

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
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Through NEAPS National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (E) Mumbai-400051 Security Code No.: STERTOOLS	By Listing Centre The Secretary BSE Limited 25 th Floor, P. J. Towers Dalal Street, Mumbai – 400001 Security Code No.: 530759
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Date: 26th August, 2023

Sub: Notice of the 44th Annual General Meeting along with the Annual Report for the Financial Year 2022-2023 under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015

Dear Sir/Ma'am,

With reference to the captioned subject, we are submitting herewith the Notice of Annual General Meeting ("AGM") along with the Annual Report for the Financial Year 2022-2023, which is being sent to the Shareholders by Electronic Mode.

The 44th Annual General Meeting of the Company will be held on Monday, the 18th September, 2023 at 10:00 AM. (1ST) through Video Conferencing/Other Audio Visual means.

The Schedule of events relating to the AGM is set out below:

Events	Day and Date	Time (IST)
Relevant Date/Record Date/Cut- off date to vote on AGM Resolution	Monday, 11th September, 2023	NA
Book Closure Date for AGM and Final Dividend	Tuesday, 12 th September 2023 to Monday, 18 th September, 2023 (both days inclusive)	NA
Remote e-voting Start date and time	Friday, 15 th September, 2023	09:00 A.M.
Remote e-voting End date and time	Sunday, 17 th September, 2023	05:00 P.M.
AGM date and time	Monday, 18 th September, 2023	10:00 A.M.

The Annual Report containing the notice is also uploaded on the Company's website viz. <https://stlfasteners.com/investors/>

Kindly take the same on record

Thanking you,

Yours truly,

For Sterling Tools Limited

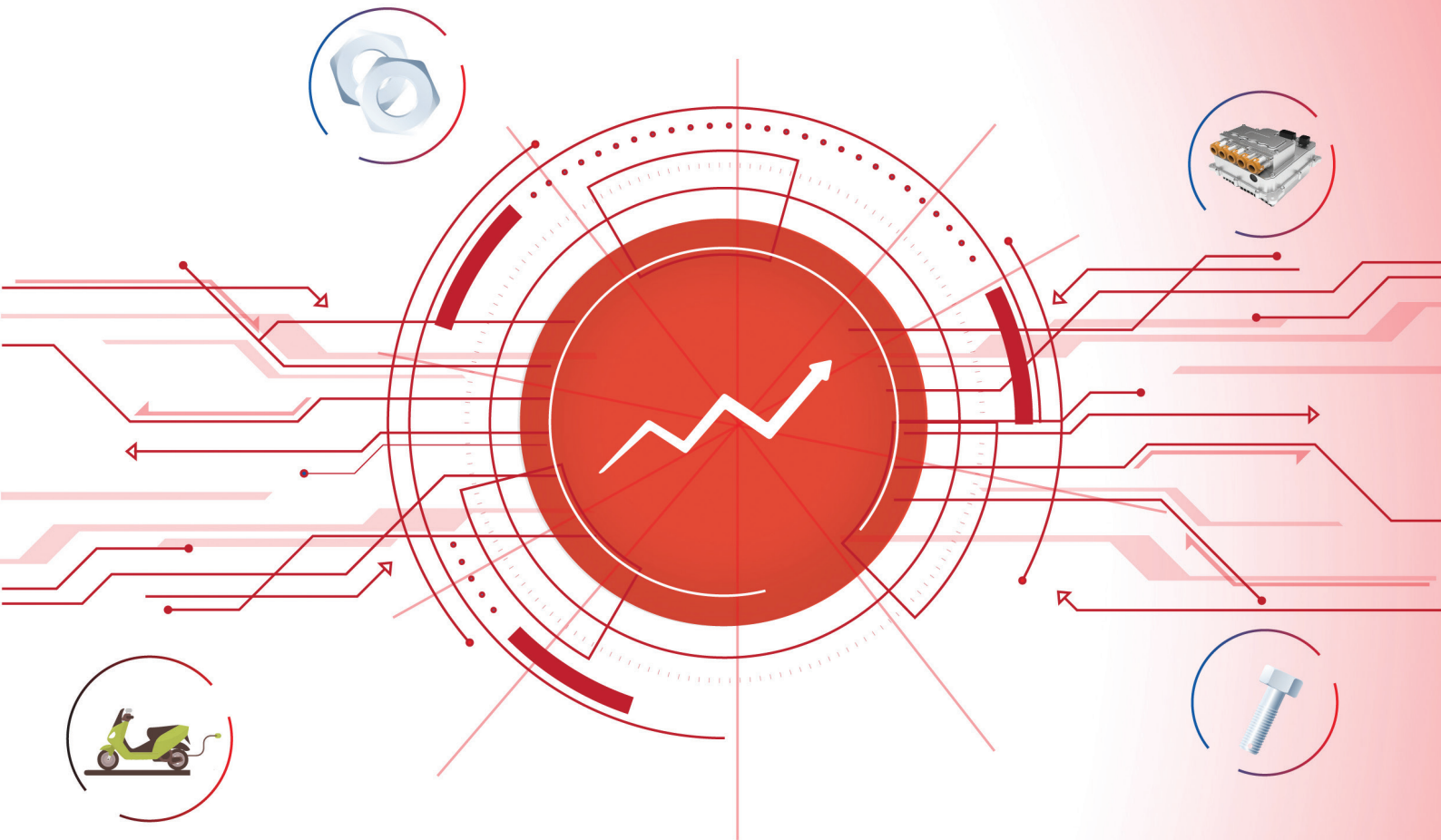
Abhishek Chawla
Company Secretary & Compliance Officer
M.No- A34399

Encl.: As Above.

REGD. OFFICE : 515, DLF Tower-A,
Jasola District Centre, New Delhi - 110025
Email : csec@stlfasteners.com



STERLING TOOLS LIMITED



**DRIVING
TRANSFORMATION,
POWERING THE FUTURE**

**ANNUAL REPORT
2022-23**



AMIDST THE CHAPTERS

01-22

CORPORATE OVERVIEW

Driving Transformation, Powering the Future An Overview of STL	2
Powering Growth and Transformation	4
Powering Transformation with Diverse Offerings	8
Chairman & Managing Director's Message	10
Driving Growth with a Strong Financial Performance	12
Environmental, Social, and Governance	16
Enabling Transformation through Strong Governance	18
Corporate Information	20
	22

23-107

STATUTORY REPORTS

Board's Report	23
Annexures to Board's Report	32
Corporate Governance Report	49
Business Responsibility and Sustainability Report	71
Management Discussion and Analysis Report	103

Disclaimer: This document contains statements about expected future events and financials of Sterling Tools Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this annual report.

108-269

FINANCIAL STATEMENTS

STANDALONE

Independent Auditors' Report	108
Balance Sheet	120
Statement of Profit and Loss	121
Cash Flow Statement	122

CONSOLIDATED

Independent Auditors' Report	189
Balance Sheet	198
Statement of Profit and Loss	199
Cash Flow Statement	200

Notice	270
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Investor Information

₹ 1, 275 CRORES MARKET CAPITALISATION AS OF 31 MARCH, 2023	L29222DL1979PLC009668 CIN
530759 BSE CODE	STERTOOLS NSE SYMBOL
₹ 2 PER SHARE DIVIDEND DECLARED	18 SEPTEMBER, 2023 AGM DATE

Scan to download

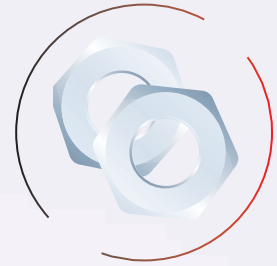


Please find our online version at
<https://stlfasteners.com/investors/>

A large red circle containing the text 'DRIVING TRANSFORMATION, POWERING THE FUTURE' in white, bold, sans-serif font. The circle is surrounded by a network of red lines and dots, suggesting a digital or industrial theme. To the left of the circle, there are several red lines and arrows pointing towards it. To the right, there are two circular icons: one showing a black electronic component and another showing a green and black electric scooter. The background of the page is white with a large, light red circular shape at the bottom.

The automobile industry is undergoing a major transition globally. The trend towards Autonomous, Connected and Electric Mobility is accelerating and the focus on Manufacturing 4.0 is enabling intelligent manufacturing and predictive maintenance thus driving efficiencies on the shop floor. The future of this industry is all about driving transformation, not just in vehicles but also processes, manufacturing, products and services and nowhere is this transformation more pronounced than in the emergence of electric vehicles (EVs).

Recognising the significance of this transformative shift, Sterling Tools Limited (STL) has emerged as a trailblazer in this exciting transition. Drawing upon its solid foundation and the wealth of knowledge accumulated over four decades of its existence, the Company is well-positioned to capitalise on the vast growth opportunities presented by the ascent of EVs. The Company's dedication to innovation, advanced technology, and sustainable practices serves as the driving force behind its pursuit of expansion, ensuring that it continues to remain a key player in the ever-evolving automotive industry.





ABOUT US

AN OVERVIEW OF STL

Sterling Tools Limited (STL) is India's second-largest Fasteners manufacturer for Original Equipment Manufacturers (OEMs). With the strong market position and focus on operational excellence, the Company offers a diverse product portfolio, including standard, chassis, and special engine fasteners. Through its wholly owned subsidiary, Sterling Gtack E-Mobility Limited (SGEM), the Company is successfully doing the business of manufacturing and selling of Motor Control Units (MCUs) for electric vehicles (EV) in India and the Company has emerged as one of the leading Motor Control Unit (MCUs) manufacturers in the country.

STL has forged strong relations with major OEMs in India and hopes to capitalize on its early mover advantage in the Green Mobility space to bring its customers innovative solutions across several product platforms.





VISION

- ◆ Be the most trusted brand for our customers
- ◆ Maximize value for our shareholders
- ◆ Be respected in our community
- ◆ Bring pride to our people



MISSION

We provide reliable and superior quality auto components to our customers by deploying best-in-class manufacturing practices, clean and green technology, entrepreneurial spirit, and passion of our people.



PHILOSOPHY

STL's 360-degree philosophy has defined a holistic approach towards manufacturing, quality control and human resource development. We achieve perfection and excellence in our output by envisioning the overall balance of all attributes, guaranteeing customer satisfaction

STERLING TOOLS LIMITED (STL)

YEARS OF RICH LEGACY

44

LARGEST MANUFACTURER OF FASTENERS IN INDIA

2nd

FASTENERS MANUFACTURING PLANTS

4





STERLING GTAKE E-MOBILITY LIMITED (SGEM)

MARKET POSITION IN THE HIGH SPEED SCOOTER SEGMENT FOR MOTOR CONTROL UNITS (MCUS)

#1

CONTRACTS FROM EV OEMS

15

MARKET SHARE IN HIGH-SPEED SCOOTER SEGMENT

~40%

OVERALL 2 WHEELER MARKET SHARE

~30%

INSTALLED CAPACITY

300k

TARGETED CAPACITY FOR FY 2023-24

600k

MCU MANUFACTURING PLANT

1

TECH CENTRES

2



SGEM has been a pioneer in the development and production of MCUs for the two and three-wheelers, and light commercial vehicle segments. It has a manufacturing plant located in Faridabad (Haryana) and 2 dedicated tech centres in Faridabad and Bangalore.



JOURNEY

POWERING GROWTH AND TRANSFORMATION

2023

- Increased revenues from MCUs by 4.5 times on a year-on-year basis, become the market leader.
- Secured over 15 supply contracts for MCUs
- Initiated capacity expansion, increasing the Company's annual production capability from 3,00,000 MCUs to 6,00,000 MCUs

2022

- EV business secured its first major EV contract

2020

- Incorporated wholly owned subsidiary - Sterling Gtake E-mobility Limited (SGEM) and Commissioned the first EV component manufacturing facility at Faridabad

2019

- Commissioned the fourth fasteners plant at Kolar, Bengaluru, Karnataka



1979

◆ Sterling Tools - Incorporated

1981

◆ Commissioned the first fasteners plant at DLF - Faridabad, Haryana

1982-99

◆ The Company got listed in 1995 on BSE and NSE

◆ Acquired business from Swaraj Tractors, Eicher Group, Punjab Tractors, Escorts, Hero, HMSI, Ashok Leyland, Isuzu, Maruti, M&M, and Tata Motors

1999

◆ Commissioned its second plant for wire drawing at Ballabgarh, Faridabad, Haryana

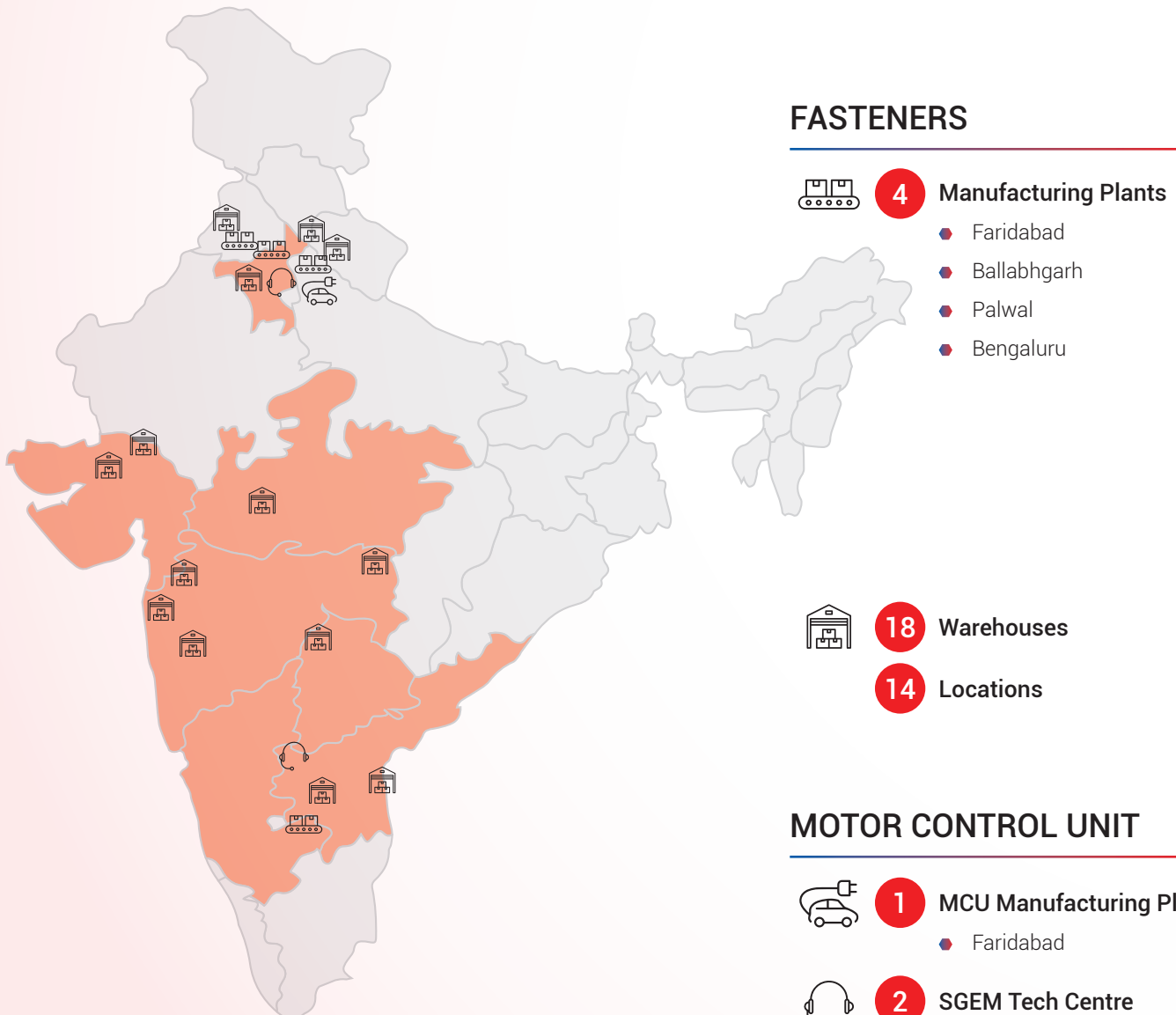
2004

◆ Commissioned the third fasteners plant at Prithla Palwal, Haryana

PRODUCT & PRESENCE

POWERING TRANSFORMATION WITH DIVERSE OFFERINGS

In line with our aspiration to become a prominent player in the automotive industry, the company has consistently focused on enhancing its product offerings and establishing a stronger presence. This approach has allowed us to create an extensive portfolio that addresses the fastener requirements of top OEMs throughout India. Acknowledging the expanding electric vehicle market in India, the company diversified its product range to manufacture EV component (Motor Control Units).

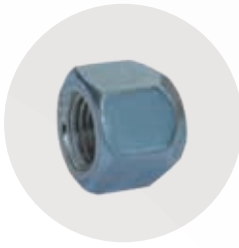


This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

FASTENERS OFFERED



BOLTS AND
SCREWS



NUTS



STANDARD/
CHASSIS
FASTENERS

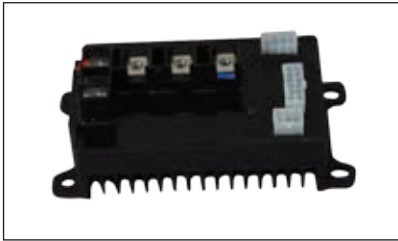


ENGINE
FASTENERS



SPECIAL
FASTENERS

MCUs OFFERED



↓
Low-Speed Scooter



↓
High-Speed Scooter



↓
Performance Scooters and Three-Wheelers



↓
Passenger Vehicles



↓
Light Commercial Vehicles



↓
Heavy Commercial Vehicles

CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



Anil Aggarwal
Chairman & Managing Director

Dear Shareholders,

Mr. Manohar Lal Aggarwal, our Founder and Chairman Emeritus, left for heavenly adobe on 3 November, 2022. His vision as an industrialist and philanthropist would continue to inspire many generations to come. His over 40 years of association and guidance endures in the high standards of governance he established in Sterling Tools Limited. Our entire team mourns his loss and reaffirms our commitment to his vision to take the Company to the new heights of success.

