

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 Listing Centre**

General Manager
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, P. J. Towers
Dalal Street, Fort
Mumbai – 400001

Date: 10th November, 2020**Ref.: STL/SD/01/2020-2021****Ref.: Security Code No.: 530759****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 Tuesday, 10th November, 2020 concluded at 7:00 P. M. has taken the following decisions:

- i) Based on the recommendations of Audit Committee, approved the Standalone & Consolidated Quarterly Unaudited Financial Results of the Company for the Quarter ended 30th September, 2020. The unaudited financial statements of Haryana Ispat Pvt. Ltd., the wholly owned subsidiary Company, Sterling Gtack E-Mobility Limited, the Subsidiary Company and Sterling Fabory India Pvt. Ltd., 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 consolidated financial statements of the Company for the Quarter ended 30th September, 2020 along with Limited Review Report are enclosed.
- ii) Subject to the approval of shareholders in General Meeting, appointed Shri Rakesh Batra (DIN: 06511494) as Non-Executive Independent Additional Director of the Company w.e.f. 10th November, 2020 Enclosed herewith are the brief details of the appointment as prescribed (Annexure A), the content of which is self-explanatory.
- iii) Based on the recommendations of Nomination and Remuneration Committee, the Audit Committee and subject to the approval of shareholders through Postal Ballot, the Board of Directors has approved the payment of Performance Fee/Success Fee to Mr. Jaideep Wadhwa, Non- Executive Director of the Company.

Sincerely
For **Sterling Tools Limited**

A handwritten signature in blue ink that reads 'Vaishali' with a flourish underneath.

Vaishali Singh
Company Secretary

Encl.: As above.

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**ANNEXURE – A**

Details under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015

Sr. No.	Particulars	Details
1.	Reasons for change viz. appointment, resignation, removal, death or otherwise;	Appointment
2.	Date of appointment / Cessation (as applicable) & Term of appointment;	10 th November, 2020 Appointed subject to the approval of shareholders in General Meeting as an Additional and Independent Director for a tenure of five (5) years from 10 th November, 2020 to 9 th November, 2025.
3.	Brief Profile (in case of appointment);	Attached as Annexure-B
4.	Disclosure of relationships between directors (in case of appointment of a Director)	NIL

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ANNEXURE – B



Shri Rakesh Batra, aged 64 years, with an extensive experience of over 30 years in both corporate and consulting roles, working with Indian and Multinational clients.

He had done his B.Tech from IIT, Kharagpur, MBA from IIM, Ahmedabad and then had done MBT-Business & Technology from UNSW.

Experience

Strom Motors

Strategic Advisor
November 2019 - Present
New Delhi, Delhi, India

EY

Partner and National Leader
Auto Sector
2008 - June 2019 (11 years)
Gurgaon,
India

Accenture

Partner
2005 - 2008 (3 years)

Syncata

Director
2000 - 2005 (5 years)



Part I

STERLING TOOLS LIMITED

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

Statement of standalone unaudited financial results for the quarter and six months ended 30 September 2020

(₹ in lakhs, except per share data)

