

STERLING TOOLS LIMITED

CIN : L29222DL1979PLC009668

WORKS : 5-A DLF Industrial Estate
Faridabad - 121 003 Haryana India
Tel : 91-129-227 0621 to 25/225 5551 to 53
Fax : 91-129-227 7359
E-mail : sterling@stlfasteners.com
website : stlfasteners.com

**By NEAPS**

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051
Security Code No.: STERTOOLS

By Listing Centre

General Manager
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, P. J. Towers
Dalal Street, Fort, Mumbai – 400001
Security Code No.: 530759

Date: 26th June, 2020
Ref.: STL/SD/2020-2021

Sub: Outcome of Meeting of the Board of Directors under Regulation 30 and Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dear Sir,

Pursuant to the provisions of Regulation 30 and Regulation 33 and other applicable regulations of the Listing Regulations, this is to inform you that Board of Directors in its meeting held on Friday, 26th June, 2020 concluded at 2:30 P.M. has taken the following decisions:

- i) Based on the recommendations of Audit Committee, approved the Standalone & Consolidated Audited Financial Results of the Company for the Quarter / Year Ended 31st March, 2020. The Audited Financial Statements of Haryana Ispat Private Limited, the wholly owned subsidiary Company, Sterling Gtake E-Mobility Limited, the subsidiary Company and Sterling Fabory India Private Limited, the Joint Venture Company have been reviewed and then consolidated with the Financial Statements of Sterling Tools Limited which, then subjected to limited review by the Statutory Auditors of the Company. The duly approved Standalone as well as Consolidated Financial Statements of the Company for the Quarter / Year Ended 31st March, 2020 along with Limited Review Report is enclosed.
- ii) We hereby confirm and declare that the Audit Reports (Standalone & Consolidated) on the Audited Financial Results for the Financial Year Ended 31st March, 2020 contains **UNMODIFIED** opinion only.
- iii) The above Financial Results for the Financial Year Ended 31st March, 2020 will be available on Company website i.e. www.stlfasteners.com.
- iv) The Board of Directors has approved the Business Responsibility Policy of the Company. The same will be available on Company Website i.e. www.stlfasteners.com.

Sincerely
For **Sterling Tools Limited**


Vaishali Singh
Company Secretary & Compliance Officer

Encl.: As above.

Walker Chandiook & Co LLP
L 41, Connaught Circus,
Outer Circle,
New Delhi – 110 001
India
T +91 11 45002219
F +91 11 42787071

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 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations') including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

Basis for Opinion

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



Walker Chandiook & Co LLP

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

Emphasis of Matter

4. We draw attention to note 8 to the Statement which describes the uncertainties due to the outbreak of COVID - 19 pandemic and management's evaluation of its impact on the Company's operations and on the financial results of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. 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.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. 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.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Walker Chandiook & Co LLP

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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

12. The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

**RAJNI
MUNDRA**

Digitally signed by RAJNI MUNDRA
DN: cn=IN, o=IPersonal, postalCode=201301,
st=Haryana, serialNumber=732996c3611b890f8a0c0e9
c1fb07895db70b6e0007099d725bd791a50f7
c1 cn=RAJNI MUNDRA
Date: 2020.06.26 14:15:24 +05'30'

Rajni Mundra
Partner
Membership No. 058644



UDIN: 20058644AAAAAZ1894

Place: New Delhi
Date: 26 June 2020



STERLING TOOLS LIMITED

Regd. Office: Office No 515, DLF Toiwer A, Jasola, NEW DELHI-110025
 Website: stlfasteners.com, E-mail: sterling@stlfasteners.com, CIN: L29222DL1979PLC009668

Part I

Statement of standalone audited financial results for the quarter and financial year ended 31 March 2020

(₹ in lakhs, except per share data)