On business side, this year has been a remarkable year for all of us. In FY 2022-23, STL witnessed a strong growth trajectory, exemplified by its consolidated total income growing by an impressive 51% from ₹ 512.6 Crores in FY 2021-22 to ₹ 774.9 Crores. Our EBITDA also experienced a significant rise, increasing by 44% in FY 2022-23, reaching ₹ 100.4 Crores compared to ₹ 69.6 Crores in the previous year. Moreover, the Company's profit before tax (PBT) exhibited substantial growth, increasing from ₹ 34.8 Crores in FY 2021-22 to ₹ 63.3 Crores in FY 2022-23, marking a growth of 82%. Our profit after tax (PAT) increased from ₹ 25.5 Crores in FY 2021-22 to ₹ 47.9 Crores in FY 2022-23, representing a growth of 87%.

At Sterling, we are complementing the Auto industries' transformation by venturing into the EV component segment. Through our foray into this segment and the successfully incubation of an EV component business segment, we have undergone a remarkable transformation. We have evolved from being a fastener manufacturer to a broad spectrum component manufacturer with significant auto & power electronics as well as embedded software capabilities.

Our ability to adapt and embrace change has been key to our success.

Moving forward, our growth will be driven by our strong presence in the EV segment and we aim to establish ourselves as the leading player in India's EV component space. By prioritising technological leadership, we strive to provide exceptional solutions for EV powertrains.

Our fasteners business has been the foundation of our growth over the past four decades, our commitment to delivering consistent quality has earned us the trust of our stakeholders. It has also enabled us to nurture long-standing relationships with major auto OEMs.

BY VENTURING INTO THE EV COMPONENT SEGMENT, WE HAVE UNDERGONE A REMARKABLE TRANSFORMATION. WE HAVE EVOLVED FROM SOLELY BEING A FASTENERS MANUFACTURER TO BECOMING AN ENGINEERING FOCUSED BUSINESS, CAPABLE OF OFFERING A BROADER ABILITY TO PROVIDE A WIDER VARIETY OF SOLUTIONS FOR AUTOMOTIVE COMPONENTS.

Additionally, despite being in a start-up phase, our wholly owned subsidiary Sterling Gtake E-mobility Limited is EBITDA and PAT positive in its first full year of operations, by achieving revenue growth of ₹ 174.32 Crores in FY 2022-23 as compared to ₹ 38 Crores in FY 2021-22. We remain committed to growing our EV presence and capitalise on the growing EV adoption in India. We have orders from 15 EV OEMs and we are the single source to most of these customers/models. With our order book growing, we have initiated a capacity expansion of MCUs from 3,00,000 to 6,00,000 units per annum. Additionally, with our team of highly qualified engineers, we are focussing on product development and application support.

Moving ahead, our focus is on leveraging our extensive expertise and experience to cultivate a well-balanced portfolio comprising premium-priced value-added products that yield healthy return on capital. We take great pride in the exceptional capabilities of our dedicated team supported by a seasoned management team and energized by vibrant, young, and dynamic engineers.

With a forward-looking approach, we are actively exploring growth opportunities and strategic partnerships that will drive an increased share of the auto component space. By harnessing these collaborations, we aim to further strengthen our market position and capitalise on the rapidly growing auto market. Further, we aim to solidify our strong relations with automobile OEMs by providing world class auto components, while increasing our current market share as a leading auto components manufacturer in India. At STL, we firmly believe in nurturing our workforce and enhancing their well-being by providing equal and equitable opportunities for growth and excellence. As part of this commitment, we actively organise regular training

programmes and seminars to foster a culture of continuous learning and development among our employees. These initiatives aim to inspire excellence and enable the holistic advancement of our workforce, empowering them to reach their full potential. By investing in the professional and personal growth of our employees, we strive to create an environment that fosters success and cultivates a talented and motivated workforce.

In our endeavour to minimise our environmental impact, we have embraced sustainable business practices and remain dedicated to promote sustainable growth. At STL, we recognise the integral role played by our stakeholders in our success journey. To uphold this principle, we actively

WE HAVE INCREASED THE REVENUE FROM OUR EV SEGMENT FROM ₹ 38 CRORES IN FY 2021-22 TO ₹ 174 CRORES IN FY 2022-23. WE REMAIN COMMITTED TO GROWING OUR EV PRESENCE AND CAPITALISE ON THE GROWING EV ADOPTION IN INDIA.



collaborate and work closely with our stakeholders to achieve our shared goals. By nurturing strong partnerships, we strive to build sustainable relationships that contribute to the collective progress of all involved.

We emerged as more resilient and reinvigorated, and our confidence in our capabilities is reflected not only in our numbers but also in the trust that our clients have placed in us. I am grateful to our clients, partners, team members, and other stakeholders for their relentless collaboration to make this happen.

Lastly, I appreciate the unwavering support of our stakeholders and OEM partners as we embark on a journey

of mutual success. Your collective efforts and belief in our endeavours have been instrumental in our achievements. Together, we will continue to achieve milestones and create an organisation of the future.

Regards,

Anil Aggarwal

Chairman & Managing Director



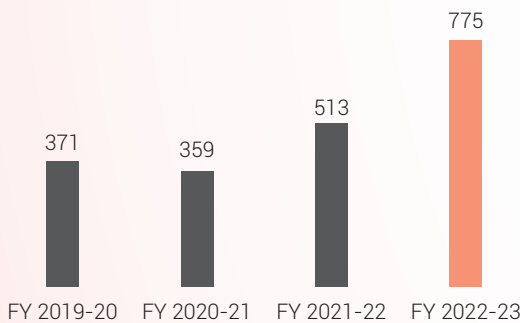
FINANCIAL PERFORMANCE

DRIVING GROWTH WITH A STRONG FINANCIAL PERFORMANCE

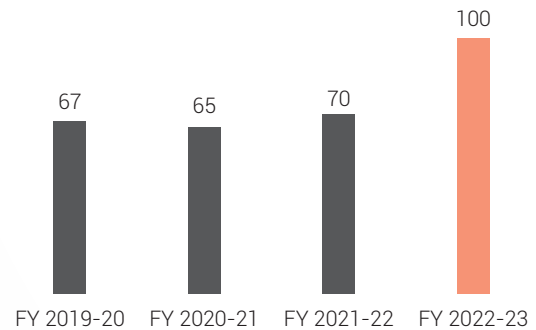
STL holds the view that the cornerstone of a sustainable enterprise is to achieve profitable growth while simultaneously establishing elevated standards of governance.



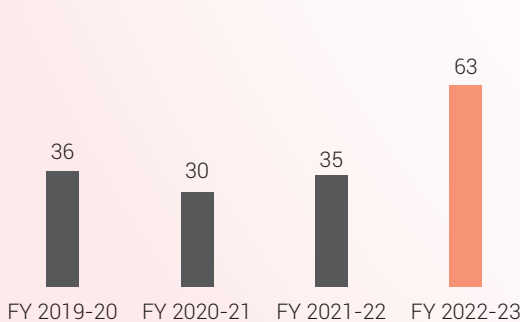
TOTAL INCOME (₹ Crores)



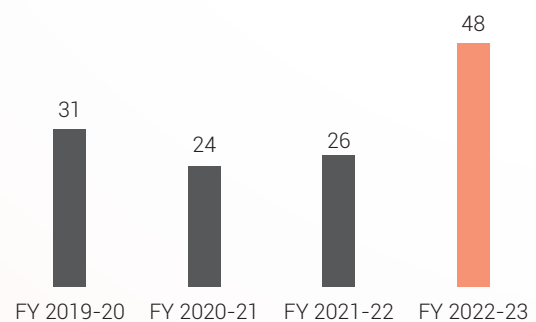
EBITDA (₹ Crores)



PBT (₹ Crores)



PAT (₹ Crores)



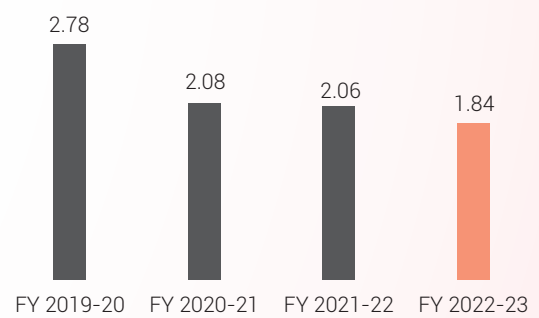
The figures are on consolidated basis.

**DEBT/EQUITY**

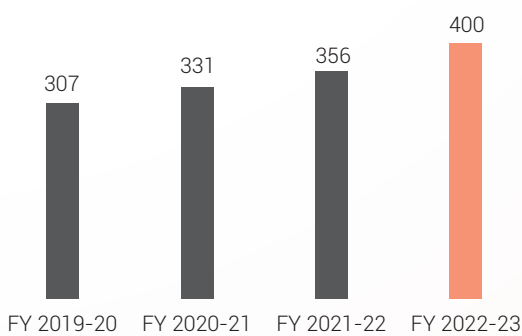
(Times)

**CURRENT RATIO**

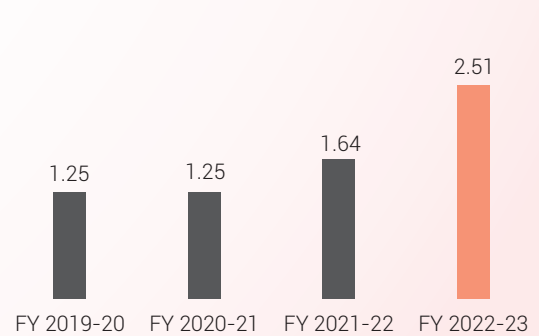
(Times)

**NET WORTH**

(&#x20B9 Crores)

**FIXED ASSET TURNOVER**

(Times)



ESG

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

STL has ingrained sustainability across its business operations and aims to contribute in a socially, ethically, and environmentally responsible manner to the development of a society where the needs of all are met. The Company aims to meet present needs without compromising the ability of future generations to meet their own needs.

To generate understanding and importance of sustainability, STL has carried out trainings on sustainability topics for its employees to provide information on STL's sustainability initiatives and global key areas of sustainability.

ENVIRONMENT

We have adopted state-of-the-art and energy-efficient systems and practices across our operations. As part of our ESG targets, we are aiming to improve our renewable energy through enhancement of solar power panels. We have completed a roof top solar plant installation with the capacity of 900 KWp at Bengaluru plant, which will result in the generation of electricity from this renewable resource. Additionally, solar plant of 700 KWp is installed at Prithla plant, which will benefit in the year FY 2023-24. This will help us to continuously conserve resources and energy, and consequently, keep our input costs under control.

In its efforts to conserve water, the Company has implemented a mechanism for Zero Liquid Discharge at its plants. This reduces our dependence on freshwater and helps to preserve the same.

SOCIAL

We are committed to make a positive impact on the world around us, both within and beyond our factories and offices. We believe in creating and maintaining a diverse, inclusive, vibrant, and meritocratic work environment that empowers and motivates our employees to do their best.

Our CSR policy focusses on health, education, empowering underprivileged section of society to supporting weaker, less privileged and marginalized sections through suitable projects or programs.

All the beneficiaries of CSR projects of the Company belong to the vulnerable and marginalised groups. Through this, we have taken a step towards social equality and upliftment of the underprivileged group.



GOVERNANCE

Corporate governance is the creation and enhancement of long-term sustainable value for our stakeholders, comprising regulators, employees, customers, investors, suppliers and the society at large, through ethically driven business practices. The Company reaffirms its core values, which are the basis of our ESG transformation. As per SEBI directives, the Company follows the Business Responsibility Report (BRR) which has now been advanced to the Business Responsibility & Sustainability Report (BRSR). The Company is in adherence to the requirements of regulatory norms for FY 2022-23 which forms part of this annual report.

Further, the Company is IATF 16949: 2016; ISO 45001: 2018; ISO 14001: 2015; ISO 9001: 2015 and ISO 17025 certified.

For us, ESG leadership does not just stem from applause and recognitions, it manifests from recognising the symbiotic relationship between environmental, social, and governance factors and leveraging them to create long-term value for the organisation, its stakeholders and society.



GOVERNANCE

ENABLING TRANSFORMATION THROUGH STRONG GOVERNANCE

STL's Board of Directors steer the Company's growth trajectory, while upholding the principles of transparency and fairness in all its endeavours. With their wealth of experience and expertise, the Board plays a pivotal role in giving a strategic direction to the Company, ensuring robust governance practices, and fostering a culture of accountability.



MR. ANIL AGGARWAL
Chairman & Managing Director



MR. ATUL AGGARWAL
Whole Time Director



MR. JAIDEEP WADHWA
Non-Executive Director



MR. CHHOTU RAM SHARMA
Independent Director



DR. TRILOKI NATH KAPOOR
Independent Director



MR. SHAIENDRA SWARUP
Independent Director



MR. RAKESH BATRA
Independent Director



MR. AKHILL AGGARWAL
Non-Executive Director



MS. MALINI SUD
Independent Director

CORPORATE INFORMATION

REGISTERED OFFICE

Unit No 515, DLF Tower A
Jasola District Centre
New Delhi - 110025, India

CORPORATE OFFICE

Plot No 4, DLF Industrial Estate
Faridabad - 121003, Haryana
Tel: 0129-2270621-25
Fax: 0129-2277359

WORKS

DLF Plant

5-A, DLF Industrial Estate
Faridabad - 121003, Haryana

Prithla Plant

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

Wire Drawing Plant

81, Sector 25, Ballabhgarh
Faridabad, Haryana

Kolar Plant

Plot no 109 P1, 109 P2, 110,
Vemagal Industrial Area
Harjenahalli Village, Distt - Kolar
Karnataka - 563102

Sterling Gtack E-Mobility Limited (Wholly owned subsidiary)

12/2, Delhi Mathura Road
Sector - 27, Faridabad - 121003,
Haryana

BANKERS

HDFC Bank Limited
Punjab National Bank
State Bank of India
Kotak Mahindra Bank Limited

BOARD OF DIRECTORS

Mr. Anil Aggarwal
Chairman & Managing Director

Mr. Atul Aggarwal
Whole Time Director

Mr. Jaideep Wadhwa
Non-Executive Director

Mr. Chhotu Ram Sharma
Independent Director

Dr. Triloki Nath Kapoor
Independent Director

Mr. Shailendra Swarup
Independent Director

Mr. Rakesh Batra
Independent Director

Mr. Akhill Aggarwal
Non-Executive Director

Ms. Malini Sud
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Pankaj Gupta

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Abhishek Chawla

AUDITORS

Statutory Auditors

Walker Chandio & Co LLP
L - 41, Connaught Circus
New Delhi - 110001

Internal Auditors

S.R. Dinodia & Co. LLP
Chartered Accountants
K - 39, Connaught Place
New Delhi - 110001

Protiviti India Member Private Limited
77th Town Centre, Ground Floor (East
Wing), Building 3, Block B,
Divyasree Technopolis Yemalur,
Bengaluru - 560037, Karnataka, India

Secretarial Auditors

Dhananjay Shukla & Associates
Company Secretaries
23, Sector - 30, Gurugram - 122001

Registrar & Share Transfer Agent

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

Board's Report

Dear Members,

Your Directors are pleased to present the 44th Annual Report on the business and operations of Sterling Tools Limited ('the Company') and Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31 March, 2023.

Financial Summary & Highlights

The Highlights of the Financial Performance and State of Company's Affairs for the FY 2022-23 vis-à-vis FY 2021-22 is summarised as under:

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from Operations	59,765.44	47,124.25	77,197.80	50,958.32
Other Income	588.39	338.30	290.01	302.65
Total Revenue	60,353.83	47,462.55	77,487.81	51,260.97
Total Expenditure (excluding Depreciation and Finance Cost)	51,126.38	40,132.55	67,444.21	44,302.34
Profit before interest, depreciation, taxes and exceptional Items	9,227.45	7,330.00	10,043.60	6,958.63
Less: Interest	812.48	662.65	883.69	686.74
Depreciation	3,087.32	2,700.77	3,171.59	2,733.55
Share of loss of investment accounted for using equity method	-	-	-	(61.66)
Add: Exceptional Item	344.26	-	344.26	-
Profit Before Tax	5,671.91	3,966.58	6,332.58	3,476.68
Less: Current Tax	1,427.62	1,040.72	1,590.02	1,043.94
Deferred Tax	101.34	(46.95)	(45.24)	(120.82)
Profit for the Year	4,142.95	2,972.81	4,787.80	2,553.56
Add: Other Comprehensive Income	50.33	236.24	51.15	238.09
Total Comprehensive Income for the Year	4,193.28	3,209.05	4,838.95	2,791.65

Company's performance and Future outlook

The Company's strategic objective is to develop a well-diversified presence across all automotive segments and improve the overall product mix with a focus on green energy. Under the guidance of experienced management, your Company has demonstrated internal growth potential with a young and dynamic workforce which enables your Company to excel in new business areas.

FY 2022-23 was the first full year post covid-19 disruption with the stable business environment. The key highlights of the Company's performance (Standalone) during the FY 2022-23 are as under:

- Revenue from Operations increased by 27% at ₹ 598 Crores;
- Profit before tax increased by 43% at ₹ 57 Crores;
- Profit after tax increased by 39% at ₹ 41 Crores;
- Cash profit increased by 27% at ₹ 72 Crores.