S. No.	Particulars	Three months ended 30 September 2020	Preceding three months ended 30 June 2020	Corresponding three months ended 30 September 2019	Year to date figures for current period ended 30 September 2020	Year to date figures for the previous period ended 30 September 2019	Year ended 31 March 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	9,520.43	2,026.95	8,924.01	11,547.38	19,354.89	36,424.15
	(b) Other income	135.64	114.37	199.95	253.01	338.30	609.13
	Total Income	9,656.07	2,141.32	9,123.96	11,800.39	19,693.19	37,033.28
2	Expenses						
	(a) Cost of materials consumed	3,546.55	522.01	2,436.81	4,068.66	8,444.82	12,334.97
	(b) Changes in inventories of finished goods and work-in-progress	(460.00)	326.06	826.80	(133.94)	893.67	1,403.40
	(c) Employee benefits expense	899.11	791.08	920.68	1,690.19	1,875.38	3,527.54
	(d) Finance costs	198.14	180.28	128.80	378.42	288.08	626.34
	(e) Depreciation and amortisation expenses	654.34	594.15	572.87	1,248.49	1,118.45	2,421.84
	(f) Consumption of stores and spares	712.68	151.32	703.71	864.00	1,431.52	2,823.92
	(g) Power and fuel	867.50	181.53	652.26	1,049.03	1,442.48	2,818.81
	(h) Other expenses	1,696.51	540.28	1,920.74	2,236.79	3,952.26	7,777.96
	Total expenses	8,114.83	3,286.71	8,162.37	11,401.54	17,426.66	33,334.77
3	Profit before exceptional items and tax (1-2)	1,541.24	(1,145.39)	961.59	398.85	2,266.53	3,698.51
4	Exceptional items						328.25
5	Profit before tax (3-4)	1,541.24	(1,145.39)	961.59	398.85	2,266.53	3,370.26
6	Tax expense						
	(a) Current tax	124.27	-	(170.86)	124.27	329.06	593.95
	(b) Deferred tax	268.46	(268.05)	412.47	0.41	342.29	(128.60)
	Total tax expenses	392.73	(268.05)	241.61	124.68	671.35	465.35
7	Profit for the period (5-6)	1,148.51	(877.34)	719.98	274.17	1,595.18	2,904.91
8	Other comprehensive income						
	(A) (i) Items that will not be reclassified to the statement of profit and loss	3.42	3.42	(0.20)	6.84	(0.40)	552.66
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	(0.86)	(0.86)	0.07	(1.72)	0.14	(139.09)
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
	(ii) Income-tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive income	2.56	2.56	(0.13)	5.12	(0.26)	413.57
9	Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (7+8)	1,151.07	(874.78)	719.85	279.29	1,594.92	3,318.48
10	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48	720.48
11	Other equity				30,429.23	28,426.39	30,149.95
12	Earnings per share*						
	(a) Basic	3.20	(2.44)	2.00	0.76	4.43	8.06
	(b) Diluted	3.20	(2.44)	2.00	0.76	4.43	8.06

* not annualised except for the year ended 31 March 2020

See accompanying notes to the financial results



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STERLING TOOLS LIMITED

Regd. Office: Office No. 515, DLF Tower-A, Jasola, New Delhi-110025
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Part II

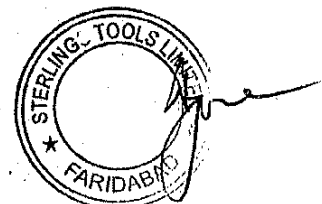
Statement of standalone assets and liabilities

(₹ in lakhs)

Particulars	As at	As at
	30 September 2020 (Unaudited)	31 March 2020 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	25,003.85	25,167.97
(b) Capital work-in-progress	23.60	63.62
(c) Right of use assets	52.74	131.17
(d) Other intangible assets	7.16	37.36
(e) Financial assets		
(i) Investments	2,855.08	2,798.88
(ii) Loans	426.59	422.72
(f) Other non-current assets	709.51	1,186.12
Total non current assets	29,078.53	29,807.84
Current assets		
(a) Inventories	6,122.04	5,943.90
(b) Financial assets		
(i) Investments	572.45	564.07
(ii) Trade receivables	4,078.25	2,806.56
(iii) Cash and cash equivalents	284.51	1,049.27
(iv) Bank balances other than (iii) above	4,672.48	27.73
(v) Loans	23.17	37.83
(vi) Other financial assets	167.25	2,575.31
(c) Other current assets	2,343.41	1,731.35
Total current assets	18,263.56	14,736.02
TOTAL ASSETS	47,342.09	44,543.86
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	30,429.23	30,149.95
Total equity	31,149.71	30,870.43
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,998.75	4,806.72
(ii) Lease liabilities	18.80	46.06
(iii) Other financial liabilities (other than those specified in Item (b))	28.47	26.39
(b) Provisions	164.49	153.19
(c) Deferred tax liabilities (net)	1,651.11	1,649.00
(d) Other non-current liabilities	1,434.74	1,534.01
Total non current liabilities	7,296.36	8,215.37
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,004.82	575.72
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	545.12	175.07
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,998.59	1,989.42
(iii) Lease liabilities	36.58	89.62
(iv) Other financial liabilities (other than those specified in Item (c))	1,803.16	2,233.15
(b) Other current liabilities	369.90	268.11
(c) Provisions	66.71	71.19
(d) Current tax liabilities (net)	71.14	55.78
Total current liabilities	8,896.02	5,458.06
TOTAL EQUITY AND LIABILITIES	47,342.09	44,543.86

See accompanying notes to the financial results

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Part III

Standalone cash flow statement

(₹ In lakhs)