S. No.	Particulars	Three months ended 31 March 2020	Preceding three months ended 31 December 2019	Corresponding three months ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
		(Audited) (Refer note 4)	(Unaudited)	(Audited) (Refer note 4)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	8,582.87	8,486.38	11,829.79	36,424.15	51,220.35
	(b) Other income	126.57	144.27	171.88	609.13	636.29
	Total income	8,709.44	8,630.65	12,001.67	37,033.28	51,856.64
2	Expenses					
	(a) Cost of materials consumed	2,853.76	3,036.39	4,762.29	12,334.97	22,565.56
	(b) Changes in inventories of finished goods and work-in-progress	381.04	128.69	162.21	1,403.40	(1,880.70)
	(c) Employee benefits expense	800.25	951.91	914.35	3,627.54	3,583.11
	(d) Finance costs	179.13	179.13	159.62	626.34	366.38
	(e) Depreciation and amortisation expenses	655.56	647.83	504.19	2,421.84	1,905.02
	(f) Consumption of stores and spares	777.87	614.53	998.70	2,823.92	4,307.85
	(g) Power and fuel	693.84	682.49	835.80	2,818.81	3,792.98
	(h) Other expenses	1,646.95	1,678.74	2,538.78	7,277.95	10,257.58
	Total expenses	7,988.40	7,919.71	10,875.94	33,334.77	44,897.78
3	Profit before exceptional items and tax (1-2)	721.04	710.94	1,125.73	3,698.51	6,958.86
4	Exceptional items	328.25	-	-	328.25	-
5	Profit before tax (3-4)	392.79	710.94	1,125.73	3,370.26	6,958.86
6	Tax expense					
	(a) Current tax	106.90	157.99	333.61	593.95	2,356.10
	(b) Deferred tax	(531.77)	60.89	56.81	(128.60)	116.70
	Total tax expenses	(424.87)	218.88	390.42	465.35	2,472.80
7	Profit for the period (5-6)	817.66	492.06	735.31	2,904.91	4,486.06
8	Other comprehensive income					
	(A) (i) Items that will not be reclassified to the statement of profit and loss	553.25	(0.20)	52.10	552.66	(0.79)
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	(139.30)	0.07	(18.21)	(139.09)	0.28
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	(ii) Income-tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	Total other comprehensive income	413.95	(0.13)	33.89	413.57	(0.51)
9	Total comprehensive income for the period (comprising profit and other comprehensive income for the period (7+8))	1,231.61	491.93	769.20	3,318.48	4,485.55
10	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48
11	Other equity				30,149.95	27,700.05
12	Earnings per share*					
	(a) Basic	2.27	1.37	2.04	8.06	12.45
	(b) Diluted	2.27	1.37	2.04	8.06	12.45

* not annualised except for the year ended 31 March 2020 and 31 March 2019
 See accompanying notes to the financial results



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STERLING TOOLS LIMITED

Regd. Office: Office No. 515, DLF Tower-A, Jasola, New Delhi-110025
 Website: stlfasteners.com, E-mail: csec@stlfasteners.com, CIN: L29222DL1979PLC009668

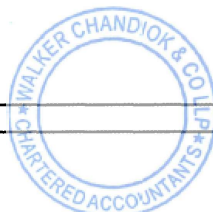
Part II

Statement of standalone assets and liabilities

(₹ in lakhs)

Particulars	As at	As at
	31 March 2020	31 March 2019
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	25,167.97	18,152.64
(b) Capital work-in-progress	63.62	4,680.96
(c) Right of use assets	131.17	-
(d) Other intangible assets	37.36	18.41
(e) Financial assets		
(i) Investments	2,798.88	2,288.13
(ii) Loans	422.72	311.99
(f) Other non-current assets	1,186.12	1,208.61
Total non current assets	29,807.84	26,660.74
Current assets		
(a) Inventories	5,943.90	8,248.76
(b) Financial assets		
(i) Investments	564.07	4,945.77
(ii) Trade receivables	2,806.56	4,137.67
(iii) Cash and cash equivalents	1,049.27	358.83
(iv) Bank balances other than (iii) above	27.73	29.46
(v) Loans	37.83	33.59
(vi) Other financial assets	2,575.31	378.03
(c) Other current assets	1,731.35	1,377.88
Total current assets	14,736.02	19,509.99
TOTAL ASSETS	44,543.86	46,170.73
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	30,149.95	27,700.05
Total equity	30,870.43	28,420.53
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,806.72	5,394.55
(ii) Lease liabilities	46.06	-
(iii) Other financial liabilities (other than those specified in item (b))	26.39	30.58
(b) Provisions	153.19	137.04
(c) Deferred tax liabilities (net)	1,649.00	1,638.51
(d) Other non-current liabilities	1,534.01	1,738.12
Total non current liabilities	8,215.37	8,938.80
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	575.72	3,229.74
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	175.07	54.91
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,989.42	3,220.57
(iii) Lease liabilities	89.62	-
(iv) Other financial liabilities (other than those specified in item (c))	2,233.15	1,489.84
(b) Other current liabilities	268.11	606.96
(c) Provisions	71.19	125.10
(d) Current tax liabilities (net)	55.78	84.28
Total current liabilities	5,458.06	8,811.40
TOTAL EQUITY AND LIABILITIES	44,543.86	46,170.73