FY 2022-23 was also the first full year of the operations of Sterling Gtack E-Mobility Limited (SGEM), the wholly owned subsidiary of Sterling Tools Limited, which is one of

the largest Motor Control Unit (MCU) supplier for electric high-speed scooters in India. With the positive Profit After Tax (PAT) of SGEM in its first full year of operation, the Company's consolidated income raised to ₹ 775 Crores (51% higher).

Management looks at the future with optimism and hopes to touch new heights in times to come. The outlook of the Company as well as the Automobile Industry is provided in detail in Management Discussion and Analysis Report forming part of this Directors' Report.

Transfer to General Reserve

During the year under review, the Company has not transferred any funds to General Reserves out of the amount available for appropriation.

Dividend

The Company has a robust track record of rewarding its shareholders with a generous dividend pay-out. In view of the strong operational and financial performance during the year under review, the Board of Directors are pleased to recommend a final dividend of ₹ 2 per equity share

of face value of ₹ 2/- each (100%) for the year ended 31 March, 2023 subject to the approval of shareholders in the ensuing Annual General Meeting of the Company. The dividend pay-out will be in accordance with the Company's Dividend Distribution Policy. The Policy is available on the Company's website <https://stlfasteners.com/wp-content/uploads/2022/05/Dividend-Distribution-Policy-.pdf>.

As per the prevailing provisions of the Income Tax Act, 1961, the dividend, if declared, will be taxable in the hands of the shareholders at the applicable rates. The Company shall, accordingly, make the payment of Final Dividend after deduction of Tax at Source. Regarding the details of procedure for declaration & payment of dividend, shareholders are requested to refer to the Notice of 44th Annual General Meeting of the company.

Deposits

During the year under review, the Company has not accepted any deposits which come under the purview of Section 73 of the Companies Act, 2013, and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31 March, 2023, 99.77% of the Company's total paid-up Capital representing 3,59,40,675 equity shares are in dematerialised form. In view of numerous advantages offered by the Depository System, members holding shares in physical mode are advised to avail of the facility of dematerialisation from either of the Depositories.

Capital Structure and Listing

As on 31 March, 2023, the Company has Authorised Share Capital of ₹ 10,00,00,000/- and Paid Up Share Capital of ₹ 7,20,48,422/-. The equity shares of the Company are listed with BSE Limited and National Stock Exchange of India Limited. The Company had paid the Listing fees to both the Stock Exchanges and there are no arrears on account of payment of listing fees to the said Stock Exchanges.

The Promoters and Persons acting in concert with them hold 65.77% share capital of the Company as on 31 March, 2023.

There is no change in share capital structure during the year under review.

Subsidiaries, Joint Venture and Associate Companies

As on 31 March, 2023, the Company has 2 Wholly owned Subsidiaries. The highlights of the performance and other

details of subsidiary Companies are given below:

1. **Sterling Gtack E-Mobility Limited:** Sterling Gtack E-Mobility Limited (SGEM) was incorporated on 10 January, 2020 for the purpose of manufacturing/developing and trading Motor Control Units (MCUs) for Electric Vehicles on technical collaboration with a China based Company named Jiangsu Gtack Electric Company Limited. During the year under review, SGEM recorded a total revenue of ₹ 17,469.43 Lacs which is 4.5 times of previous year and the profit after tax for the year ended 31 March, 2023 is ₹ 748.04 Lacs i.e. Net profit in first year of its full operations.
2. **Haryana Ispat Private Limited:** The Company acquired 100% shareholding of Haryana Ispat Private Limited (HIPL). For the financial year ended 31 March, 2023, HIPL recorded the revenue of ₹ 9.77 Lacs and the Profit after Tax for the year ended 31 March, 2023 is ₹ 5.46 Lacs.

Status update on Joint Venture Company:

3. Sterling Fabry India Private Limited

Sterling Fabry India Private Limited (JV Company) was incorporated on 9 March, 2010 as a Joint Venture (JV) Company between Sterling Tools Limited and Fabry Masters in Fasteners Group BV. During the year under review, the Company has paid off all the liabilities and the balance amount left after setting off assets and liabilities, was remitted to the Shareholders of the Company.

JV Company vide its Annual General Meeting dated 03 June, 2022 appointed a Voluntary Liquidator to liquidate its operation. The petition for Voluntary Liquidation was filed by the Voluntary Liquidator, Mr.Chetan Gupta with the National Company Law Tribunal (NCLT) on 23 March, 2023 and the Hon'ble NCLT vide its Order dated 16 June, 2023 has given approval for Voluntary Liquidation of JV Company.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements in Form **AOC-1** annexed as **Annexure -1**.

Consolidated Financial Statements

Your Directors have pleasure in enclosing the audited Consolidated Financial Statements in addition to the audited standalone financial statements pursuant to Section 129(3) of the Companies Act, 2013 (Act) read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of

Board's Report (Contd.)

India.

The Consolidated Profit and Loss Account for the period ended 31 March, 2023, includes the Profit and Loss Account for both the subsidiaries i.e. Haryana Ispat Private Limited and Sterling Gtake E-Mobility Limited for the complete Financial Year ended 31 March, 2023 and Profit and Loss Account for Joint Venture viz. Sterling Fabory India Private Limited for the period upto June 2, 2022.

In accordance with the third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements have been placed on the website of the Company in the Annual report section at <https://stlfasteners.com/home/investors/>.

Change in the nature of business, if any.

There is no change in the nature of business of the Company during the financial year ended 31 March, 2023.

Directors and Key Managerial Personnel

The Company has a professional Board with an optimum combination of Executive and Non-executive Director who bring to the table the right mix of knowledge, skills and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of stakeholders.

During the year under review, the Non-Executive Director of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, Advisory fees, if any, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board /Committee of the Company.

During the FY 2022-23, no changes took place in the composition of the Board of Directors of the Company.

In accordance with Section 152 of the Act, Mr. Anil Aggarwal (DIN:0027214), who has been in the office, is liable to retire by rotation at the ensuing 44th Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his appointment for the approval of the members of the Company in the ensuing 44th AGM. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice of AGM.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. Anil Aggarwal, Chairman & Managing Director, Mr. Atul Aggarwal, Whole Time Director and Mr. Pankaj Gupta, Chief Financial Officer of the Company as on 31 March, 2023.

Ms. Vaishali Singh, Company Secretary cum Compliance Officer vide her letter dated 9 November, 2022 tendered

her resignation from the position of Company Secretary cum Compliance Officer of the Company to the Board of Directors of the Company w.e.f closure of business hours of 9 November, 2022. In her place, Mr. Abhishek Chawla has been appointed as Company Secretary and Compliance Officer of the Company in the Board Meeting held on 08 May, 2023, based on recommendation of Nomination & Remuneration Committee Meeting held on that date.

Declaration of Independence by Independent Directors.

During the year under review, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and have complied with the Code of Conduct for Independent Directors prescribed in Schedule IV of the Act. In the opinion of the Board of Directors, all the Independent Directors have relevant integrity, skills, expertise, experience and proficiency.

Number of meetings of the Board and attendance of the Directors

The Board met 4 (Four) times during the FY 2022-23, in respect of which notices were given and the proceedings were properly recorded. For details of the meetings of the Board and attendance of the Directors, please refer **Page No. 51** of Corporate Governance Report attached to this Annual Report.

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

The Company complies with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118 (10) of Companies Act, 2013.

Policy on Directors' appointment and remuneration and other details

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided in Section 178(3) and Section 134(3) (e) of the Companies Act, 2013 has been disclosed in **Annexure-II** attached to this Report and the same have been placed on the Website of the Company at <https://stlfasteners.com/home/investors/>.

Policy on Board Diversity

The Company recognises and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought,

perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills including expertise in financial, global business, leadership, technology, mergers & acquisitions, Board service, strategy, sales and marketing, Environment, Social and Governance (ESG), risk and cybersecurity and other domains, which will ensure that the Company retains its competitive advantage. The Board Diversity Policy adopted by the Board sets out its approach to diversity.

The Nomination and Remuneration Committee reviews and assesses board composition on behalf of the board and recommends the appointment of new Directors and Senior Management Personnel including functional Heads of the Company. The committee also oversees the conduct of the annual review of board effectiveness. The Nomination & Remuneration Committee and the Board in their meetings held on 8 May, 2023 have also included the functional head under the category of Senior Management Personnel of the Company.

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

Particulars of contracts or arrangements with Related Parties

The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in **Form No. AOC-2 in ANNEXURE – III** and forms part of this Report.

Audit Committee - Meetings of the Committee & Attendance of Members

The Audit Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure. The purpose of this Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosures process, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

As at 31 March, 2023, the Audit Committee of the Board of Directors of the Company comprised of 4 (Four) Members, namely Mr. Chhotu Ram Sharma, Mr. Rakesh Batra, Mr. Shailendra Swarup, and Mr. Anil Aggarwal, majority of them being Independent Directors except Mr. Anil Aggarwal, who is the Chairman cum Managing Director

of the Company. Mr. Chhotu Ram Sharma, Independent Director, is the Chairman of the Audit Committee.

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year under review.

Four meetings were conducted during the year in respect of which proper notices were given and the proceedings were properly recorded. For details of the meetings of the Audit Committee and attendance of the Members, please refer **Page No. 55** of Corporate Governance Report attached to this Annual Report.

Nomination & Remuneration Committee - Meetings of the Committee & Attendance of Members

The Nomination & Remuneration Committee's (NRC) composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 2015.

As at 31 March, 2023, the NRC Committee of the Board of Directors of the Company comprised of 3 (Three) Members, namely Mr. Chhotu Ram Sharma, Mr. Rakesh Batra and Mr. Shailendra Swarup, all of them being Independent Directors. Mr. Chhotu Ram Sharma, an Independent Director, is the Chairman of the Committee.

One meeting of NRC Committee was conducted during the year in respect of which proper notice was given and the proceedings were properly recorded. For details of the meetings of the NRC Committee and attendance of the Members, please refer **Page No. 55** of Corporate Governance Report attached to this Annual Report.

Stakeholders' Relationship Committee - Meetings of the Committee & Attendance of Members

The Stakeholders' Relationship Committee's (SRC) composition meets with requirements of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, 2015.

As at 31 March, 2023, the SRC Committee of the Board of Directors of the Company comprised of 3 (Three) Members, namely Mr. Shailendra Swarup, Mr. Chhotu Ram Sharma and Mr. Atul Aggarwal and majority of them being Independent Director except Mr. Atul Aggarwal, who is Whole time Director of the Company. Mr. Shailendra Swarup, an Independent Director, is the Chairman of the Committee.

One meeting of SRC Committee was conducted during the year in respect of which proper notice was given and the proceedings were properly recorded. For details of the meetings of the SRC Committee and attendance

of the Members, please refer **Page No. 56** of Corporate Governance Report attached to this Annual Report.

Risk Management Committee - Meetings of the Committee & Attendance of Members

The Risk Management Committee's (RMC) composition meets with requirements of Regulation 21 of the Listing Regulations, 2015.

As at 31 March, 2023, the RMC Committee of the Board of Directors of the Company comprised of 5 (Five) Members, namely Mr. Anil Aggarwal, Mr. Rakesh Batra, Mr. Atul Aggarwal, Mr. Jaideep Wadhwa and Mr. Pankaj Gupta.

Two meetings of RMC Committee were conducted during the year in respect of which proper notice were given and the proceedings were properly recorded. For details of the meetings of the RMC Committee and attendance of the Members, please refer **Page No. 57** of Corporate Governance Report attached to this Annual Report.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Based on the guidance note on Board Evaluation issued by the Securities and Exchange Board of India on 05 January, 2017, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations, and governance.

In a separate meeting of independent directors, the performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, considering the views of Executive Directors and Non-Executive Directors of the Company.

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

In the Board meeting that followed the meeting of the independent directors and meeting of the Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent

directors was done by the entire board, excluding the independent director being evaluated.

Corporate Social Responsibility Committee

Composition of the Corporate Social Responsibility Committee has been disclosed in the Corporate Governance Report, attached to this report. The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy on CSR is available on the website of the Company, (<https://stlfasteners.com/home/investors/>).

Auditors

I) Statutory Auditors

As per provisions of Section 139(1) of the Companies Act, 2013, the Company has appointed M/s Walker Chandio & Co., LLP Chartered Accountants as Statutory Auditors for a period of 5 (Five) years in the AGM of the Company held on 22 September, 2022.

Statutory Auditors' Report

There have been no qualification, reservation or adverse remark reported by the Statutory Auditors in its reports on standalone and consolidated financial statements of the Company for year ended 31 March, 2023.

II) Secretarial Auditors' report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s Dhananjay Shukla & Associates, Company Secretaries, were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31 March, 2023.

Secretarial Audit Report

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI Listing Regulations a Secretarial Audit Report given by the Secretarial Auditors in **Form No. MR-3** is annexed with this Report as **Annexure - V**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

Annual Secretarial Compliance Report

Annual Secretarial Compliance Report for the financial year ended 31 March, 2023 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s Santosh Kumar

Pradhan, Practicing Company Secretaries. The Annual Secretarial Compliance Report doesn't contain any qualification, reservation, or adverse remarks.

III) Cost Auditors

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice.

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Jitender, Navneet & Co., Cost Accountants were appointed as the Cost Auditor of the Company for the year ending 31 March, 2023.

Disclosure on maintenance of Cost Records

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

Details in respect of Fraud, if any, Reported by the Auditors

M/s Walker Chandiook & Co., LLP, Chartered Accountants, the Statutory Auditors of the Company have stated that during the course of their audit, there were no fraud by the Company or on the Company by its officers or employees, noticed or reported in the Independent Auditors' Report which forms part of this Report. Hence, there was no requirement to report the same to the Audit Committee or Board of Directors of the Company.

Internal Financial Control Systems and their adequacy

The Company has a robust Management Information System, which is an integral part of the control mechanism. The Company has adopted the policies and procedures which intended to increase the transparency & accountability in designing and implementation of the system of internal control in the Company.

The management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 18(3) of SEBI Listing Regulations) as of 31 March, 2023.

Based on the results of such assessments carried out by Management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. Nonetheless your Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

M/s Walker Chandiook & Co., LLP, the statutory auditors of the Company have audited the financial statements is included in this annual report and have issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

The Company has well established Internal audit function. Risk based audit are performed for all businesses, functions & locations (Plant, Branch, warehouse, corporate office). The internal audit is entrusted to M/s S.R. Dinodia & Co., LLP, a firm of Chartered Accountants for the North based manufacturing plants of the Company and M/s Protiviti India Member Private Limited for South based manufacturing plant of the Company.

Internal Audit plan is approved by the Audit Committee, further on a quarterly basis summary of key findings along with their root cause analysis and action taken status are presented to the Audit Committee. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

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

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Listing Regulations 2015), our audit committee has concluded that, as of 31 March, 2023, our internal financial controls were adequate and operating effectively.

Risk Management

The Company has constituted a Risk management committee and formulated a Risk Management policy to identify, assess and mitigate various risks related to our business, which is covered in detail in the Management Discussion and Analysis Report.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact on its ability to achieve its strategic objectives. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177(9) of The Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has adopted a policy on Vigil Mechanism for directors and employees to report their genuine concerns or grievance to the Vigilance Officer. The policy is available on the Company's website <https://stlfasteners.com/home/investors/>.

Extract of Annual Return

As provided under section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the draft Annual Return in the prescribed form MGT-7 as on 31 March, 2023 is available on the Company's website at www.stlfasteners.com/investors/.

Particulars of Loans, Guarantees or Investments under section 186

Particulars of loans, guarantees given and investments made during the year, as required under section 186 of the Companies Act, 2013 and schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, are provided in Notes 5 and 14 of the standalone financial statements.

Material changes and commitments

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

Credit Rating

The ICRA Limited ("ICRA"), the credit rating agency has reaffirmed the Long-Term Credit rating AA- Outlook Stable as well as Short Term Credit Rating A1+ of the Company. This rating indicates the strong financial health and credibility of the Company.

Particulars of Employees

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided as **Annexure VI**. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with rule

5(1) of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)

Having regard to the provisions of the first proviso to Section 136(1) of The Companies Act, 2013 and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Capital Expenditure

As on 31 March, 2023, the Gross Fixed Assets including intangible assets stood at ₹ 49,533.34 Lacs and Net Fixed Assets stood at ₹ 25,692.30 Lacs. Additions during the year amounted to ₹ 2,202.49 Lacs.

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

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

Transfer to Investor Education and Protection Fund

Pursuant to the provisions of Section 125 of the Companies Act, 2013, relevant amounts along with the shares, which remained unpaid or unclaimed for a period more than seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer & Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Ministry of Corporate Affairs' website and the shareholders may refer to the Notice of AGM regarding details of amounts and the corresponding shares proposed to be transferred to IEPF during the coming year.

Corporate Governance and Management Discussion & Analysis Report

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

Business Responsibility and Sustainability Report (BRSR)

At a time and age when enterprises are increasingly seen as critical components of the social system, they are accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder.

The Business responsibility and sustainability report seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBCs'). As per the SEBI Circulars, effective from the FY 2022-23, reporting & filing of BRSR is mandatory for the top One Thousand listed companies by market capitalization as on 31 March 2023 and your Company is covered under the said limit. BRSR describing the initiatives taken by the Company from an environmental, social and governance perspective, in the format as specified by SEBI is enclosed to this Report.