Particulars	Period ended	Period ended
	30 September 2020	30 September 2019
	(Unaudited)	(Unaudited)
A Cash flow from operating activities		
Net profit before tax	398.85	2,266.53
Adjustments for:		
Depreciation and amortisation expense	1,248.49	1,118.45
Unrealised foreign exchange gain/(loss)	3.48	(5.65)
Interest on delayed payment of advance tax	0.56	-
Loss on disposal of property, plant and equipment	-	2.18
Remeasurement of defined benefit plans	6.83	(0.26)
Finance costs	364.81	258.39
Interest on lease liabilities	2.80	6.99
Interest income	(117.99)	(9.69)
Amortisation of grant income	(99.27)	(104.09)
Gain on sale of mutual fund	(0.47)	(2.37)
Dividend income on mutual fund	-	(56.89)
Gain on fair value of mutual fund	(8.38)	(92.56)
Liabilities no longer required written back	(9.71)	(0.22)
(Gain)/loss on fair value of derivative instruments	(7.38)	43.51
Bad debts written off	28.93	-
Operating profit before working capital changes	1,811.56	3,424.32
Decrease in financial assets	1,119.27	2,005.69
(Increase)/decrease in other assets	(596.81)	85.18
Increase/(decrease) in financial liabilities	381.65	(411.75)
(Increase)/decrease in inventories	(178.14)	1,111.37
Increase/(decrease) in other liabilities	101.80	(302.97)
Increase in provisions	6.82	48.84
Net cash generated from operations	2,646.14	5,960.68
Income-tax paid (net)	(109.46)	(350.70)
Net cash from operating activities (A)	2,536.68	5,609.98
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in progress and payment for capital advances)	(684.92)	(3,202.77)
Proceeds from disposal of property, plant and equipment	-	19.25
Investment in fixed deposit	(4,647.55)	-
Gain on sale of mutual fund	0.47	2.37
Redemption of mutual fund	-	10.32
Interest received	124.33	6.95
Investment in equity shares of Allgreen Propulsion Labs Private Limited	(56.20)	-
Net cash used in investing activities (B)	(5,263.87)	(3,163.88)
C Cash flows from financing activities		
Proceeds from non-current borrowings	-	1,400.00
Repayment of non-current borrowings	(1,041.50)	(539.41)
Interim dividend paid including dividend distribution tax	-	(868.58)
Proceeds from current borrowings (net)	3,429.10	(2,376.97)
Repayment of lease liabilities	(25.82)	(40.80)
Interest paid	(399.35)	(278.40)
Net cash from / (used in) financing activities (C)	1,962.43	(2,704.16)
Net (decrease) / Increase in cash and cash equivalents (A+B+C)	(764.76)	(258.06)
Cash and cash equivalents at the beginning of the year/period	1,049.27	358.83
Cash and cash equivalents at the end of the year/period	284.51	100.77

Components of cash and cash equivalents:

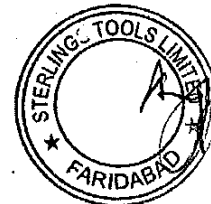
Balances with scheduled banks in current accounts	79.12	93.73
Cash on hand	4.11	7.04
Balances with banks in deposit accounts with original maturity upto three months	201.28	-
	284.51	100.77

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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Notes:

1. The standalone financial results of Sterling Tools Limited (the 'Company') for the quarter and six months ended 30 September 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10 November 2020. The statutory auditors of the Company have expressed an unmodified review conclusion 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 and other accounting principles generally accepted in India.
3. The Company's business falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments.
4. From financial year 2020-21, the Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.
5. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and will record any related impact in the period the Code becomes effective.
6. 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 during the six months ended 30 September 2020. 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

Place: Faridabad
Date: 10 November 2020




(Avil Aggarwal)
Managing Director

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Walker Chandlok & Co LLP
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Outer Circle,
New Delhi - 110 001
India

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Independent Auditor's Review Report on Standalone Unaudited 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 (as amended)

To the Board of Directors of Sterling Tools Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Sterling Tools Limited ('the Company') for the quarter ended 30 September 2020 and the year to date results for the period 1 April 2020 to 30 September 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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

4. 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 the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, 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 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 6 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 30 September 2020. The impact of these uncertainties on the Company's operations is significantly dependent on future developments. Our conclusion is not modified in respect of this matter.