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See accompanying notes to the financial results

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STERLING TOOLS LIMITED

Regd. Office: Office No. 515, DLF Tower-A, Jasola, New Delhi-110025
 Website: stlfasteners.com, E-mail: csec@stlfasteners.com, CIN: L29222DL1979PLC009668

Part III

Standalone cash flow statement

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
	(Audited)	(Audited)
A Cash flow from operating activities		
Net profit before tax	3,370.26	6,958.86
Adjustments for:		
Depreciation and amortisation expenses	2,421.84	1,905.02
Unrealised foreign exchange gain	(6.17)	(18.07)
Interest on delayed payment of advance tax	4.87	0.54
(Profit)/loss on disposal of property, plant and equipment (net)	(4.09)	16.05
Remeasurement of defined benefit plans	13.66	(0.51)
Finance costs	601.32	342.30
Interest on lease liabilities	12.99	-
Interest income	(22.34)	(10.13)
Amortisation of grant income	(207.60)	(158.66)
Gain on sale of mutual fund	(70.76)	(10.92)
Dividend income on mutual fund	(125.22)	(107.12)
Gain on fair value of mutual fund	(9.67)	(152.26)
Liabilities no longer required written back	(45.20)	(1.30)
Loss/(gain) on foreign exchange fluctuation	70.37	(101.43)
Bad debts written off	1.37	-
Bad debts recovered	-	(1.70)
Provision for diminution in the value of investments	328.25	-
Provision for expected credit loss	-	9.53
Operating profit before working capital changes	6,333.88	8,670.20
(Increase)/decrease in financial assets	(987.70)	136.38
(Increase)/decrease in other assets	(353.93)	28.84
(Decrease) in financial liabilities	(1,115.15)	(402.95)
Decrease/(increase) in inventories	2,304.86	(2,794.33)
(Decrease)/increase in other liabilities	(335.36)	877.39
(Decrease)/increase in provisions	(37.76)	8.13
Net cash generated from operations	5,808.84	5,523.66
Income-tax paid (net)	(627.32)	(2,285.49)
Net cash from operating activities (A)	5,181.52	4,238.17
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work- in progress and payment for capital advances)	(4,596.90)	(9,509.10)
Proceeds from disposal of property, plant and equipment	43.35	37.97
Maturity of fixed deposit	-	0.50
Gain on sale of mutual fund	70.76	10.92
Redemption of/(investment in) mutual fund	4,516.59	666.79
Interest received	14.34	6.15
Investment in equity shares	(300.00)	(401.38)
Net cash used in investing activities (B)	(251.86)	(9,188.15)
C Cash flows from financing activities		
Proceeds from non-current borrowings	1,400.00	5,050.00
Repayment of non-current borrowings	(1,308.98)	(924.18)
Interim dividend paid including dividend distribution tax	(868.58)	(868.58)
Repayment of current borrowings (net)	(2,654.02)	2,371.07
Repayment of lease liabilities	(86.61)	-
Interest paid	(721.03)	(420.34)
Net cash (used in)/from financing activities (C)	(4,239.22)	5,207.97
Net increase in cash and cash equivalents (A+B+C)	690.44	257.99
Cash and cash equivalents at the beginning of the year	358.83	100.84
Cash and cash equivalents at the end of the year	1,049.27	358.83



Components of cash and cash equivalents:

Balances with scheduled banks in current accounts	93.91	354.42
Cash on hand	5.36	4.41
Balances with banks in deposit accounts with original maturity upto three months	950.00	-
	1,049.27	358.83