Director's Responsibility Statement

Pursuant to the requirement under section 134(3) (c) of the Companies Act, 2013 with respect to the Director's Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the accounts for the FY ended 31 March, 2023, the applicable accounting standards have been followed and there are no material departures.
- (ii) the Directors have selected accounting policies in consultation with Statutory Auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year under review.
- (iii) the directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. The directors have confirmed that there are adequate control & systems for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the accounts for the FY ended 31 March, 2023 on a 'going concern' basis.
- (v) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Safety, Health and Environment (SHE) Measures

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

Name of the companies which have become or ceased to be Company's subsidiaries, Joint venture or Associate Companies during the year

During the year under review Sterling Fabory india Private Limited, the Joint Venture Company vide its Annual General Meeting dated 03 June, 2022 appointed a Voluntary Liquidator to liquidate the Company's operation.

The petition for Voluntary Liquidation was filed by the Voluntary Liquidator, Mr. Chetan Gupta with the National Company Law Tribunal (NCLT) on 23 March, 2023 and the Hon'ble NCLT vide its Order dated 16 June, 2023 has approved Voluntary Liquidation of the Company.

Except as above, no Company have become or ceased to be the Company's subsidiaries, Joint Venture or Associate during the year ended 31 March, 2023.

Proceedings pending, if any, under the Insolvency and Bankruptcy code, 2016

The Company has neither filed any application during the year under review nor any proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at 31 March, 2023.

The details of difference between amount of the time of one time Settlement and the Valuation done while taking loan from the Bank or Financial institutions along with the reasons thereof

No such event has occurred during the year under review.

Quality Management System

STL has implemented robust Quality, Environment management and Health & Safety management system at its manufacturing facilities. The facilities are certified by:

Key certifications

IATF 16949 : 2016	Quality Management System
ISO 45001 : 2018	Health & Safety Management System
ISO 14001 : 2015	Environment Management System
ISO 9001:2015	Quality Management System
ISO 17025	Chemical Testing, Mechanical Testing and Instrument Calibration

Cash Flow Analysis

In compliance with the provisions of Regulation 34 of the SEBI Listing Regulations Regulations, 2015, the Cash Flow Statement for the year ended 31 March, 2023 is part of this Annual Report.

Sexual Harassment

The Company has Constituted an Internal Complaint Committee as required under Section-4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

During the year under review, there were no complaints pertaining to sexual harassment.

Significant and Material Orders passed by the Regulators or Courts

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

Insurance

Your Company has taken appropriate insurance for all its assets against foreseeable perils.

Human Resources

Our employees are our most important assets. We are committed for hiring and retaining the best talent. For this, we focus on promoting a collaborative, transparent and

participative organisation culture, and rewarding merit and sustained high performance. Our human resource management focuses on allowing our employees to develop their skills, grow in their career and navigate to their next level of achievements next.

STL' goal has always been to create an open and safe workplace for every employee to feel empowered, irrespective of gender, sexual preferences, and other factors, and contribute to the best of their abilities.

Industrial relations remained cordial throughout the year under review.

The Company had a total of 585 permanent employees as on 31 March, 2023.

Weblink to Important documents/information

The Company has hosted certain policies/documents/information including inter alia Policy for determining 'Policy on Related Party Transactions, Familiarisation programs for Independent Directors etc. as per the requirement of law or otherwise on following the link: <https://stlfasteners.com/investors/>.

Acknowledgements

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

Your Directors look forward to their continued support.

For and on behalf Board of Directors

Date: 2 August, 2023

Place: Faridabad

Anil Aggarwal
Chairman & Managing Director
DIN-00027214

Annexure-I to Board's Report

Form AOC-1

(Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

Part "A": Subsidiaries

Haryana Ispat Private Limited

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

1.	Sl. No.	1
2.	Name of the Subsidiary	Haryana Ispat Private Limited
3.	Date since when the subsidiary was acquired	25 November, 2016
4.	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31 March, 2023
5.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR
6.	Share Capital	₹ 10.00
7.	Reserves & Surplus	₹ 6.01
8.	Total Assets	₹ 17.82
9.	Total Liabilities	₹ 17.82
10.	Investments	NIL
11.	Turnover/Other Income	₹ 9.77
12.	Profit before taxation	₹ 8.51
13.	Provision for taxation	₹ 3.05
14.	Profit after taxation	₹ 5.46
15.	Dividend paid during FY 2022-23	₹ 254.00
16.	Extent of Shareholding (in %)	100%

Sterling Gtack E-Mobility Limited

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

1.	Sl. No.	2
2.	Name of the Subsidiary	Sterling Gtack E-Mobility Limited
3.	Date since when the subsidiary was acquired	12 March, 2020
4.	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31 March, 2023
5.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	INR
6.	Share Capital	₹ 2845.60
7.	Reserves & Surplus	₹ 92.38
8.	Total Assets	₹ 7849.92
9.	Total Liabilities	₹ 7849.92
10.	Investments	NIL
11.	Turnover	₹ 17469.43
12.	Profit before taxation	₹ 904.39
13.	Provision for taxation	₹ 156.35
14.	Profit after taxation	₹ 748.04
15.	Proposed Dividend	NIL
16.	Extent of Shareholding (in %)	100%

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

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

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(All amounts in ₹ Lacs, unless otherwise stated)

S. No.	Name of Associates/Joint Venture	Sterling Fabry India Private Limited
1.	Latest audited Balance Sheet Date	31 March, 2022
2.	Date on which the Associate or Joint Venture was associated or acquired	09 March, 2010
3.	Shares of Associate/ Joint Venture held by the Company on the year end	
	No. of shares	Nil
	Amount of Investment in Associates/Joint Venture	Nil
	Extend of Holding %	50%
4.	Description of how there is a significant influence	Joint Venture Agreement
5.	The reason why the associate/joint venture is not consolidated	The Company has filed application for winding up during the year and hence the figures are not consolidated
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	The Company has filed application for winding up during the year and hence the figures are not consolidated
7.	Profit / Loss for the year	The Company has filed application for winding up during the year and hence the figures are not consolidated
	Considered in Consolidation	
	Not Considered in Consolidation	The Company has filed application for winding up during the year and hence the figures are not consolidated

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

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

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

For and on behalf Board of Directors

Atul Aggarwal
Whole Time Director
DIN: 00125825

Pankaj Gupta
Chief Financial Officer

Anil Aggarwal
Chairman & Managing Director
DIN-00027214

Abhishek Chawla
Company Secretary
Membership no A34399

Date: 02 August, 2023
Place: Faridabad

Annexure-II to Board's Report

NOMINATION AND REMUNERATION POLICY

Introduction:

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

Objectives of the Committee:

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of the Independent Director and to carry out evaluation of every Director's performance and to provide necessary report to the Board for further evaluation.
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- vi. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vii. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ix. To perform such other functions as may be necessary or appropriate for the performance of its duties.
- x. To develop a succession plan for the Board and to regularly review the plan.

Definitions:

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

- "Committee":-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- "Company":- Company means Sterling Tools Limited.
- "Independent Director":- As provided under the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the Company:
 - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
 - ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
 - c. apart from receiving director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent of more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - e. who, neither himself nor any of his relatives — holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (i) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed; or
 - (A). a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or

- (B). any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
 - (C). holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (D). is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
 - (E). who possesses such other qualification as may be prescribed under the applicable statutory provisions/ regulations
 - (F). is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. who is not less than 21 years of age.
- "Key Managerial Personnel":- Key Managerial Personnel (KMP) means-
 - (i) the Chief Executive Officer(CEO) or the Managing Director (MD) or the manager;
 - (ii) the Whole-Time Director;
 - (iii) the Company Secretary;
 - (iv) the Chief Financial Officer(CFO); and
 - (v) such other officer as may be prescribed under the applicable statutory provisions/ regulations
 - "Senior Management": - The expression "senior management" means the persons in senior management would include all members of management one level below the CEO/MD/ whole-time director/ manager (including CEO/manager, in case CEO/manager is not part of the board) and should specifically include the functional heads, by whatever name called and the Company secretary and the Chief Financial Officer (CFO) .
 - "Nomination and Remuneration Committee" shall mean a Committee

of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

- "Policy or This Policy" means, "Nomination and Remuneration Policy.
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

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

Guiding Principles

The Policy ensures that:

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Applicability:

The Policy is applicable to

- i. Directors (Executive and Non Executive)
- ii. Key Managerial Personnel
- iii. Senior Management Personnel

Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

- a. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b. Minimum two (2) members or one-third of the members , whichever is greater , with at least one independent director shall constitute a quorum for the Committee meeting.

Annexure-II to Board's Report (Contd.)

- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman:

- a. Chairman of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d. Chairman of the Nomination and Remuneration Committee meeting shall present at the General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings:

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

Committee Members' Interests:

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Secretary:

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

Voting:

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

General Appointment Criteria:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. For the appointment of Senior management (excluding CS and CFO), Mr. Anil Aggarwal, Managing Director and Mr. Atul Aggarwal, Whole time Director

shall be severally authorised to finalise the candidate based on criteria determined under this policy or by Nomination and Remuneration Committee, from time to time.

- iii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.
- iv. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.
- v. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy year Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure:

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

- 1. Managing Director/Whole-time Director/Manager (Managerial Person):- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- 2. Independent Director: - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves as an Independent Director.

Evaluation:

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

Removal:

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

Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Criteria for Evaluation of the Board:

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

1. Executive Directors:
The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the Board from time to time.
2. Non Executive Director:
The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:
 - (a) act objectively and constructively while exercising their duties;
 - (b) exercise their responsibilities in a bona fide manner in the interest of the Company;
 - (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
 - (d) do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
 - (e) refrain from any action that would lead to loss of his independence;
 - (f) inform the Board immediately when they lose their independence;
 - (g) assist the Company in implementing the best corporate governance practices;

- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the Company;
- (k) keep themselves well informed about the Company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- (n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading etc.

Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and financially literate.

Remuneration:

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

General:

1. The remuneration / compensation / commission etc. to Managerial Person and KMP will be determined

- by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration of Senior Management (excluding CS and CFO) or any increment thereto can be determined by Mr. Anil Aggarwal, Managing Director and Mr. Atul Aggarwal, Whole Time Director of the Company as per the Company's Policy.
 - The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
 - Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
 - Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managerial Person, KMP and Senior Management:

- Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to

comply with such provisions, with the prior approval of the Central Government.

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

Remuneration to Non-Executive / Independent Director:

- Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Minutes of Committee Meeting:

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

Deviations from this policy

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

For and on behalf of Board of Directors

(Anil Aggarwal)
Chairman & Managing Director
DIN: 00027214

Annexure-III to Board's Report

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of The Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

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

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

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

The Company has not entered into any contract or arrangement with its related parties which is not at arm's length price during the FY 2022-23.

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

a.	SL. No.	Particulars	Details
	a)	Name (s) of the related party & nature of the relationship	Sterling Automobiles Private Limited (SAPL)
	b)	Nature of contracts / arrangements / transaction	Sale, Purchase and Service of Honda Vehicles
	c)	Duration of the contracts / arrangements / transaction	01 April, 2023 to 31 March, 2026
	d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The Company may purchase Honda vehicles upto an Annual Transaction value of ₹ 50 Lacs as well as get its Honda Vehicles serviced from SAPL upto an Annual transaction value of ₹ 25 Lacs.
	e)	Date of approval by the Board	01 February, 2023
	f)	Amount paid as advances, if any	N.A.
b.	SL. No.	Particulars	Details
	a)	Name (s) of the related party & nature of the relationship	Sterling Technologies Private Limited
	b)	Nature of contracts / arrangements / transaction	Lease Agreement
	c)	Duration of the contracts / arrangements / transaction	01 January, 2023 to 30 November, 2023
	d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Company has taken the premises on warehousing purposes at Annual Rent of ₹27.72 Lacs.
	e)	Date of approval by the Board	09 November, 2022
	f)	Amount paid as advances, if any	N.A.



Annexure-III to Board's Report (Contd.)

During the year under review, no material transactions, contracts or arrangements as defined under the listing agreement or which were above the threshold limits mentioned under Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014, were entered with the related parties by the Company. For details on related party transactions, members may refer to the notes to the standalone financial statement.

For and on behalf of Board of Directors

Date: 02 August, 2023

Place: Faridabad

(Anil Aggarwal)

Chairman & Managing Director

DIN: 00027214

Annexure-IV to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR FY 2022-23

1. Brief outline on CSR and Policy of the Company:

The CSR Policy of Sterling Tools Limited is based on this belief that all are born with equal potential but not with equal opportunity. The vision of the Company is to focus on sustainable business practices including economic, environmental and social priorities that not only cover business, but also the communities around us. The CSR philosophy of STL is giving back to the society by addressing the needs of communities residing in the local vicinity by undertaking socially useful programs for the transformation and sustainable development of the needy communities at large.

STL conducts its CSR Programs mainly through its social development arm, Sterling Tools Foundation which has been promoted by STL in 2016 to develop the community in the areas of healthcare, sanitation, supporting education through scholarships/providing better infrastructure in form of smart classes/transforming the basic infrastructure of Government schools, rehabilitating the destitute and to run the programs for educating the needy community of the Society about the various schemes/plans run by the Government including local and State Authorities.

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

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Aggarwal	Chairman & Managing Director	1	1
2	Mr. Jaideep Wadhwa	Director	1	1
3	Mr. Chhotu Ram Sharma	Non-Executive Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

https://stlfasteners.com/wp-content/uploads/2017/02/STL_CSR_Policy.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

(₹ in Lacs)

5.	a) Average net profit of the Company as per section 135(5)	3,756.69
	b) Two percent of average net profit of the company as per section 135(5)	75.13
	c) Surplus arising out of the CSR projects or programs or activities of the previous financial years	NIL
	d) Amount required to be set off for the financial year, if any	NIL
	e) Total CSR obligation for the financial year (b+c-d)	75.13

(₹ in Lacs)

- 6.
- | | |
|---|-------|
| a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) | 49.60 |
| b) Amount spent in Administrative Overheads | 0.57 |
| c) Amount spent on Impact Assessment, if applicable | NIL |
| d) Total amount spent for the Financial Year (a+b+c) | 50.17 |
| e) CSR amount spent or unspent for the financial year: | |

Total Amount Spent for the Financial Year	Amount Unspent (₹ in Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
50.17	24.96	29 March, 2023	N.A.	N.A.	N.A.

- f) Excess amount for set off, if any

Sl. No.	Designation / Nature of Directorship	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). During FY ended March 31, 2023, the Company has spent ₹50.17 Lacs. on various projects. The unspent balance of ₹24.96 Lacs, towards ongoing projects, had been transferred to the unspent CSR account and will be spent in accordance with the CSR Amendment Rules.

For and on behalf of Board of Directors

(Anil Aggarwal)

Chairman & Managing Director
and Chairman – CSR Committee

DIN: 00027214

Date: 2 August, 2023

Place: Faridabad

Annexure-V to Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31 March, 2023

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

To,
The Members,
M/s Sterling Tools Limited
(CIN: L29222DL1979PLC009668)
Regd. Office: Unit No. 515, DLF Tower A,
Jasola District Centre, New Delhi -110025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sterling Tools Limited**, (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(No event took place under this regulation during the review period).**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(No event took place under this regulation during the review period).**
- e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; **(No event took place under this regulation during the review period).**
- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(No event took place under this regulation during the review period).**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(No event took place under this regulation during the review period).**
- i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

There were no specific laws applicable to the company, as confirmed by the managements of the company during the period under audit.

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India on Board Meetings (SS-1) and General Meetings (SS-2);
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") read with the Listing agreements as entered by the Company with the Stock Exchanges.

During the period under audit, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

The Company has transferred ₹ 25 Lacs to its Unspent CSR account within one month from the end of the financial year ended on 31 March, 2023 towards the ongoing projects.

We further report that-

The company had received three clarification letters from National Stock Exchange (NSE) which were duly replied by the Company during the review period.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director during the Audit Period. Further the changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the review period, Ms. Vashali Singh, Company Secretary cum Compliance officer resigned from her position with effect from 09 November, 2022. Mr. Abhishek Chawla has been appointed as Company Secretary Cum Compliance officer of the Company with effect from 08 May, 2023 pursuant to the Regulation 6 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as per the minutes, as duly recorded and signed by the Chairman of the meeting of the Board of Directors or committees of the Board; therefore there were no dissenting views required to be recorded as part of the minutes.

We further report that based on review of compliance software maintained and installed by the Company and on the basis of the quarterly compliance certificate(s) given by the Company Secretary/Chief Financial Officer (CFO) and other departmental heads and taken on record by the Board of Directors

at their meeting(s), we are of the opinion that the Management has adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliances with applicable General Laws like Labour laws and Environmental laws and other applicable laws forming part of this report.

We further report that, during the audit period the Company has undertaken the following major decisions during the period under Audit in compliance with the applicable laws/rules:-

1. Pursuant to Sections 179 to read with 186 of the Companies Act, 2013, the Company has invested ₹ 20 (Twenty) Crores during the Audit period into equity shares of Sterling Gtack E-mobility Limited.
2. Pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the Company has passed a special resolution for payment of remuneration in the form of advisory fees of ₹ 6.25 Lacs per month w.e.f. 01 April, 2022 to Mr. Jaideep Wadhwa (DIN: 00410019), a Non- Executive Non Independent Director during the Financial year ending 31 March, 2023, exceeding 50% of the total annual remuneration payable to all the Non- Executive Directors of the Company for the said year.
3. The Company has declared the dividend of Rupee 1 (One) per share on the face value of ₹ 2 per share in its Annual General Meeting held on 22 September, 2022.

For Dhananjay Shukla & Associates
Company Secretaries

Dhananjay Shukla
Proprietor

Date : 02 August, 2023

FCS-5886, CP No. 8271

Place : Gurugram

Peer Review No. No.2057/2022

UDIN: F005886E00745163

This report is to be read with our letter of even date which is annexed as 'Annexure -A' and forms integral part of this report.