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

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 20058644AAAAFV7373



Place: New Delhi
Date: 10 November 2020



STERLING TOOLS LIMITED

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

Part I

Statement of consolidated unaudited financial results for the quarter and six months ended 30 September 2020

(₹ in lakhs, except per share data)

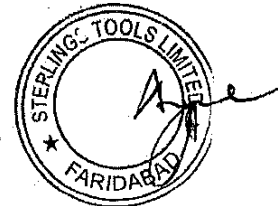
S. no.	Particulars	Three months ended 30 September 2020	Preceding three months ended 30 June 2020	Corresponding three months ended 30 September 2019	Year to date figures for current period ended 30 September 2020	Year to date figures for the previous period ended 30 September 2019	Year ended 31 March 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	9,520.92	2,026.95	8,924.01	11,547.88	19,354.89	36,424.15
	(b) Other income	143.73	119.41	204.68	283.13	347.33	624.34
	Total Income	9,664.65	2,146.36	9,128.69	11,811.01	19,702.22	37,048.49
2	Expenses						
	(a) Cost of materials consumed	3,547.19	525.33	2,436.81	4,072.52	6,444.82	12,334.97
	(b) Changes in inventories of finished goods and work-in-progress	(459.99)	322.74	826.79	(137.25)	893.67	1,403.40
	(c) Employee benefits expense	955.11	802.08	920.57	1,757.18	1,875.38	3,641.52
	(d) Finance costs	198.14	180.28	128.61	378.42	258.08	626.44
	(e) Depreciation and amortisation expenses	654.79	594.34	572.87	1,249.12	1,118.45	2,421.87
	(f) Consumption of stores and spares	712.68	151.32	703.71	864.00	1,431.52	2,823.92
	(g) Power and fuel	867.50	181.57	652.26	1,049.07	1,442.48	2,818.89
	(h) Other expenses	1,718.75	556.38	1,921.46	2,275.13	3,953.28	7,316.92
	Total expenses	8,194.17	3,314.04	8,163.07	11,508.19	17,427.68	33,387.93
3	Share of loss of joint venture	(4.89)	(22.49)	(22.20)	(27.38)	(36.78)	(59.95)
4	Profit before tax (1-2+3)	1,465.69	(1,190.17)	943.42	276.44	2,237.76	3,600.61
5	Tax expense						
	(a) Current tax	125.11	0.80	(170.51)	125.92	330.53	597.17
	(b) Deferred tax	269.65	(269.08)	412.47	0.57	342.29	(47.00)
	Total tax expenses	394.76	(268.28)	241.96	126.49	672.82	550.17
6	Profit for the period (4-5)	1,070.83	(921.89)	701.46	149.95	1,564.94	3,050.44
7	Other comprehensive income						
	(A) (i) Items that will not be reclassified to the statement of profit and loss	3.42	3.42	(0.20)	6.04	(0.40)	562.66
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	(0.86)	(0.86)	0.07	(1.72)	0.14	(139.09)
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
	(ii) Income-tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive income	2.56	2.56	(0.13)	5.12	(0.26)	413.57
8	Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (6+7)	1,073.39	(919.33)	701.33	154.07	1,564.68	3,464.01
9	Profit for the period attributable to						
	(a) Owners of the Company	1,070.77	(921.50)	701.46	149.28	1,564.94	3,051.26
	(b) Non controlling interest	0.06	(0.39)	-	(0.33)	-	(0.82)
10	Other comprehensive income attributable to						
	(a) Owners of the Company	2.56	2.56	(0.13)	5.12	(0.26)	413.57
	(b) Non controlling interest	-	-	-	-	-	-
11	Total comprehensive income attributable to						
	(a) Owners of the Company	1,073.33	(918.94)	701.33	154.40	1,564.68	3,464.83
	(b) Non controlling interest	0.06	(0.39)	-	(0.33)	-	(0.82)
12	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48	720.48
13	Other equity				30,079.18	28,025.31	29,925.44
14	Earnings per share*						
	(a) Basic	2.97	(2.56)	1.95	0.41	4.34	8.47
	(b) Diluted	2.97	(2.56)	1.95	0.41	4.34	8.47

* not annualised except for the year ended 31 March 2020

See accompanying notes to the financial results

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SIGNED FOR
IDENTIFICATION
PURPOSE