Note:

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

See accompanying notes to the financial results

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STERLING TOOLS LIMITED

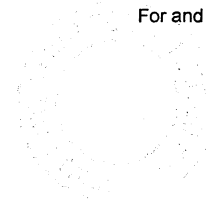
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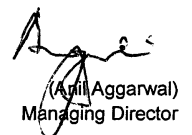
Website: stlfasteners.com, E-mail:csec@stlfasteners.com, CIN: L29222DL1979PLC009668

Notes:

1. The standalone financial results of Sterling Tools Limited (the 'Company') for the quarter and year ended 31 March 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26 June 2020. The statutory auditors of the Company have expressed an unmodified audit opinion on these 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.
3. The Company has adopted Indian Accounting Standard 116 - Leases with effect from 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit for the quarter and year ended 31 March 2020.
4. Figures for the quarters ended 31 March 2020 and 31 March 2019 represents the balancing figures between the audited figures for the full financial year and published year to date figures upto the third quarter of the years ended 31 March 2020 and 31 March 2019 respectively.
5. The Company's business falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments.
6. For the current year, the Company has elected not to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company continues to recognise the provision for income-tax basis the higher tax slab of 34.94%. Further, the management has elected to exercise the aforesaid option from assessment year 2021-22 onwards and hence has re-measured the deferred tax liabilities on the basis of reduced rates (25.17%).
7. Exceptional items includes provision for diminution in the value of investment in the joint venture company, Sterling Fabory India Private Limited. Owing to the current operations of the joint venture company, the management has performed an impairment assessment and basis the same, has recorded a provision of diminution in the value of investments amounting to Rs. 328.25 lakh.
8. Spread of COVID - 19 has affected the economic activity across the Globe, including India. Government of India has taken significant measures to curb the spread of the infection including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plants and offices were closed for a considerable period of time. As a result of the suspension of operations, likely revenue for the month of March 2020 has been impacted and basis management's assessment, future revenue may reduce due to this. Management believes that it has taken into account all the possible impacts of known events arising from the COVID - 19 pandemic on the standalone financial results including its assessment of the Company's liquidity and going concern, recoverable value of its property, plant and equipment, trade receivables, inventories and investment. However, given the uncertainties in the economic environment, management's impact assessment is subject to significant estimation uncertainties, and accordingly, the actual results in future may be different from those estimated as at the date of approval of these standalone financial results. The Company will continue to monitor any material changes to the future economic conditions and consequential impact on its business/operations.

For and on behalf of the Board of Directors




(Avil Aggarwal)
Managing Director

Place: Faridabad
Date: 26 June 2020



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Walker Chandiook & Co LLP
L 41, Connaught Circus,
Outer Circle,
New Delhi – 110 001
India
T +91 11 45002219
F +91 11 42787071

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

To the Board of Directors of Sterling Tools Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Sterling Tools Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its joint venture for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations') including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries and joint venture, as referred to in paragraph 13 below, the Statement:
 - (i) includes the annual financial results of the following entities;
 - a. Haryana Ispat Private Limited, subsidiary;
 - b. Sterling Gtack E-mobility Limited, subsidiary; and
 - c. Sterling Fabory India Private Limited, joint venture.
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group and its joint venture, for the year ended 31 March 2020.



Walker ChandioK & Co LLP

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

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group and its joint venture, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 13 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 8 to the Statement which describes the uncertainties due to the outbreak of COVID - 19 pandemic and management's evaluation of its impact on the Holding Company's operations and on the financial results of the Holding Company as at the balance sheet date. The impact of these uncertainties on the Holding Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

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



Walker Chandiook & Co LLP

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

Auditor's Responsibilities for the Audit of the Statement

8. 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.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group and its joint venture, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. 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.



Walker Chandiook & Co LLP

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

11. 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.
12. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

13. We did not audit the annual financial statements of two subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 534.10 lakh as at 31 March 2020, total revenues of ₹ 18.80 lakh, total net (loss) after tax of ₹ 40.18 lakh, total comprehensive (loss) of ₹ 40.18 lakh, and cash flows (net) of ₹ 403.75 lakh for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net (loss) after tax of ₹ 60.92 lakh and total comprehensive (loss) of ₹ 59.95 lakh for the year ended 31 March 2020, in respect of the joint venture, whose annual financial statements have not been audited by us. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the joint venture is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 12 above.

