's business falls within a single business segment in terms of the Indian Accounting Standard 108 'Operating Segments' and hence no additional disclosures are required in this regard.
- Reconciliation between financial results as previously reported under Indian GAAP and Ind AS for the quarter and nine months ended 31 December 2016:

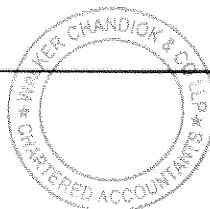
₹ in lakhs

Particulars	Quarter ended	Nine months ended
	31 December 2016	31 December 2016
<b>Net profit after tax as per previous Indian GAAP</b>	<b>1,258.90</b>	<b>3,101.46</b>
Impact of fair valuation of derivative contracts	(2.92)	28.86
Impact on actuarial loss on defined benefit plans	3.59	10.77
Others	(2.63)	(7.88)
Impact of deferred tax on account of the above adjustments	0.68	(10.99)
<b>Net profit after tax as per Ind AS</b>	<b>1,257.62</b>	<b>3,122.22</b>

- The Government of India introduced the Goods and Services tax (GST) with effect from 1 July 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and therefore the same does not result in an increase in equity. Consequently, revenue for the quarter ended 31 December 2017 and 30 September 2017 are presented net of GST. Accordingly, the revenue from operations for the quarter and nine months ended 31 December 2017 are not comparable with the corresponding previous periods presented in the financial results which are reported inclusive of excise duty.

For and on behalf of the Board of Directors

Place: Faridabad  
Date: 13 February 2018



*Anil Aggarwal*  
Anil Aggarwal  
Managing Director