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

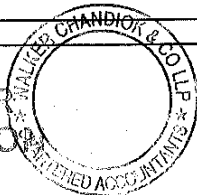
Part II

Statement of consolidated assets and liabilities

Particulars	As at	As at
	30 September 2020 (Unaudited)	31 March 2020 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	26,014.36	26,159.94
(b) Capital work-in-progress	23.60	63.62
(c) Right of use assets	52.74	131.17
(d) Other Intangible assets	7.62	37.87
(e) Financial assets		
(i) Investments	1,192.91	1,168.02
(ii) Loans	429.89	423.62
(f) Other non-current assets	710.49	1,189.62
Total non current assets	28,431.61	29,173.86
Current assets		
(a) Inventories	6,125.35	5,943.90
(b) Financial assets		
(i) Investments	572.45	564.07
(ii) Trade receivables	4,078.25	2,806.56
(iii) Cash and cash equivalents	669.61	1,568.34
(iv) Bank balances other than (iii) above	4,672.48	27.73
(v) Loans	23.17	38.72
(vi) Other financial assets	170.26	2,575.31
(c) Other current assets	2,386.43	1,735.98
Total current assets	18,698.00	15,260.61
TOTAL ASSETS	47,129.61	44,434.47
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	30,079.18	29,925.44
Total equity attributable to owners of the Company	30,799.66	30,645.92
Non controlling interest	0.50	4.18
Total equity	30,800.16	30,650.10
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,998.75	4,806.72
(ii) Lease liabilities	18.80	46.06
(iii) Other financial liabilities (other than those specified in item (b))	28.47	26.39
(b) Provisions	164.49	153.19
(c) Deferred tax liabilities (net)	1,732.55	1,730.26
(d) Other non-current liabilities	1,434.74	1,534.01
Total non current liabilities	7,377.80	8,296.63
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,004.82	575.72
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	545.12	175.07
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,037.73	2,012.91
(iii) Lease liabilities	36.58	89.62
(iv) Other financial liabilities (other than those specified in item (c))	1,803.16	2,235.17
(b) Other current liabilities	383.14	270.21
(c) Provisions	66.71	71.19
(d) Current tax liabilities (net)	74.39	57.85
Total current liabilities	8,951.65	5,487.74
TOTAL EQUITY AND LIABILITIES	47,129.61	44,434.47

See accompanying notes to the financial results

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Part III

Consolidated cash flow statement

(₹ in lakhs)

Particulars	Period ended	Period ended
	30 September 2020	30 September 2019
	(Unaudited)	(Unaudited)
A Cash flow from operating activities		
Net profit before tax	275.44	2,237.76
Adjustments for:		
Depreciation and amortisation expenses	1,249.12	1,118.45
Unrealised foreign exchange gain/(loss)	3.48	(5.65)
Interest on delayed payment of advance tax	0.56	-
Loss on disposal of property, plant and equipment	-	2.18
Remeasurement of defined benefit plans	6.83	(0.26)
Finance costs	364.81	258.39
Interest on lease liabilities	2.80	6.99
Interest income	(120.57)	(18.72)
Amortisation of grant income	(99.27)	(104.09)
Gain on sale of mutual fund	(0.47)	(2.37)
Dividend income on mutual fund	-	(56.88)
Gain on fair value of mutual fund	(8.38)	(92.56)
Liabilities no longer required, written back	(9.71)	(0.22)
(Gain)/loss on fair value of derivative instruments	(7.38)	43.51
Bad debts written off	28.93	-
Operating profit before working capital changes	1,686.19	3,386.52
Decrease in financial assets	1,114.78	1,996.37
(Increase)/decrease in other assets	(632.68)	85.18
Increase/(decrease) in financial liabilities	395.30	(411.75)
(Increase)/decrease in inventories	(181.45)	1,111.37
Increase/(decrease) in other liabilities	112.94	(302.57)
Increase in provisions	6.82	48.84
Net cash generated from operations	2,501.90	5,913.96
Income-tax paid (net)	(109.94)	(352.17)
Net cash from operating activities (A)	2,391.96	5,561.79
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in progress and payment for capital advances)	(704.13)	(3,202.78)
Proceeds from disposal of property, plant and equipment	-	19.25
Investment in/(maturity of) fixed deposit	(4,647.55)	(24.00)
Gain on sale of mutual fund	0.47	2.37
Redemption of mutual fund	-	10.32
Share of loss for the investment in joint venture	27.38	36.78
Investment by non-controlling interests	-	-
Interest received	126.91	15.98
Investment in equity shares of Allgreen Propulsion Labs Private Limited	(56.20)	-
Net cash (used in)/from investing activities (B)	(5,253.12)	(3,142.08)
C Cash flows from financing activities		
Proceeds from non-current borrowings	-	1,400.00
Repayment of non-current borrowings	(1,041.50)	(539.41)
Interim dividend paid including dividend distribution tax	-	(868.58)
Proceeds from current borrowings (net)	3,429.10	(2,376.98)
Repayment of lease liabilities	(25.82)	(40.80)
Interest paid	(399.35)	(278.39)
Net cash from / (used in) financing activities (C)	1,962.43	(2,704.16)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(898.73)	(284.45)
Cash and cash equivalents at the beginning of the year/period	1,568.34	386.14
Cash and cash equivalents at the end of the year/period	669.61	101.69