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

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, 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.
15. The Statement includes consolidated figures for the corresponding quarter ended 31 March 2019 which are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2019 and the published unaudited year-to-date figures up to the third quarter of the previous financial year, which have been approved by the Holding Company's Board of Directors, but have not been subjected to audit or review.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

**RAJNI
MUNDRA**

Rajni Mundra
Partner
Membership No. 058644

UDIN: 20058644AAAABA8513

Place: New Delhi
Date: 26 June 2020

Digitally signed by RAJNI MUNDRA
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STERLING TOOLS LIMITED

Regd. Office: Office No. 515, DLF Tower-A, Jasola, New Delhi-110025
 Website: stfasteners.com, E-mail: csec@stfasteners.com, CIN: L29222DL1979PLC009668

Part I

Statement of consolidated audited financial results for the quarter and financial year ended 31 March 2020

S. no.	Particulars	(₹ in lakhs, except per share data)				
		Three months ended 31 March 2020	Preceding three months ended 31 December 2019	Corresponding three months ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
		(Audited) (Refer note 4)	(Unaudited)	(Audited) (Refer note 5)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations	8,582.88	8,486.38	11,829.79	36,424.15	51,220.35
	(b) Other income	129.17	147.84	176.43	624.34	654.45
	Total Income	8,712.05	8,634.22	12,006.22	37,048.49	51,874.80
2	Expenses					
	(a) Cost of materials consumed	2,853.76	3,036.39	4,762.30	12,334.97	22,565.56
	(b) Changes in inventories of finished goods and work-in-progress	381.04	128.69	162.22	1,403.40	(1,880.70)
	(c) Employee benefits expense	814.23	951.91	914.35	3,641.52	3,583.11
	(d) Finance costs	179.23	179.13	159.72	626.44	366.48
	(e) Depreciation and amortisation expenses	655.59	647.83	504.19	2,421.87	1,905.02
	(f) Consumption of stores and spares	777.87	614.53	998.70	2,823.92	4,307.85
	(g) Power and fuel	693.92	682.49	835.80	2,818.89	3,792.98
	(h) Other expenses	1,684.64	1,679.00	2,539.04	7,316.92	10,259.01
	Total expenses	8,040.28	7,919.97	10,876.32	33,387.93	44,899.31
3	Share of (loss)/profit of joint venture	(2.19)	(20.98)	16.03	(59.95)	13.59
4	Profit before tax (1-2+3)	669.58	693.27	1,145.93	3,600.61	6,989.08
5	Tax expense					
	(a) Current tax	108.12	158.52	336.15	597.17	2,360.98
	(b) Deferred tax	(450.17)	60.89	56.47	(47.00)	116.36
	Total tax expenses	(342.05)	219.41	392.62	550.17	2,477.34
6	Profit for the period (4-5)	1,011.63	473.86	753.31	3,050.44	4,511.74
7	Other comprehensive income					
	(A) (i) Items that will not be reclassified to the statement of profit and loss	553.25	(0.20)	52.10	552.66	(0.79)
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	(139.30)	0.07	(18.20)	(139.09)	0.28
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	(ii) Income-tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	Total other comprehensive income	413.95	(0.13)	33.90	413.57	(0.51)
8	Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (6+7)	1,425.58	473.73	787.21	3,464.01	4,511.23
9	Profit for the period attributable to					
	(a) Owners of the Company	1,012.45	473.86	753.31	3,051.26	4,511.74
	(b) Non controlling interest	(0.82)	-	-	(0.82)	-
10	Other comprehensive income attributable to					
	(a) Owners of the Company	413.95	(0.13)	33.90	413.57	(0.51)
	(b) Non controlling interest	-	-	-	-	-
11	Total comprehensive income attributable to					
	(a) Owners of the Company	1,426.40	473.73	787.21	3,464.83	4,511.23
	(b) Non controlling interest	(0.82)	-	-	(0.82)	-
12	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48
13	Other equity				29,925.44	27,329.19
14	Earnings per share*					
	(a) Basic	2.81	1.32	2.09	8.47	12.52
	(b) Diluted	2.81	1.32	2.09	8.47	12.52