Enclosure: Annexure-A

'Annexure-A'

To,
The Members,
M/s Sterling Tools Limited
(CIN: L29222DL1979PLC009668)
Regd. Office: Unit No. 515, DLF Tower A,
Jasola District Centre, New Delhi -110025

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records and other relevant records as maintained by the Company. The verification was done on test basis to ensure that correct facts are reflected in secretarial records and other relevant records. We believe that the processes and practices we followed and the audit evidences we have obtained are sufficient and appropriate to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have not examined the compliance by the Company with applicable financial laws like Direct tax and Indirect Tax Laws, since the same has been subject to review by the Statutory Financial Auditor or by other designated professionals.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dhananjay Shukla & Associates
Company Secretaries

Dhananjay Shukla
Proprietor

FCS-5886, CP No. 8271

Peer Review No. No.2057/2022

UDIN: F005886E00745163

Date : 2nd August, 2023

Place : Gurugram

Annexure-VI to Board's Report

PARTICULAR OF EMPLOYEES

The information required under Section 197 of The Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

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

Executive Directors	Designation	Ratio to Median Remuneration
Mr. Anil Aggarwal	Chairman & Managing Director	57
Mr. Atul Aggarwal	Whole Time Director	56

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

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Mr. Anil Aggarwal, Chairman & Managing Director	20.80%
Mr. Atul Aggarwal, Whole Time Director	20.07%
Mr. Pankaj Gupta, Chief Financial Officer	8%
Ms. Vaishali Singh, Company Secretary	18.52%

- c. **The Percentage increase in the median remuneration of employees in the financial year: 12%.**
d. **The number of permanent employees on the rolls of Company: 585**
e. **Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 12%.

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

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

- g. **The information required under Section 197 of The Companies Act, 2013 read with Rule 5(2) &(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

I. The names of top ten employees in terms of remuneration drawn: In terms of the provisions of Section 197(12) of The Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of top ten employees of the Company drawing remuneration can be made available on a specific request given to the Company, in writing.

II. Name of every employee who if:

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

S. No.	Name of Employees	Designation	Remuneration (₹)	Nature of employment (Contractual or otherwise)	Qualification and Experience	Date of Commencement of employment	Age	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
1	Mr. Anil Aggarwal	Managing Director	261,04,231	Otherwise	B.Com. and 47 Years	30.09.1994	65	N.A.	16.96	Yes
2	Mr. Atul Aggarwal	Whole Time Director	255,15,678	Otherwise	M.B.A. and 34 Years	30.09.1994	59	N.A.	26.83	Yes

Annexure-VI to Board's Report (Contd.)

- B. Employed for part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than ₹ 8,50,000/- per month: **Not Applicable**
- C. Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.: **Not Applicable.**

For and on behalf of Board of Directors

(Anil Aggarwal)

Chairman & Managing Director

DIN: 00027214

Date: 02 August, 2023

Place: Faridabad

Annexure-VII to Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy-

1. Steps taken or impact on the conservation of energy	<ol style="list-style-type: none"> 1. Roof top solar plant of 900 Kwp installed to reduce consumption from outside energy source. It resulted in the generation of 10.28 lacs units of electricity. 2. The high energy consumption MEE replaced with loss energy consumption natural evaporator. It resulted in saving of 11 MT of Co2 3. Compressed air system revamped, and it resulted in reduction of specific power consumption in the compressor. It resulted in saving of 1.4 lacs units of electricity
2. The steps taken by the company for utilizing alternate sources of energy	Additional 700 Kwp of Solar plant installed which will give benefit in the year 23-24.
3. The capital investment in energy conservation equipment's	<p>The capital investment done in</p> <ol style="list-style-type: none"> 1. Furnace relining done to prevent heat loss 2. Multiple waste heat recovery projects being implemented to reduce energy consumption. 3. Thyristor heating system planned in new area to conserve energy consumption

(B) Technology absorption-

1. the efforts made towards technology absorption	<ol style="list-style-type: none"> 1. New product assembly line installed for manufacturing and assembly of a very critical product. The part is under trial and validation. 2. New Zinc alloy plating process being installed to supply niche product to our customers. 3. STL has taken a quantum leap in automated product inspection machine. The completely integrated machine with Dimensional and eddy current is being received. 4. Similar significant technological advance machine for rolling being introduced.
2. Benefits derived like product improvement, cost reduction, product development or import substitution	Multiple cost reduction and process optimisation projects implemented. This resulted in significant monetary saving. This saving helped to partially offset the high inflammatory condition prevalent in year 2022-23
3. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A.
the details of technology imported	N.A.
the year of import	N.A.
whether the technology been fully absorbed	N.A.
if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
the expenditure incurred on Research and Development	No expense incurred for R&D activities

(C) Foreign exchange earnings and Outgo-

1. The Foreign Exchange earned in terms of actual inflows during the year	₹ 1145.78 Lacs
2. the Foreign Exchange outgo in terms of actual outflows during the year	₹ 1745.35 Lacs

For and on behalf of Board of Directors

Date: 02 August, 2023
Place: Faridabad

Anil Aggarwal
Chairman & Managing Director
DIN-00027214

Corporate Governance Report

1. Statement on Company's philosophy on Code of Governance

The core principles of Corporate Governance philosophy of Sterling Tools Limited ("STL" or "the Company") is towards caring of the society and environment around us, to enhance the stakeholder's values, maintain transparency, adherence to the good corporate practices, implementation of policies to develop a culture of the best governance/management practices complying with the laws in spirit.

Good Corporate Governance Practices ensures that a Company meets its obligations to optimize stakeholders value and focuses on abiding the highest standards of good governance and ethical behaviour across all levels.

At STL, it is imperative that our Company affairs are being managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. We are committed towards defining, following and practicing the highest level of corporate governance across all our business functions.

Our focus is not only to ensure compliance with the requirements as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time, regarding corporate governance, but is also committed to adopt best corporate governance principles and practice being followed worldwide.

Board of Directors

2.1 Composition of Board of Directors:

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

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

The Board of your Company comprises of highly experienced persons of repute, eminence and has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board members comprising Independent Directors including Independent Woman Directors. The composition and strength of the Board is reviewed from time to time to ensure that it remains aligned with statutory as well as business requirements.

As on 31st March, 2023 the total Board strength comprises of Nine Directors on the Board, out of which Seven are Non-Executive Directors and the rest are Executive Directors. The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s) / Chairmanship(s) are provided herein below:

Name of the Directors	Category	No. of Directorship held in other Company (ies)	No. of Chairmanship/ Membership in Board Committee of other companies	
			Chairman	Member
Mr. Anil Aggarwal (DIN 00027214)	Executive-Chairman Cum Managing Director-Promoter	Nil	Nil	Nil
Mr. Atul Aggarwal (DIN 00125825)	Executive-Whole Time Director-Promoter	2	Nil	Nil
Dr. Triloki Nath Kapoor (DIN 00017692)	Non-Executive Independent Director	Nil	Nil	Nil
Mr. Chhotu Ram Sharma (DIN 00522678)	Non-Executive Independent Director	Nil	Nil	Nil
Ms. Malini Sud (DIN 01297943)	Non-Executive Independent & Woman Director	1	Nil	Nil
Mr. Jaideep Wadhwa (DIN 00410019)	Non-Executive Non-Independent Director	1	Nil	Nil

Name of the Directors	Category	No. of Directorship held in other Company (ies)	No. of Chairmanship/ Membership in Board Committee of other companies	
			Chairman	Member
Mr. Akhill Aggarwal (DIN 01681666)	Non-Executive Non-Independent Director-Promoter	Nil	Nil	Nil
Mr. Shailendra Swarup (DIN 00167799)	Non-Executive Independent Director	5	1	4
Mr. Rakesh Batra (DIN 06511494)	Non-Executive Independent Director	2	Nil	2

- For the purpose of considering directorships, only Public Limited Companies (Listed as well as Unlisted) have been included.
- For the purpose of calculating Chairmanship / Membership of Committees only Audit Committee and Stakeholders' Relationship Committee of only Public Limited Companies has been considered.
- Mr. Anil Aggarwal, Mr. Atul Aggarwal and Mr. Akhill Aggarwal are related to each other in terms of definition of "relative" under the Companies Act, 2013. None of other directors are related to each other.
- None of the Directors on the Board holds directorships in more than ten public companies.
- None of the Independent Directors serves as an Independent Director in more than seven listed entities.

2.2 Directorships in Equity Listed Entities:

Name of the Equity Listed Entities wherein the Board of Directors held the directorships as on 31 March, 2023.

Name of the Director	Name of Listed Entity	Category
Mr. Anil Aggarwal	Sterling Tools Limited	Chairman & Managing Director
Mr. Atul Aggarwal	Sterling Tools Limited	Whole Time Director
	Delton Cables Limited	Non-Executive Independent Director
Dr. Triloki Nath Kapoor	Sterling Tools Limited	Non-Executive Independent Director
Mr. Chhotu Ram Sharma	Sterling Tools Limited	Non-Executive Independent Director
Ms. Malini Sud	Sterling Tools Limited	Non-Executive Independent & Woman Director
	The Hi-Tech Gears Limited	Non-Executive Independent & Woman Director
Mr. Jaideep Wadhwa	Sterling Tools Limited	Non-Executive Non-Independent Director
Mr. Rakesh Batra	Sterling Tools Limited	Non-Executive Independent Director
	UNO Minda Limited	Non-Executive Independent Director
Mr. Akhill Aggarwal	Sterling Tools Limited	Non-Executive Non-Independent Director
Mr. Shailendra Swarup	Sterling Tools Limited	Non-Executive Independent Director
	J K Paper Limited	Non-Executive Independent Director
	Jagran Prakashan Limited	Non-Executive Independent Director
	Gujarat Fluorochemicals Limited	Non-Executive Independent Director
	Bengal & Assam Company Limited	Non-Executive Independent Director
	Subros Limited	Non-Executive Independent Director

2.3 Certificate from Practicing Company Secretary

The Company has received a certificate from Santosh Kumar Pradhan, Practicing Company Secretary to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs or any other

statutory authority. The Certificate from Santosh Kumar Pradhan, Practising Company Secretary forms part of this report.

2.4 Details of Board Meetings and Annual General Meeting held during the Financial Year:

During the FY 2022-23, the Board met 4 times—on 18 May, 2022, 09 August, 2022, 09 November, 2022 and 01 February, 2023.

The attendance of all the directors at Board Meetings held during the year and attendance in the last Annual General Meeting (AGM) held on 22 September, 2022 are detailed below:

Name of the Director	No. of Board Meeting attended	Whether attended last AGM
Mr. Anil Aggarwal	4	Yes
Mr. Atul Aggarwal	4	Yes
Dr. Triloki Nath Kapoor	4	No
Mr. Chhotu Ram Sharma	4	Yes
Ms. Malini Sud	4	Yes
Mr. Jaideep Wadhwa	4	Yes
Mr. Akhill Aggarwal	4	Yes
Mr. Shailendra Swarup	4	Yes
Mr. Rakesh Batra	4	Yes

2.5 Board Meetings and Procedures thereof:

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

Minimum of 4 meetings of the Board are held every year with a gap of not more than 120 days between two meetings.

The Company Secretary duty is to prepare and provide Notice, Agenda as well as other requisite information to the members of the Board. Board Meetings at Sterling Tools Limited are open forum for the members of the Board to discuss and deliberate upon growth and development plans of the Company.

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

2.6 Information supplied to the Board:

In the Board meetings held at every quarter or the period as may be required, the presentations are made to the Board of Directors on functional, operational, statutory compliances and financial

highlights etc of the Company. These presentations, inter alia includes the following:

- Annual operating plans, budgets and updates thereto.
- Quarterly and periodic Financial Results of the Company.
- Capital Budgets-Plant wise as well as Company as a whole.
- Minutes of preceding Board meeting and Committee meetings of the Company and its subsidiary companies.
- Information relating to the Appointment of Key managerial personal and Senior management including Functional Heads.
- Compliance certificates given by the all Plant Heads, Admin Team, Chief Financial Officer and Compliance Officer. Plant Head detailing compliances with the various provisions of Factories Act, Safety, Health, and Environmental norms etc.
- Details of any Joint Venture, Collaboration etc.
- Non-compliance of any statutory, regulatory, or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- All other information which is required to be provided pursuant to the provisions of SEBI Listing Regulations.

2.7 Details of shareholding of Directors as on 31 March, 2023 are given as under:

Name of the Director	No. of Equity Shares (Face Value ₹ 2/-)	% of Holding
Mr. Anil Aggarwal	6110583	16.96
Mr. Atul Aggarwal	9665367	26.83
Dr. Triloki Nath Kapoor	Nil	Nil
Mr. Chhotu Ram Sharma	Nil	Nil
Ms. Malini Sud	Nil	Nil
Mr. Jaideep Wadhwa	13917	0.04
Mr. Rakesh Batra	Nil	Nil
Mr. Akhill Aggarwal	2687957	7.46
Mr. Shailendra Swarup	Nil	Nil

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

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

it to function effectively and those actually available with the Board have been identified by the Board of Directors.

S. No	Core Skills/Expertise/Competencies
1	Corporate Management and Leadership Quality
2	Knowledge of Automobile and Auto Ancillary Industry
3	Knowledge of Corporate Finance, Accounting and Internal Financial Controls
4	Sales, Marketing and International business
5	Banking, investment and Forex Management
6	Experience in Corporate law and Regulatory Compliances in India.
7	Corporate Governance

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

Name of the Director	Expertise in the specific functional area
Mr. Anil Aggarwal	Industry Knowledge, Management skills, Leadership
Mr. Atul Aggarwal	Industry Knowledge, Marketing, Banking, Finance, IT
Mr. Chhotu Ram Sharma	Banking, Finance
Dr. Triloki Nath Kapoor	Strong knowledge in Regulatory Compliances and Governance related issues.
Ms. Malini Sud	Corporate Laws including International Laws
Mr. Jaideep Wadhwa	International Business Management, Industry Knowledge
Mr. Akhill Aggarwal	Industry Knowledge
Mr. Shailendra Swarup	Corporate Laws including International Laws
Mr. Rakesh Batra	Industry Knowledge and Strong knowledge in Regulatory Compliances

2.9 Board Independence:

The Company strongly believe that Independent Directors plays an important role in the affairs of the Company through their valuable contribution

and bring transparency and effectiveness in the functioning of the Company. The definition of "Independence" of Directors is derived from Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013. The Company has received the annual confirmation and disclosures from all its Non-Executive Independent directors and all of them comply with the requirements laid down by the SEBI Listing Regulations that are applicable to an Independent Director to qualify themselves to continue to be appointed as Independent Director. Further, there were no resignation of Independent Directors before the expiry of their tenure had occurred during the period under review.

In the opinion of the Board, all Independent Directors fulfills the condition specified in the aforesaid regulation and are independent to the management of the Company.

2.10 Separate Independent Directors' Meeting:

During the FY 2022-23, a separate meeting of Independent Directors was held on 30 January, 2023 without the attendance of Non-Independent Directors and members of management. In the said meeting following matters were discussed:

- To review the performance of the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors.
- To review the performance of Non-Independent Directors and the Board of Directors as a whole; and
- To assess the quality, quantity and timeliness of flow of information between the Company management and Board that is necessary for Board to effectively and reasonably perform their duties.

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

2.11 Familiarisation program for Independent Directors

As a part of familiarisation program as required under SEBI Listing Regulations, the Directors appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act), SEBI Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of

Unpublished Price Sensitive Information etc. and on Internal Financial Control Systems introduced by Institute of Chartered Accountants of India.

The roles and duties of Independent Directors are well defined in the Appointment letters issued to them, copies of which are available on the Website of the Company (<https://stlfasteners.com/home/company/board-composition/>). The familiarisation program for Independent Directors is also available on the Website of the Company <https://stlfasteners.com/investors/corporate-governance/familiarization-programme/>.

2.12 Compliance with Secretarial Standards

The secretarial and the operating practices of the Company are in line with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

3. Committee(s) of the Board

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

At present the Company has Eight Board Committees:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders' Relationship Committee
- (iv) Risk Management Committee
- (v) Corporate Social Responsibility Committee
- (vi) Management Committee
- (vii) Investment Committee
- (viii) Share Transfer Committee

3.1 Audit Committee:

The Audit Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI Listing Regulations. Members of the Audit Committee possess financial / accounting expertise / exposure. The purpose of this Committee is to ensure the objectivity, credibility and correctness of the

Company's financial reporting and disclosures process, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

Term of reference

The role and terms of reference of the Audit Committee cover areas mentioned in the SEBI Listing Regulations with Stock Exchange and section 177 of the Companies Act, 2013 which, among others, include:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommending the appointment, remuneration and terms of appointment of statutory auditors, including cost auditors of the Company;
- (iii) Approving payment to statutory auditors, including cost auditors, for any other services rendered by them;
- (iv) Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgement by the management;
 - d) Significant adjustments made in financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (vi) Reviewing with the management, the statement of uses/application of funds raised through an

issue (public issue, right issue, preferential issue, etc.) the statement of funds utilised for the purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of the proceeds of public or right issue, and making appropriate recommendations to the board to take up steps in this matter.

- (vii) Reviewing and monitoring the auditors' independence and performance, and effectiveness of the audit process;
- (viii) Approval or any subsequent modification of transactions of the Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems;
- (xiii) Formulating the scope, functioning, periodicity and methodology for conducting the internal audit;
- (xiv) Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; Discussion with internal auditors of any significant findings and follow-up thereon;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the Vigil Mechanism and Whistle Blower mechanism;
- (xix) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- (xxi) To review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 Crores or 10% of the asset size of the subsidiary, whichever is lower. The thresholds would include existing loans/ advances/investments existing as on 01 April, 2019.
- (xxii) Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- (xxiii) Reviewing the following information:
 - a) The Management Discussion and Analysis of financial condition and results of operations;
 - b) Statement of significant, related party transactions (as defined by the Audit Committee), submitted by management;
 - c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses;
 - e) Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s); and
- (xxiv) statement of deviations:
 - a) quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Securities Listing Regulations.