Components of cash and cash equivalents:

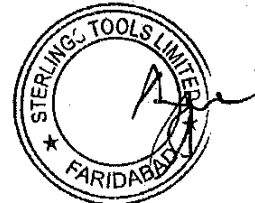
Balances with scheduled banks in current accounts	113.17	94.62
Cash on hand	6.26	7.07
Balances with banks in deposit accounts with original maturity upto three months	550.18	-
	669.61	101.69

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

Notes:

1. The consolidated financial results of Sterling Tools Limited (the 'Holding Company') for the quarter and six months ended 30 September 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10 November 2020. The statutory auditors have expressed an unmodified review conclusion 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 and other accounting principles generally accepted in India.
3. The Group's business falls within a single business segment in terms of the Indian Accounting Standard 108 - Operating Segments.
4. From financial year 2020-21, the Holding Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.
5. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code and will record any related impact in the period the Code becomes effective.
6. 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 during the six months ended 30 September 2020. 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.

For and on behalf of the Board of Directors


(Anil Aggarwal)
Managing Director

Place: Faridabad
Date: 10 November 2020



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Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
L 41, Connaught Circus,
Outer Circle,
New Delhi - 110 001
India

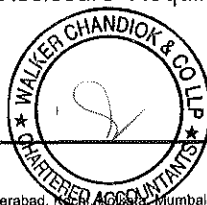
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F +91 11 4278 7071

Independent Auditor's Review Report on Consolidated Unaudited 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 (as amended)

To the Board of Directors of Sterling Tools Limited

1. We have reviewed the accompanying statement of unaudited consolidated 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 (refer Annexure 1 for the list of subsidiaries and joint venture included in the Statement) for the quarter ended 30 September 2020 and the consolidated year to date results for the period 1 April 2020 to 30 September 2020, 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), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, 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 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 6 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 30 September 2020. The impact of these uncertainties on the Holding Company's operations is significantly dependent on future developments. Our conclusion is not modified in respect of this matter.
6. We did not review the interim financial information of a subsidiary included in the Statement, whose financial information reflects total assets of ₹ 204.89 lakh as at 30 September 2020, and total revenues of ₹ 2.31 lakh and ₹ 4.27 lakh, total net (loss) after tax of ₹ 64.85 lakh and ₹ 102.04 lakh, total comprehensive (loss) of ₹ 64.85 lakh and ₹ 102.04 lakh, for the quarter and year-to-date period ended on 30 September 2020, respectively, and cash flows (net) of ₹ (136.60) lakh for the period ended 30 September 2020, as considered in the Statement. The Statement also includes the Group's share of net (loss) after tax of ₹ 4.98 lakh and ₹ 27.71 lakh and total comprehensive (loss) of ₹ 4.89 lakh and ₹ 27.38 lakh, for the quarter and year-to-date period ended on 30 September 2020, respectively, as considered in the Statement, in respect of the joint venture, whose interim financial information have not been reviewed by us. These interim financial information have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion 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 Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of Sterling Tools Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

7. The Statement includes the interim financial information of a subsidiary, which have not been reviewed by its auditor, whose interim financial information reflects total assets of ₹ 257.35 lakh as at 30 September 2020, and total revenues of ₹ 3.26 lakh and ₹ 6.34 lakh, net profit after tax of ₹ 2.19 lakh and ₹ 4.20 lakh, total comprehensive income of ₹ 2.19 lakh and ₹ 4.20 lakh for the quarter and year-to-date period ended 30 September 2020 respectively, cash flow (net) of ₹ 2.64 lakh for the period ended 30 September 2020 as considered in the Statement, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Rajni Mundra

Rajni Mundra

Partner

Membership No.: 058644

UDIN: 20058644AAAAFW5089



Place: New Delhi

Date: 10 November 2020

Annexure 1 to the Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of Sterling Tools Limited 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

1. Haryana Ispat Private Limited, subsidiary;
2. Sterling Gtate E-mobility Limited, subsidiary; and
3. Sterling Fabory India Private Limited, joint venture.



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