* not annualised except for the year ended 31 March 2020 and 31 March 2019
 See accompanying notes to the financial results

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STERLING TOOLS LIMITED

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

Part II

Statement of consolidated assets and liabilities

(₹ in lakhs)

Particulars	As at	As at
	31 March 2020	31 March 2019
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	26,159.94	19,142.24
(b) Capital work-in-progress	63.62	4,680.96
(c) Right of use assets	131.17	-
(d) Other intangible assets	37.87	18.41
(e) Financial assets		
(i) Investments	1,168.02	688.97
(ii) Loans	423.62	312.89
(f) Other non-current assets	1,189.62	1,208.61
Total non current assets	29,173.86	26,052.08
Current assets		
(a) Inventories	5,943.90	8,248.76
(b) Financial assets		
(i) Investments	564.07	4,945.77
(ii) Trade receivables	2,806.56	4,137.67
(iii) Cash and cash equivalents	1,568.34	386.14
(iv) Bank balances other than (iii) above	27.73	117.46
(v) Loans	38.72	157.25
(vi) Other financial assets	2,575.31	378.03
(c) Other current assets	1,735.98	1,377.88
Total current assets	15,260.61	19,748.96
TOTAL ASSETS	44,434.47	45,801.04
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	29,925.44	27,329.19
Total equity attributable to owners of the Company	30,645.92	28,049.67
Non controlling interest	4.18	-
Total equity	30,650.10	28,049.67
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,806.72	5,394.55
(ii) Lease liabilities	46.06	-
(iii) Other financial liabilities (other than those specified in item (b))	26.39	30.58
(b) Provisions	153.19	137.05
(c) Deferred tax liabilities (net)	1,730.26	1,638.17
(d) Other non-current liabilities	1,534.01	1,738.12
Total non current liabilities	8,296.63	8,938.47
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	575.72	3,229.74
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	175.07	54.91
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,012.91	3,220.93
(iii) Lease liabilities	89.62	-
(iv) Other financial liabilities (other than those specified in item (c))	2,235.17	1,489.84
(b) Other current liabilities	270.21	606.96
(c) Provisions	71.19	125.10
(d) Current tax liabilities (net)	57.85	85.42
Total current liabilities	5,487.74	8,812.90
TOTAL EQUITY AND LIABILITIES	44,434.47	45,801.04

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See accompanying notes to the financial results