Composition and Meetings of Audit Committee

During the FY 2022-23, the Audit Committee met 4 times –on 18 May, 2022, 09 August, 2022, 09 November, 2022 and 01 February, 2023.

As on 31 March, 2023 the Composition of the Committee comprise of 4 (Four) Directors out of which 3 are independent directors. The details of the Composition and attendance of each Member of the Committee is given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Chhotu Ram Sharma	Chairman	Non-Executive Independent Director	4
Mr. Rakesh Batra	Member	Non-Executive Independent Director	4
Mr. Shailendra Swarup	Member	Non-Executive Independent Director	4
Mr. Anil Aggarwal	Member	Chairman & Managing Director	4

The Company Secretary of the Company acts as the Secretary to the Committee.

3.2 Nomination and Remuneration Committee:

The Committee's constitution and terms of reference are in compliance with provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations.

Term of reference

The terms of reference of this Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of the Independent Director and to carry out the evaluation of every Director's performance and to provide the necessary report to the Board for further evaluation.
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed as Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- vi. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vii. Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ix. To perform such other functions as may be necessary or appropriate for the performance of its duties.
- x. To develop a succession plan for the Board and to regularly review the plan.

Composition and Meetings of Nomination and Remuneration Committee

During the FY 2022-23, the Committee met only once on 30 January, 2023. The details of the Composition and attendance of each Member of the Committee is given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Chhotu Ram Sharma	Chairman	Non-Executive Independent Director	1
Mr. Rakesh Batra	Member	Non-Executive Independent Director	1
Mr. Shailendra Swarup	Member	Non-Executive Independent Director	1

The Company Secretary of the Company acts as the Secretary to the Committee.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

- ✓ In a separate meeting of independent directors held on 30 January, 2023, the performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-executive Directors.
- ✓ The Nomination and Remuneration Committee held on 30 January, 2023 reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.
- ✓ In the Board meeting, held on 01 February, 2023, after the meeting of the independent directors and meeting of the Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Directors expressed their satisfaction with the evaluation process being followed by the company.

3.3 Stakeholders' Relationship Committee

The Committee's constitution and terms of reference are in compliance with provisions of Section 178 (5) of the Companies Act, 2013 read with Regulation 20 of the SEBI Listing Regulations.

Terms of reference

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI Listing Regulations, which, inter alia, includes:

- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Review of measures taken for the effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Composition and Meetings of Stakeholders' Relationship Committee

During the FY 2022-23, the Committee met only once on 30 January, 2023. The Committee is headed by an Independent Director, the Composition and attendance of each Member is given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Shailendra Swarup	Chairman	Non-Executive Independent Director	1
Mr. Chhotu Ram Sharma	Member	Non-Executive Independent Director	1
Mr. Atul Aggarwal	Member	Whole Time Director	1

The Company Secretary of the Company acts as the Secretary to the Committee.

Details of Compliance Officer

Mr. Abhishek Chawla, Company Secretary is the Compliance Officer of the Company and was appointed by the Board of Directors in their Meeting held on 08 May, 2023.

The Compliance Officer can be contacted at:

5A DLF Industrial Estate, Faridabad-121003

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

Email: csec@stlfasteners.com

Status of Shareholders' complaints received, disposed off, and pending during the Financial Year

The details of the grievances / shareholder's complaints received and disposed off during the year are as below :

S. No	Particulars	Status
1.	Number of shareholder's complaints received during the FY 2022-23	NIL
2.	The number of shareholder's complaints solved to the satisfaction of shareholders.	NIL
3.	The number of shareholder's complaints not solved to the satisfaction of shareholders	NIL
4.	Number of pending shareholders' complaints	NIL

Further, as on 31 March, 2023 no request for transfer/transmission was pending for approval.

3.4 Risk Management Committee

The Committee's constitution and terms of reference are in compliance with provisions of Regulation 21 of the SEBI Listing Regulations.

Terms of reference:

The terms of reference of the Risk Management Committee are as follows:

- To assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks.
- To monitor and approve the risk management framework and associated practices of the Company.
- To periodically assess risks /to the effective execution of business strategy by reviewing key leading indicators in this regard.

- To periodically review the risk management processes and practices of the Company and to ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- To ensure access to any internal information necessary to fulfill its oversight role and obtain advice and assistance from internal or external legal, accounting or other advisors.
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

Composition and Meetings of Risk Management Committee

During the FY 2022-23, the Committee met twice on 10 May, 2022 and 05 November, 2022. The Composition and attendance of each Member of the Committee is given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Anil Aggarwal	Chairman	Chairman & Managing Director	2
Mr. Rakesh Batra	Member	Non-Executive Independent Director	1
Mr. Atul Aggarwal	Member	Whole Time Director	2
Mr. Jaideep Wadhwa	Member	Non-Executive Non-Independent Director	2
Mr. Pankaj Gupta	Member	Chief Financial Officer	2

3.5 Other Committees**3.5.1 Corporate Social Responsibility Committee**

The Committee's constitution and the CSR Policy of the Company are in compliance with provisions of Section 135 of the Companies Act, 2013 readwith CSR Rules.

Terms of reference:

The terms of reference of the CSR Committee as per the CSR Policy of the Company are as follows:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

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

Composition and Meetings of Corporate Social Responsibility Committee

During the FY 2022-23, the Committee met only once on 24 March, 2023. The Composition and attendance of each Member is given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Anil Aggarwal	Chairman	Chairman & Managing Director	1
Mr. Jaideep Wadhwa	Member	Non-Executive Non-Independent Director	1
Mr. Chhotu Ram Sharma	Member	Non-Executive Independent Director	1

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out forming part of this report.

3.5.2 Management Committee

The Management Committee was formed for carrying out the day to day operations of the Company as per provision of section 179 of the Companies Act, 2013.

Terms of reference:

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

- i. To accept the sanction letter issued by the Bankers regarding renewal of existing credit facilities / new credit facilities within the total borrowing limit of the Company as approved by the shareholders.
- ii. To apply to the Banks for opening of new Bank Accounts, changing the Authorized Signatories for operating Bank Accounts, for availing Net Banking/E-Banking facility or for availing any other facility from the Bank for running day to day operations of the Company more smoothly.
- iii. To apply to any government Authority / Statutory Body / Department for seeking their permission / no objection for carrying out any activity relating to affairs of the Company.
- iv. To file / defend any legal case filed by or against any third party in the interest of the Company.
- v. To appoint any consultant / legal advisor / counsel for carrying out any of the activity of the Company.
- vi. To furnish affidavits / bonds including Indemnity Bond as required from time to time.
- vii. To carry out any other activity which is to be done in the interest of the Company and which could not be deferred till the next Board Meeting of the Company.

Composition and Meetings of Management Committee

During the FY 2022-23, the Committee met six times on 07 May, 2022, 20 June, 2022, 09 August, 2022, 28 November, 2022, 23 January, 2023 and 14 February, 2023. The composition and attendance of each Member of the Committee is given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Anil Aggarwal	Chairman	Chairman cum Managing Director	6
Mr. Atul Aggarwal	Member	Whole Time Director	6
Mr. Jaideep Wadhwa	Member	Non-Executive Non-Independent Director	2

3.5.3 Investment Committee

The composition of Investment Committee of the Company is as follows :

Name of Directors	Designation	Category
Mr. Atul Aggarwal	Chairman	Whole Time Director
Mr. Jaideep Wadhwa	Member	Non-Executive Non-Independent Director
Mr. Rakesh Batra	Member	Non-Executive Independent Director
Mr. Akhill Aggarwal	Member	Non-Executive Non-Independent Director

During the FY 2022-23, no meeting of this Committee was held.

3.5.4 Share Transfer Committee

The Share Transfer Committee comprises of following Directors:

Name of Directors	Designation	Category
Mr. Anil Aggarwal	Chairman	Chairman & Managing Director
Mr. Atul Aggarwal	Member	Whole Time Director

Meetings of Share Transfer Committee

The Committee meets at frequent intervals, to approve inter-alia, transfer / transmission of Shares, de-materialisation of shares, issue of duplicate share certificate, Consolidation and Split of Share Certificate and any other powers / responsibilities entrusted by the Board. During the FY 2022-23 the committee met 12 (Twelve) times.

3.5.5 Details of Senior Management

The Company has amended the Nomination & Remuneration Policy of the Company by including the

Functional heads to be part of Senior Management Personnel of the Company. The details of Senior Management personnel (SMPs) including functional in terms of Regulation 16(1) (d) of the SEBI (LODR) Regulation, 2015, as on date of this report are as mentioned below:

Sr. No.	Name of the SMPs	Designation
1.	Amitrajit Sinha	Chief Manufacturing Officer
2.	Pankaj Gupta	Chief Financial Officer
3.	V K Puri	Purchase Head
4.	Amandeep Chhabra	Sales & Marketing Head
5.	Ram Avtar Agrawal	Admin head
6.	R. Jayaraman	Design head
7.	Laxmikant Chandrakant Dharmadhikari	Quality head
8.	Chandrakant Poojari	IT head
9.	Abhishek Chawla	Company Secretary

4. Compensation to the Members of the Board

Executive Directors

The terms of existing remuneration of Mr. Anil Aggarwal and Mr. Atul Aggarwal have already been fixed by the Board of Directors and approved by the shareholders in the AGM dated 25 September, 2020, which cover the terms and conditions of such appointment.

Details of the remuneration paid to Executive Directors during the FY 2022-23 are given below:

(Amount in ₹ Lacs)

Name of the Director	Salary and other Allowances	Commission	Perquisites	Total
Mr. Anil Aggarwal	206.93	50	4.11	261.04
Mr. Atul Aggarwal	199.20	50	5.95	255.15

- The service contract of Executive Directors is for a period of five years from 01 April, 2021 to 31 March, 2026.
- Services of an Executive Director may be terminated by either party, giving the other party three months' notice as per the policy of the Company. There is no separate provision for payment of severance fees.

Non-executive Directors

The Non-Executive Independent Directors are entitled to sitting fee for attending the Board / Committee Meetings. The existing sitting fees of Non-Executive Directors is ₹ 50,000/- per meeting of Board of Directors as well as Committees.

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

During the FY 2022-23, the sitting fees paid to independent directors is detailed below:

(Amount in ₹ Lacs)

Name of the Director	Board Meeting	Audit Committee	Stakeholders' Relationship Committee	Nomination & Remuneration Committee	CSR Committee	Risk Management Committee	Investment Committee	Independent Directors Meeting
Dr. Triloki Nath Kapoor	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Mr. Chhotu Ram Sharma	2.00	2.00	0.50	0.50	0.50	0.00	0.00	0.50
Ms. Malini Sud	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Mr. Shailendra Swarup	2.00	2.00	0.50	0.50	0.00	0.00	0.00	0.50
Mr. Rakesh Batra	2.00	2.00	0.00	0.50	0.00	0.50	0.00	0.50
TOTAL	10.00	6.00	1.00	1.50	0.50	0.50	0.00	2.50

Sterling Tools Limited has no stock option plans and hence, such instruments do not form part of the remuneration package payable to any Executive and/or Non-executive director. During the year under review, none of the directors were paid any performance-linked incentive.

The payment of advisory fee of ₹ 75 Lacs till was made to Mr. Jaideep Wadhwa, Non-Executive Non-Independent Director during FY 2022-23.

During the FY 2022-23, the Company did not advance any loans to any of the Executive and/or Non-executive directors.

5. POLICIES

Nomination and Remuneration Policy

Nomination and Remuneration Policy of the Company is designed to create a high performance culture. The Company pays remuneration by way of salary, benefits, perquisites and allowances and commission to its Executive Directors. The Independent directors are paid remuneration in form of sitting fees only. The Nomination and remuneration policy is given in **Annexure-II** attached to Annual Report.

Policy on Board Diversity

The Nomination and Remuneration Committee of the Company approved the Policy on Board diversity appropriate to the business requirements of the Company covering the following:

- The optimum combination of Executive Directors, Non-Executive Directors and Independent Directors.
- The recommendatory requirement for each of the directors to possess functional diversity.
- Role of nomination and remuneration committee to ensure that the Policy on Board diversity is considered while recommending the appointment of new directors on the Board of the Company.
- Review of the policy at such intervals including the assessment of the effectiveness of the policy.

Code of conduct

In compliance with the Provisions of Regulation 17(5) of the SEBI Listing Regulations, the Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. This code is also uploaded on the website of the Company i.e. <https://stlfasteners.com/wp-content/uploads/2022/08/Code-of-Business-Conduct-and-Ethics.pdf>.

The Members of the Board of Directors and Senior Management personnel have affirmed the compliance with the Code applicable to them during the Financial Year ended 31 March, 2023. The Annual Report of the Company contains a certificate by the Managing Director & Chief financial Officer (CFO) in this regard.

Code of conduct for prevention of Insider Trading

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has code of conduct for prevention of insider trading protect the interest of investors as amended from time to time.

The objective of this code is to protect the interest of the shareholders, to prevent the misuse of any price sensitive information, and to prevent any insider trading activity.

The Code of Conduct for insider trading is available on the website of the Company <https://stlfasteners.com/wp-content/uploads/2022/07/code-of-practices.pdf>

Prevention of Sexual Harassment Policy

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees are covered under the above policy. The said policy has been uploaded on the intranet of the Company for information of all employees. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year under review, the details of Complaint filed, disposed and pending pertaining to sexual harassment of women at workplace is given below:

1.	Number of complaints filed during the FY 2022-23	NIL
2.	Number of complaints disposed of during the FY 2022-23	NIL
3.	Number of complaints pending as on end of the FY 2022-23	NIL

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI Listing Regulations, the Company has formulated Whistle Blower Policy/Vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy is available on the Company's website and can be accessed at viz.https://stlfasteners.com/wp-content/uploads/2022/07/STL_POLICY_WHISTLE_BLOWER.pdf.

None of the personnel of the Company has been denied access to the Audit Committee.

Policy on disclosure of material events

The Company has also adopted policies on determination of material events and policy for the preservation of documents. The said policies are available on the website of the Company https://stlfasteners.com/wp-content/uploads/2023/08/STL_POLICY_ON_DISCLOSURE_OF_MATERIAL_EVENTS.pdf.

Business Responsibility and Sustainability Report

Regulation 34(2)(f) of the SEBI Listing Regulations, inter alia, provides that the Annual Report of the top 1000 listed entities based on market capitalisation, shall include a Business Responsibility and Sustainability Reporting (BRSR) on the Environmental, Social and Governance (ESG) disclosures. The Company has adopted a detailed Policy structures, policies and processes towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements on Business Responsibility and Sustainability Report.

Role of the Company Secretary in the overall governance process

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

5. General Meeting Information

5.1 Annual General Meeting (AGM)

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

Financial Year	Date	Time	Venue	Special Businesses
2021-22	22.09.2022	10:00 A.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	Ratification of remuneration of cost auditors for FY 2022-23 and Approval of payment of Remuneration of Non-Executive Director.
2020-21	21.09.2021	10:00 A.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	Ratification of remuneration of cost auditors for FY 2021-22, Regularisation of Independent Directors and Approval of payment of Remuneration of Non-Executive Director.
2019-20	25.09.2020	10:30 A.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	Ratification of remuneration of cost auditors for FY 2020-21, Regularisation of Independent Directors, Approval of payment of Remuneration of Non-Executive Director, Re-appointment & Payment of Remuneration to Chairman & Managing Director and Whole Time Director.

5.2 Special Resolutions passed at the last 3 AGMs:

Financial Year	Date	Time	Special Resolution
2021-22	22.09.2022	10:00 A.M.	Approval of remuneration payable to Mr. Jaideep Wadhwa (DIN No. 00410019), Non-Executive Non-Independent Director, during the Financial Year ending March 31, 2023 which is expected to exceed 50% of the total annual remuneration payable to all Non-Executive Directors for the said year
2020-21	21.09.2021	10:00 A.M.	Approval of remuneration payable to Mr. Jaideep Wadhwa (DIN No. 00410019), Non-Executive Non-Independent Director, during the Financial Year ending March 31, 2022 which is expected to exceed 50% of the total annual remuneration payable to all Non-Executive Directors for the said year
2019-20	25.09.2020	10:30 A.M.	<ol style="list-style-type: none"> Approval of remuneration payable to Mr. Jaideep Wadhwa (DIN No. 00410019), Non-Executive Non-Independent Director, during the Financial Year ending March 31, 2021 which is expected to exceed 50% of the total annual remuneration payable to all Non-Executive Directors for the said year. Re-appointment and payment of remuneration to Chairman & Managing Director. Re-appointment and payment of remuneration to Whole Time Director

5.3 Special Resolution passed through Postal Ballot in last year:

During the year, the Company has not passed any special resolutions through Postal ballot.

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

No special Resolution is proposed to be conducted through postal ballot process at the AGM to be held on 18 September, 2023.

6. Means of Communication

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results, progress, and responding to

questions and issues raised in a timely and consistent manner. The Company website (www.stlfasteners.com) has information for institutional and retail shareholders alike. Shareholders seeking information related to their shareholding may contact the Company directly and Management of the Company is meeting the Analysts, from time to time, upon their requests to appraise them about the current working as well as the future vision of the Company.

The quarterly/half yearly results are being furnished to stock exchanges and also are being published in leading English Newspapers Financial Express- All edition and Hindi Newspaper Jan satta -Delhi and are available on the website of the Company- www.stlfasteners.com/new/news.asp.

The details of investor presentations made to Institutional Investors during the FY 2022-23 are as detailed below:

Particulars	Date of Presentations
Investor Presentation for Q4 & FY 2022 Results	18 May, 2022
Investor Presentation for Q1 & FY 2023 Results	10 August, 2022
Investor Presentation for Q2 & FY 2023 Results	9 November, 2022
Investor Presentation for Q3 & FY 2023 Results	2 February, 2023
Investor Presentation for Q4 & FY 2023 Results	8 May, 2023

The Chairman's speech is placed on the website of the Company for information of the shareholders residing in various parts of the country.

7. General Shareholder Information

(i) Annual General Meeting

- Date : Monday, 18 September, 2023
 Time : 10:00 A.M.
 Venue : The Company is conducting meeting through VC / OAVM pursuant to the latest MCA Circular dated 28 December, 2022 read with Circular dated , 05 May, 2020, 13 January, 2021 circulars dated 08 April, 2020, 13 April, 2020 and 05 May, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

(ii) Financial Year : FY 2022-23 (01 April, 2022 to 31 March, 2023)

(iii) Dividend Announcement : The Board of Directors of Sterling Tools Limited has proposed a dividend of ₹ 2 per equity share (100%) for the financial year ended 31 March, 2023, subject to approval by the shareholders of the Company at the ensuing Annual General Meeting. Dividend paid in the previous year was ₹ 1 per equity share (50%).

(iv) Dates of Book Closure : The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 12 September, 2023 to Monday, 18 September, 2023 both days inclusive, for the purpose of Annual General Meeting.

(v) Date of Dividend Payment : The payment of dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after Tuesday, 26th September, 2023 as under:

To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as on the end-of-the-day on Monday, 11 September, 2023, (cut-off date), and

To all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company on or before the closing hours on Monday, 11 September, 2023,

(vi) Listing on Stock Exchange

Shares of Sterling Tools Limited are listed on the following stock exchange:

1. BSE Limited, Mumbai (BSE) : 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
2. National Stock Exchange of India Limited, Mumbai (NSE) : "Exchange Plaza", Plot No. C-1, Bandra Kurla Complex, Bandra (E), Mumbai-400 051

(vii) Company's ISIN No. : **INE334A01023**

Stock Code

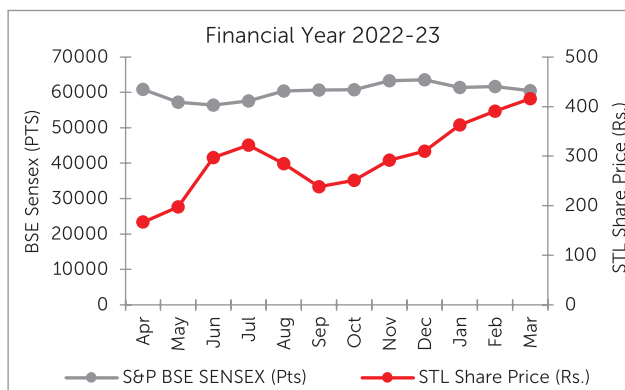
1. BSE, Mumbai : 530759
2. NSE, Mumbai : STERTOOLS

Listing fees as applicable have been paid to both the Stock Exchanges.

(viii) Market Share price data on BSE during the FY 2022-23

Month	High	Low
April 2022	167	135.6
May 2022	197.5	116.05
June 2022	297	191.85
July 2022	322	244.4
August 2022	284.8	207.7
September 2022	238.05	202.25
October 2022	250.85	200.65
November 2022	291.8	241.95
December 2022	309.9	230.1
January 2023	362.9	251.65
February 2023	390.6	315.45
March 2023	415.9	325.1

Stock Price Performance-STL Vs BSE Sensex FY 2022-23

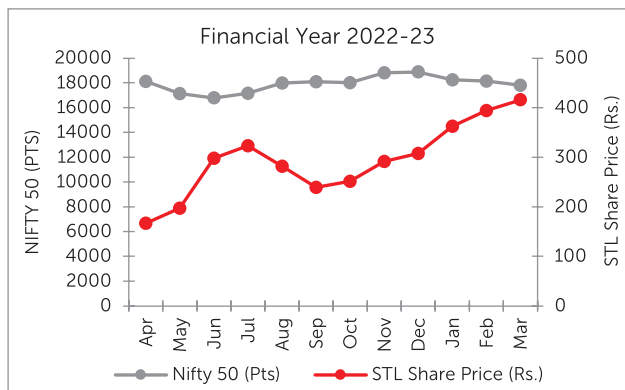


Note: Based on the Monthly highest data of STL (₹ Per Share) and BSE Sensex (Pts.)

(ix) Market Share price data on NSE during the FY 2022-23

Month	High	Low
April 2022	167.00	136.15
May 2022	197.35	115.00
June 2022	298.00	192.00
July 2022	322.75	245.00
August 2022	281.60	208.00
September 2022	238.95	203.00
October 2022	251.20	199.05
November 2022	291.55	241.25
December 2022	307.40	230.60
January 2023	362.70	252.80
February 2023	394.00	315.80
March 2023	416.00	325.10

Stock Price Performance-STL Vs NIFTY 50 FY 2022-23



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

(x) Registrar and Transfer Agent

: MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi-110020

(xi) Share Transfer System

: The shares of the Company are compulsorily traded in dematerialised form. Shares received in physical mode are processed and approved by the Share Transfer Committee within a period of 15 days from the date of receipt provided the documents lodged are being valid and complete in all respects.

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

(xii) Distribution of shareholding as on 31 March, 2023.

Nominal Value of each share – ₹ 2/-

Number of Share Holders	% To Total	Share Holding of Nominal Value of ₹	No. of shares	Amount in ₹	% To Total
17751	98.012	1 TO 5000	3059979	6119958	8.494
213	1.176	5001 TO 10000	794581	1589162	2.205
70	0.386	10001 TO 20000	488214	976428	1.355
18	0.099	20001 TO 30000	229891	459782	0.638
6	0.033	30001 TO 40000	103214	206428	0.286
6	0.033	40001 TO 50000	142960	285920	0.396
18	0.099	50001 TO 100000	600463	1200926	1.666
29	0.160	100001 AND ABOVE	30604909	61209818	84.956
18111	100.000	TOTAL	36024211	72048422	100.00

(xiii) Shareholding Pattern:

	As on 31 March, 2023		As on 31 March, 2022	
	No. of shares	% to total Capital	No. of shares	% to total Capital
Promoters	23693030	65.77	23693030	65.77
Mutual Funds	1677759	4.66	2361956	6.56
Alternate Investment fund	277406	0.77	0	0
NRIs and OCBs	2136892	5.93	1957307	5.43
Body Corporate	621272	1.72	198174	0.55
Indian Public	7432875	20.63	7631769	21.18
IEPF	1,84,977	0.520	181975	0.51
Total	36024211	100.000	36024211	100.000

Face value of ₹ 2/-.

(xiv) Dematerialisation of Shares

: The Shares of the Company are in Compulsory Demat segment as on 31 March, 2023.

The summarised position of shareholders in Physical and Demat segment as on 31 March, 2023 is as under:

Type of shareholding	No. of shareholders	Physical Shares	Demat Shares
Equity	18,111	83536	3,59,40,675
Preference	NIL	NIL	NIL

(xv) **Outstanding GDRs/ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:** : The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on 31 March, 2023, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

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

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

(xviii) **Plant Locations** : (i) 5A, DLF Industrial Estate, Faridabad 121 003, Haryana.
(ii) 81, Sector-25, Ballabgarh, Faridabad, Haryana.
(iii) 49 KM Stone, Delhi Mathura Road, Village-Prithla, Distt.-Palwal.
(iv) Plot No. 109-110 Vemagal Industrial Area, District Kolar, Bangalore, Karnataka

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

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

8. Statutory Auditors and their Fee:

Statutory Auditors and their Fee: M/s Walker Chandiook & Co., LL.P., the Chartered Accountants are the Statutory Auditors of the Company. During the FY 2022-23, the total fees paid by the Company to them is as below:

Statutory Audit : ₹ 35.50 Lacs
Reimbursement of Expenses : ₹ 2.64 Lacs

9. Credit Rating:

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

However, the ICRA Limited ("ICRA"), the credit rating agency has reaffirmed the Long-Term Credit rating AA- Outlook stable as well as Short Term Credit Rating A1+ of the Company. This rating indicates the strong financial health and credibility of the Company.

10. Other Disclosures

10.1 Disclosures on related party transactions

All related party transactions entered into during the FY 2022-23 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. The Related Party Transaction Policy is available on the website of the Company <http://www.stlfasteners.com/new/news.asp>.

10.2 Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets during the last three years.

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

The Company has duly complied with all the mandatory provisions of SEBI Listing Regulations as amended from time to time.

Adoption of non-mandatory requirements as stipulated under SEBI Listing Regulations is being reviewed by the Board from time to time.

10.4 Reconciliation of Share Capital Audit

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

10.5 Disclosure of Accounting Treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements of the Company during the year.

10.6 Compliance with discretionary requirements

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

a. Audit qualifications

Mr. Ashish Gera has signed the Statutory audit report for FY 2022-23 on behalf of M/s Walker Chandiook & Co., LLP and there is no Audit Qualification by the Statutory Auditors.

b. Presentation by Internal Auditors

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

10.7 Subsidiary Companies

As on 31 March, 2023, the Company has two subsidiaries:

- M/s Haryana Ispat Private Limited
- M/s Sterling Gtake E-mobility Limited

During the FY 2022-23, the Company doesn't have any Material Subsidiary. However, as per the Financial Statements for the year ended 31 March, 2023 Sterling Gtake E-mobility Limited has become the Material Subsidiary of the Company. The policy of Materials subsidiary is being uploaded on the website at <http://stlfasteners.com/wp-content/uploads/2023/05/STL-PolicyonMaterialSubsidiary-08.03.2023.pdf>.

The Code of Conduct for insider trading is available on the website of the Company <https://stlfasteners.com/wp-content/uploads/2022/07/code-of-practices.pdf>.

10.8 The Board has accepted all the recommendations of the Committees of the Board during the FY 2022-23.

11. Report on Corporate Governance

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

12. CEO/CFO Certification

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

13. Compliance

A Certificate from the M/s Santosh Kumar Pradhan, Company Secretaries, confirming compliance with all the conditions of Corporate Governance as stipulated in the SEBI Listing Regulation of the stock exchanges is annexed to the Directors' Report and forms part of the Annual Report.

14. Disclosure with respect to Demat Suspense Account / Unclaimed Suspense A/C

There was no Demat Suspense Account or Unclaimed Suspense Account for the Financial year under review.

15. Disclosure of Certain Types of Agreement binding on the Listed Company as per Clause 5A Para A Part A of Schedule III of LODR:

There is no such agreements entered by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

CEO and CFO Certification

We, Anil Aggarwal, Managing Director and Pankaj Gupta, Chief Financial Officer of Sterling Tools Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Financial Statements and all its Schedules and Notes on accounts, as well as the Cash Flow Statements for the Year ended 31 March, 2023 and to the best of our knowledge and belief:
 - i) these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made or contain statements that might be misleading;
 - ii) the financial statements and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee that:
 - i) there are no significant changes in internal control over financial reporting during the year.
 - ii) there are no significant changes in accounting policies during the year and that same have been disclosed in the notes to the financial statements; and
 - iii) there are no instances of significant fraud, which we have become aware and that involves management or an employee having a significant role in the Company's internal control system over financial reporting.

We further declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31 March, 2023.

Date: May 01, 2023
Place: Faridabad

Anil Aggarwal
Chairman & Managing Director
DIN 00027214

Pankaj Gupta
Chief Financial Officer
PAN ADCPG3265G

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI(Listing obligation and Disclosure Requirement) Regulations, 2015)

The Members of

Sterling Tools Limited

CIN: L29222DL1979PLC009668

Unit No. 515, DLF Tower A

Jasola District Centre,

New Delhi - 110025

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sterling Tools Limited** having CIN L29222DL1979PLC009668 and having registered office at Unit No. 515,DLF Tower A, Jasola District Centre, New Delhi - 110025 (hereinafter referred to as the Company), produced before me by the Company for the purpose of issuing the Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identifications Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Triloki Nath Kapoor	00017692	31 August, 1999
2.	Mr. Anil Aggarwal	00027214	30 September, 1994
3.	Mr. Atul Aggarwal	00125825	30 September, 1994
4.	Mr. Jaideep Wadhwa	00410019	07 February, 2019
5.	Mr. Shailendra Swarup	00167799	17 December, 2019
6.	Mr. Chhotu Ram Sharma	00522678	28 June, 2006
7.	Ms. Malini Sud	01297943	15 September, 2014
8.	Mr. Akhill Aggarwal	01681666	02 August, 2019
9.	Mr. Rakesh Batra	06511494	10 November, 2020

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

Place: Ghaziabad

Date: 27 July, 2023

For **Santosh Kumar Pradhan**
(Company Secretaries)

Santosh Kumar Pradhan

(Proprietor)

FCS-6973

C.P. No. 7647

P.R.C. No. 1388/2021

UDIN: F006973E00664795



Compliance Certificate

Certificate on Compliance with the conditions of Corporate Governance

The Members,

Sterling Tools Limited,

(CIN: L29222DL1979PLC009668)

Unit No. 515, DLF Tower A

Jasola District Centre,

New Delhi - 110025

I have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said company with the Stock Exchanges, for the year ended 31 March, 2023.

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

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

Based on such a review, in our opinion, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said company with the Stock Exchanges as on date of the certificate.

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

Place: Ghaziabad

Date: 24 July, 2023

For Santosh Kumar Pradhan

(Company Secretaries)

Santosh Kumar Pradhan

(Proprietor)

FCS-6973

C.P. No. 7647

P.R.C. No. 1388/2021

UDIN: F006973E000664740

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity- **L29222DL1979PLC009668**
- Name of the Listed Entity- **Sterling Tools Limited or "The Company"**
- Year of incorporation- **1979**
- Registered office address- **Unit no. 515, DLF Tower-A, Jasola District Centre, New Delhi-110025**
- Corporate address- **Plot No. 5A, DLF Industrial Estate, Faridabad-121003**
- E-mail- **csec@stlfasteners.com**
- Telephone- **+91 8800544965**
- Website- **www.stlfasteners.com**
- Financial year for which reporting is being done- **FY 2022-23**
- Name of the Stock Exchange(s) where shares are listed- **National Stock exchange of India Limited and BSE Limited**
- Paid-up Capital- **₹ 720.48 Lacs**
- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report
Mr. Abhishek Chawla, Company Secretary
Tel: 0129-2270621
Email: csec@stlfasteners.com
- Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)- **Standalone basis**

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacturing of Fabricated and Metal Products, including Metal Fasteners	99.03 %

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacturing of Hi-Tensile Fasteners	25991	99.03

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	2	6
International	NIL	NIL	NIL

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	14
International (No. of Countries)	4

b. What is the contribution of exports as a percentage of the total turnover of the entity?

2% of the total turnover of the Company is contributed through exports.

c. A brief on types of customers

The Company belongs to a diversified automotive group, being premier producer of cold forged hi-tensile fasteners, The Company is currently catering to the fastener's requirement of all the legendary Automotive Original Equipment Manufacturer (OEM's) in India. The Company has a distinguished and esteemed customer base, which includes Commercial Vehicle Manufacturers e.g. TATA Motors, Ashok Leyland and Daimler and in Passenger Car segment we have Maruti Suzuki & Mahindra etc. In the Two Wheelers segment, the Company works for Suzuki Motorcycles, Hero Motocorp and Honda Motorcycles and scooter, in Tractor manufacturers, the Company manufactures components for Mahindra, John Deere & Escorts and Off highway JCB to name a few.

IV. Employees
18. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	344	339	98.55%	5	1.45%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	344	339	98.55%	5	1.45%
WORKERS						
4.	Permanent (F)	241	241	100%	0	0%
5.	Other than Permanent (G)	915	914	99.89%	1	0.11%
	Total workers (F + G)	1156	1156	100%	1	0.11%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	0	0	0%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	Total differently abled workers (F + G)	0	0	0%	0	0%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11%
Key Management Personnel	3*	0	0%

* Ms. Vaishali Singh, Company Secretary, left the Company during the year and the new Company Secretary was appointed post year end.