STERLING TOOLS LIMITED

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

Part III

Consolidated cash flow statement

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
	(Audited)	(Audited)
A Cash flow from operating activities		
Net profit before tax	3,600.61	6,989.08
Adjustments for:		
Depreciation and amortisation expenses	2,421.87	1,905.02
Unrealised foreign exchange gain	(6.17)	(18.07)
Interest on delayed payment of advance tax	4.97	0.64
(Profit)/loss on disposal of property, plant and equipment (net)	(4.09)	16.05
Remeasurement loss on defined benefit plans	13.66	(0.52)
Finance costs	601.32	342.33
Interest on lease liabilities	12.99	-
Interest income	(35.08)	(28.28)
Amortisation of grant income	(207.60)	(158.66)
Gain on sale of mutual fund	(67.17)	(10.92)
Dividend income on mutual fund	(131.28)	(107.12)
Gain on fair value of mutual fund	(9.67)	(152.26)
Liabilities no longer required, written back	(45.20)	(1.30)
Loss/(gain) on foreign exchange fluctuation	70.37	(101.43)
Bad debts recovered	-	(1.70)
Bad debts written off	1.37	-
Provision for expected credit loss	-	9.53
Operating profit before working capital changes	6,220.90	8,682.39
(Increase)/decrease in financial assets	(870.18)	161.88
(Increase)/decrease in other assets	(358.57)	28.84
(Decrease) in financial liabilities	(1,092.03)	(402.87)
Decrease/(increase) in inventories	2,304.86	(2,794.32)
(Decrease)/increase in other liabilities	(333.25)	877.38
(Decrease)/increase in provisions	(37.77)	8.15
Net cash generated from operations	5,833.96	6,561.45
Income-tax paid (net)	(629.61)	(2,292.57)
Net cash from operating activities (A)	5,204.35	4,268.88
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in progress and payment for capital advances)	(4,601.25)	(9,509.16)
Proceeds from disposal of property, plant and equipment	43.35	37.99
Maturity of fixed deposit	88.00	0.50
Gain on sale of mutual fund	67.17	10.92
Redemption of/(investment in) mutual fund	4,522.64	666.79
Share of loss/(profit) for the investment in joint venture	59.95	(13.59)
Investment by non controlling interests	5.00	-
Interest received	32.31	19.97
Investment in equity shares	-	(401.38)
Net cash used in investing activities (B)	217.17	(9,187.96)
C Cash flows from financing activities		
Proceeds from non-current borrowings	1,400.00	5,050.00
Repayment of non-current borrowings	(1,308.98)	(924.18)
Interim dividend paid including dividend distribution tax	(868.58)	(868.58)
Repayment of current borrowings (net)	(2,654.02)	2,371.08
Repayment of current borrowings	-	(4.58)
Repayment of lease liabilities	(86.61)	-
Interest paid	(721.13)	(420.37)
Net cash (used in)/from financing activities (C)	(4,239.32)	5,203.37
Net decrease in cash and cash equivalents (A+B+C)	1,182.20	284.29
Cash and cash equivalents at the beginning of the year	386.14	101.85
Cash and cash equivalents at the end of the year	1,568.34	386.14
Components of cash and cash equivalents:		
Balances with scheduled banks in current accounts	412.98	381.67
Cash on hand	5.46	4.47
Balances with banks in deposit accounts with original maturity upto three months	1,149.90	-
	1,568.34	386.14

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Note:

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

See accompanying notes to the financial results



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Notes:


1. The consolidated financial results of Sterling Tools Limited (the 'Holding Company') for the quarter and year ended 31 March 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26 June 2020. The statutory auditors of the Holding Company have expressed an unmodified audit opinion on these 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.
3. The Group has adopted Indian Accounting Standard 116 - Leases with effect from 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit for the quarter and year ended 31 March 2020.
4. Figures for the quarter ended 31 March 2020 represents the balancing figure between the audited figures for the full financial year and published year to date figures upto the third quarter of the year ended 31 March 2020.
5. Figures for the quarter ended 31 March 2019 represents the balancing figure between the audited figures for the full financial year and the year to date figures upto the third quarter of the year ended 31 March 2019, which have been approved by the Holding Company's Board of Directors, but have not been subjected to audit or review.
6. The Group's business falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments.
7. For the current year, the Holding Company has elected not to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company continues to recognise the provision for income-tax basis the higher tax slab of 34.94%. Further, the management has elected to exercise the aforesaid option from assessment year 2021-22 onwards and hence has re-measured the deferred tax liabilities on the basis of reduced rates (25.17%).
8. Spread of COVID - 19 has affected the economic activity across the Globe, including India. Government of India has taken significant measures to curb the spread of the infection including imposing mandatory lockdowns and restrictions in activities. Consequently, Holding Company's manufacturing plants and offices were closed for a considerable period of time. As a result of the suspension of operations, likely revenue for the month of March 2020 has been impacted and basis management's assessment, future revenue may reduce due to this. Management believes that it has taken into account all the possible impacts of known events arising from the COVID - 19 pandemic on the consolidated financial results including its assessment of the Holding Company's liquidity and going concern, recoverable value of its property, plant and equipment, trade receivables, inventories and investment. However, given the uncertainties in the economic environment, management's impact assessment is subject to significant estimation uncertainties, and accordingly, the actual results in future may be different from those estimated as at the date of approval of these consolidated financial results. The Holding Company will continue to monitor any material changes to the future economic conditions and consequential impact on its business/operations.
9. During the quarter ended 31 March 2020, the Holding Company has acquired a 98.36% stake in Sterling Gtack E-mobility Limited.

For and on behalf of the Board of Directors

Place: Faridabad
Date: 26 June 2020



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(Anil Aggarwal)
Managing Director