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25.23%	71.43%	26.30%	39.67%	37.50%	39.62%	14.33%	0%	14.00%
Permanent Workers	0.82%	0%	0.82%	6.00%	0%	6.01%	1.56%	0%	1.56%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sterling Gtake E-Mobility Limited	Subsidiary	100	No
2	Haryana Ispat Private Limited	Subsidiary	100	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)-Yes
 (ii) Turnover (in ₹)- ₹ 59,765.44 Lacs
 (iii) Net worth (in ₹)- ₹ 40,144.98 Lacs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Grievance Policy Available	0	0	NIL	0	0	NIL
Investors (other than shareholders)	Stakeholder Relationship Committee	0	0	NIL	0	0	NIL
Shareholder		0	0	NIL	0	0	NIL
Employees and workers	Grievance Policy Available	0	0	NIL	0	0	NIL
Customers	Through E-mail at marketing@stlfasteners.com	145	0	All concerns were closed	125	0	All concern were closed
Value Chain Partners (other than suppliers and customers)	The Company through its strong mechanism takes care of all the grievances for all sets of its value chain partners. However, the current mechanism of data capturing needs to be further strengthened to gather the information in the required manner.						
Others (Suppliers and Government and Regulatory Bodies)		0	0	NIL	0	0	NIL

The Company interacts with a wide range of Stakeholders, including Shareholders, Board of Directors, Promoters, Customers, Suppliers, Business Partners, Employee/ Workers, Government, Institution/ Industry Bodies and Community. The Company believes in taking all sets of Stakeholders along with it in its business journey. To achieve that, there is a strong Grievance Redressal Mechanism through various policies and procedures across all Company's business operations. To be precise, the Company has a well-operated Vigil Mechanism/Whistle-Blower Policy

(<https://stlfasteners.com/investors/>), Anti-Bribery Policy on Prevention of Sexual Harassment for Women at Workplace (<https://stlfasteners.com/investors/>) for all of its women employees to for raising and expressing grievances and concerns. Furthermore, the Company has a strong escalation matrix for its value chain partners and suppliers for addressing their grievances. Over and above, respective process owners are responsible for addressing the grievances of other classes of stakeholders. Following are the platforms/ specific email-IDs for reaching out to the Company by different class of stakeholders:

- <https://stlfasteners.com/investors/investor-contact/>
- csec@stlfasteners.com
- marketing@stlfasteners.com

24. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format;

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	Opportunity	<p>The Company’s potential carbon reduction roadmap will offer distinct operational benefits and energy supply opportunities in various aspects of its business operations.</p> <p>The Company is integrating sources of clean energy into existing power networks. Also, making capital investments in distinguished assets that will serve diverse electricity and fuel retrofitting on the energy supply system.</p>		Initiatives addressing climate change will have some financial impact; however, correspondingly will also have positive impact on its business.
2	Emissions	Risk & Opportunity	As the Company continues to fight climate change and the resulting legal and compliance stringency, it must invest appropriately in measure to reduce emissions and to pace up with changing regulatory environment.	In the coming years, the Company intend to facilitate various emission reduction measures and energy conservation initiatives at across all its manufacturing facilities	We recognise and accept that investments in energy management systems and technology would have some financial impact; however, with this required investment, there would be visible positive impact on the Company’s operations. The Energy conservation initiatives will give direct financial benefits

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Water management	Risk & Opportunity	Water, as a limited resource, will pose a risk to our Company's operations.	Reduction in raw water consumption in manufacturing. The Company is striving to ensure efficient water management so that this issue does not become impossible to overcome.	The Company has made substantial investment in waste water treatment for water conservation and maintaining Zero Liquid Discharge status in some of the plants. Similar investment will be required in future to sustain it.
4	Diversity and equal opportunity	Opportunity	The ability of the Company to ensure that its culture, hiring, and promotion policies foster the development of a diverse and inclusive workforce, makes it an opportunity for the Company.		There may be minor financial implications while strategising improved hiring techniques and systems in place.
5	Responsible supply chain	Opportunity	Building a robust supply chain has aided us in maintaining business continuity in all challenging situations, including in COVID period. Additionally, our strong supply chain has made sure that we can maintain competitive pricing, together with benefiting our customers alongside.		There may be some financial impacts while further strengthening supply chain management.
6	Community engagement	Opportunity	Along with the interests of the Company, the business must be allied with the greater interests of the community. A friendly relationship with local communities may assist businesses in further developing a positive outlook towards the society and a better brand image.		These continued initiatives would have some financial implications; however, would also contribute to the Company's brand image and the creation of value for its stakeholders.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			The Company continues to engage in Corporate Social Responsibility (CSR) initiatives at all of its plants in order to strengthen connections with the community at large.		
7	Manufacturing efficiency	Opportunity	Efficient manufacturing procedures enable timely manufacture and delivery of products to our valued clients while also maintaining the sustainability of our operations. Investment in the new technology and processes to ensure the quality of the products manufactured.		This will have a positive impact on the business.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	The existing polies with the Company were approved by the Board periodically in past. All the newly drafted policies are in the process of approval by the Board/ respective committees post year. Policies specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 are accessible on the Company's website, which can be accessed via the link below: https://stlfasteners.com/investors/ Rest of the Policies are available on Company's Intranet, accessible by all employees of the Company.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. Some of the policies extended to the value chain partners as well.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ATF 16949: 2016 ISO 45001: 2018 ISO 14001: 2015 ISO 9001: 2015 ISO 17025								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has identified some of the environmental and social Key Performance Indicators (KPIs) and is in the process of creating an Environment, Social, and Governance (ESG) Roadmap with clear commitments, goals, and targets for coming years: <ul style="list-style-type: none"> • Assessment of Green House Gas emissions. • Promoting the use of Renewable Energy and reducing overall energy consumption. • Waste and Water Management. • Promoting Gender Diversity and Human Rights. • Comply with applicable Regulatory Requirements. • Continued inclusive engagement and interactive dialogue with all sets of Stakeholders. • Rehabilitation of the under-privileged group, improvement of the local community to help the marginalised sections of society. • Focus on creating shared value for our Communities. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company's goal has always been to integrate and comply with its objectives within the ESG framework. The Company has begun to restructure and rebuilding most of its on-going and new projects into specific ESG from FY 2023-24 onwards. As a result, it would begin reporting the entity's performance against commitments, goals, and targets in near future.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>)	The Company is having highest level of commitment to sustainability. It is demonstrated through various initiatives taken in the organisation. As a responsible Company it understands and is committed in creating, maintaining and ensuring a safe and clean environment. The Company is in the process of expanding its position in the existing markets but at the same time, balancing the commercial ambitions with environmental concern. The Company has adopted many green initiatives and practices to ensure to run the business more environment friendly.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Managing Director of the Company is responsible for the implementation and oversight of ESG-related issues.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The The Managing Director of the Company is responsible to review the sustainability related issues on regular basis. The CSR committee also reviews the CSR initiatives undertaken by the Company on regular basis.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																	
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Audit Committee, Risk Management Committee and Board review the performance of all policies and procedures either on annual basis/ other appropriate periodic basis. Upon review, the efficacy of the working policies is scrutinised, and any necessary amendments are done to the existing policies and procedures are implemented.																		
Compliance with statutory requirements relevance to the principles, and, rectification of any non-compliances																			

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	
										No, the Company has not appointed any external agency for this purpose so far, however, these have been evaluated internally.

12. If answer to question (11) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
The entity does not consider the Principles material to its business (Yes/No)										Not Applicable
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)										
The entity does not have the financial or/human and technical resources available for the task (Yes/No)										
It is planned to be done in the next financial year (Yes/No)										
Any other reason (please specify)										

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	4	<ul style="list-style-type: none"> • Economic Outlook • Business of the Company • Strategy Discussion • Regulatory updates • Key Company Highlights • Industry Outlook 	100%

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoDs and KMPs	164	<p>The trainings can be categorised as below:</p> <ol style="list-style-type: none"> Training on Behavioural development- POSH, 5'S awareness, Statutory Compliance management, Supplier Handling Skills, skills to handle work force and employee Motivational trainings. Employee Health and Safety trainings- First Aid, Safety Awareness and Emergency, awareness of ISO etc. IT related trainings PMS module understanding, Cyber Attack awareness, Manage Engine - The one stop Ticketing application for ERP Issues and Infra issues etc. Trainings on quality matters- Basic Awareness of Advanced Product Quality Planning (APQP), International Automotive Task Force (IATF-16949/ISO-14001), Customer complaint handling/CSR, POKA Yoke, 7 QC Tools, awareness of ISO 9001:2015 etc. Other technical trainings- Basic Awareness of production Part Approval Process (PPAP), Knowledge of 4M Change Management, Continuous Quality Improvement (CQI), Data management, Control Plan, Product Knowledge, Microstructure Checking etc. 	66%
Workers	47	<p>The trainings can be categorised as below:</p> <ol style="list-style-type: none"> Training on Behavioural development- 5'S awareness, skills to handle work force and employee Motivational trainings etc. Employee Health and Safety trainings- First Aid, Safety awareness and Emergency etc. Trainings on quality matters- International Automotive Task Force (IATF), Kaizen and Presentation Skills/Machine Setting, Awareness on MSA etc. Other technical trainings- Perpetual Inventory, Rework Analysis, Daily MIS, Maru-A and Understanding Drawing and Control Plan etc. 	71%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine			Nil		
Settlement					
Compounding fee					

Non-Monetary

	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has an Anti-Corruption and Anti-Bribery Policy, The Company has zero tolerance approach towards corruption and bribery and other unethical practices. The Company has appropriate internal controls to ensure that the Company or its employees do not engage in unethical practices. The said policy is available on the Company's Intranet, which can be accessed by all the employees.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Director's	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable, as there were no cases of corruption and conflicts of interest which were reported during the year.

Leadership Indicator

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
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The trainings were held with value chain partners but a framework to track such awareness programmes is not in place yet.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has processes in place to avoid/ manage conflict of interests involving members of the Board. As such, the Board has robust procedure to approve such kind of transaction through Audit and Board Committees. In case of any probable conflict of interest, he/she has to make full disclosure of all the facts and circumstances thereof to the Board of Directors and the Audit Committee.

Further, the Code of Conduct of the Company has principles on management of conflict of interest to identify actual of potential conflict of interest of Company with its directors and employees, which may arise during the course of its business activities. The policy is available at Company’s Intranet and can be accessed by all of its employee.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R&D	NIL	NIL	NIL
Capex	17.45%	NIL	The Company has taken initiatives to reduce the dependence on non-renewable energy and hence solar panels (900 KWP) have been installed at its Bangalore plant. Furthermore, the Company is planning to further decrease this dependency even more and other measures will also be taken to improve the impact of the Company on the environment and society to be reported in the coming years of its sustainability journey.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. The Company evaluates its direct material supplier/ vendors (value chain partners) on various parameters such as their reliability, product quality, dependency, etc.

b. If yes, what percentage of inputs were sourced sustainably?

As mentioned in the previous questions, as a matter of practice, all major direct material suppliers were assessed on the broad parameters, including sustainable sourcing. These suppliers are mandated to adhere to certain aspects such as Labor Laws Compliance and Human Rights, Occupational Health and Safety, Environmental Protection and Ethical Business among others. The Company is in the process to further strengthen this practice and extend this to most of its suppliers in years to come.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Not Applicable, as the Company’s products are delivered directly to OEMs, being (B2B) manufacturers. Therefore, it has limited scope for reclaiming its products at the end of its life cycle.

However, the Company ensures that the waste generated is disposed of as per Guidelines/Regulations. E-waste is disposed through authorised vendors and all the hazardous and non-hazardous waste generated is sent to the recycler. Also, the Company restricts the usage of “hazardous chemicals” in the components used in products, to the extent possible. An internal standard is created considering various national and international laws on hazardous substances.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Extended Producer Responsibility (EPR) is not applicable to the Company's activities.

Leadership Indicator

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
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The Company has not carried out the LCA for any of its products so far. However, the Company has plans to carry out the same in the coming years.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/ Service	Description of the risk/ concern	Action Taken
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Not Applicable, as the Company is in the process of carrying out the LCA in the coming years.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year

Not applicable, as the Company's processes does not involve reusing the recycled materials.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	NIL
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
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Not Applicable, as the Company directly supplies its products to the OEM customers supplier; therefore, it has limited scope for reclaiming it at the end of its life cycle.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B)/(A)	Number (C)	% (C)/(A)	Number (D)	% (D)/(A)	Number (E)	% (E)/(A)	Number (F)	% (F)/(A)
Permanent Employees											
Male	339	339	100%	339	100%	0	0%	0%	0%	0	0%
Female	5	5	100%	5	100%	5	100%	0%	0%	5	100%
Total	344	344	100%	344	100.0%	5	100%	0%	0%	5	100%
Other than Permanent Employees											
Male	Covered under ESIC	-	-	-	-	-	-	-	-	-	-
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B)/(A)	Number (C)	% (C)/(A)	Number (D)	% (D)/(A)	Number (E)	% (E)/(A)	Number (F)	% (F)/(A)
Permanent workers											
Male	241	241	100%	241	100%	0	0	0	0	241	100%
Female	0	0	0%	0	0	0	0	0	0	0	0%
Total	241	241	100%	241	100%	0	0%	0	0%	241	100%
Other than Permanent Employees											
Male	Covered under ESIC	-	-	-	-	-	-	-	-	-	-
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	18%	2%	Y	7%	9%	Y
Others-please specify	NIL	NIL	NIL	NIL	NIL	NIL

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company has the requisite infrastructure to facilitate the movement of differently abled employees/workers such as wheelchairs, lifts, handrails, etc. The Company's premises/offices are largely accessible to differently abled employees and workers in addition to regular employees in alignment with the Rights of Persons with Disabilities Act, 2016, except for a few places.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016, which is available on Company's Intranet and accessible to all employees. The Company does not discriminate between employees/workers on the grounds of age, sex, colour, caste, religion, nationality, language, marital status, etc.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Paternity benefits are not available for male employees/workers of the Company. Hence this question is not applicable.			
Female	Maternity benefits are provided to all the female employees/workers of the Company; however, none of them have availed this facility for the financial years under review. Hence this question is not applicable.			
Total	-	-	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has internal policy/ mechanism for grievance redressal, which is accessible to all of its employees and workers. Furthermore, suggestion Boxes and Registers are placed at ease of access by all the employees and workers to address the complaints or grievances raised by them. This mechanism as a whole ensures that the complaints/ grievances are addressed promptly, fairly, and impartially by the Company.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	Not Applicable, since none of the employees are part of any union/association.					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	339	127	37%	186	55%	302	0	0%	0	0%
Female	5	0	0%	4	80%	8	0	0%	0	0
Total	344	127	37%	190	55%	310	0	0%	0	0%
Workers										
Male	241	108	45%	127	53%	244	0	0%	0	0%
Female	0	0	0	0	0	0	0	0	0	0
Total	241	108	45%	127	53%	244	0	0%	0	0%

To the extent available (Data not available for FY 2021-22)

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B)/(A)	Total (C)	No.(D)	%(D)/ (C)
Employees						
Male	339	339	100%	302	302	100%
Female	5	5	100%	8	8	100%
Total	344	344	100%	310	310	100%
Workers						
Male	241	241	100%	244	244	100%
Female	0	0	0%	0	0	0%
Total	241	241	100%	244	244	100%

10. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes, all the plants of the Company are ISO 45001:2018 (Occupational Health and safety management system) certified and hence a Health and Safety Policy is in place to focus on the physical and mental well-being of the employees and workers. Furthermore, the Company strives to maintain an environmentally friendly system for its employees and workers by taking following initiatives:

- Compliance with applicable Laws
- Encouraging innovation for prevention of pollution, injury and ill health
- Continuously improving the environmental Occupational Health and Safety performance
- Establishing an incident free work environment
- Maintaining proper storage and disposal of wastes and pollutants
- Keeping wastage to the minimum to preserve the natural resources

The Company's policy on Health and Safety is available on the Company's Intranet, which can be accessed by all the employees.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification and Risk Assessment (HIRA) is the process for identification of risks at the workplace. Also, the Company follows risk assessment/identification process as per ISO 45001 for identification of risk and development of a mitigation plan for the same. These processes are established by Manufacturing Heads in consultation with Plant Heads for implementation after conducting complete analysis of the probable risks/hazards. Further, mitigation plans are periodically updated in case of a change in material, layouts or the process to ensure safety at the workplace. A Material Safety Data Sheet is also prepared to assess the risks on a routine/non-routine basis.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, all the sites of the Company have incident and hazard reporting procedures laid down to assist the workforce highlight unsafe working conditions and remove themselves from such situations. We have multiple platform and processes to report hazards like Safety Observation Tour (SOT) where the Concerned Line Manager goes to the workmen and ask for safety related issues, if any. Also, we have online safety risk reporting mechanism and we provide multiple trainings for Safety Risk Assessment, Mock Drill Fire-Disaster Management, Emergency Management, Driving Safety etc.

Further, the Company has a unique Compliance Management Tool called 'LEX Comply' and there is a generic email ID used across various functions within the Company.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the employees of the Company have access to non-occupational medical and healthcare services.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The health and safety of the employees and workers is Company's top priority. The Company considers employees and its workers as its most valued asset. All the plants of the Company are certified Occupational Health and Safety Management Systems as per ISO 45001. In addition to the inputs provided under question no. 10 above, several other steps are taken by the Company to provide safe and healthy working conditions for all employees, workers, and visitors as listed below:

- i) Trainings: Training are provided to the employees and workers on First aid, stress management, TPM, Fire Hydrant System, Fire and Safety, 5S Principles, product quality, product knowledge, technical training etc.
- ii) Medical rooms: These are equipped with basic emergency care equipment and medicines.
- iii) Mock Drills: Periodic mock drills are conducted to ensure Safety measures at each unit.
- iv) Action Plans: Well organised action plans and phase wise execution are ensured to eliminate the hazards and risks associated to Health, Safety and Environment.
- v) Safety Audit Process: These are regularly conducted internally.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety practices	100% of the plants/offices were assessed by an internal team.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Safety at the workplace is of utmost priority for us. We have system in place w.r.t. safety inspections, operation control, monitoring, audit and assessments and others. Gaps, learnings and improvements are implemented across the Company to avoid repeated incidents. The corrective actions are driven by site leadership of each location.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, for those who are covered under Employees State Insurance Act,1948 (ESIC), as per such ESIC scheme. For others who are not covered under ESIC, Group Personal Accident (GPA) and Group Medical Coverage (GMC) has been made available.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues have been deducted and deposited the Company for direct material suppliers. Various measures are undertaken by the entity which includes ensuring that the agreements are duly executed on stamp papers, payments are monitored, and the terms and conditions mentioned in the purchase order are abided by them.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
	Employees	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company engages with the retired employees or retains them in case of specific vacancies within the organisation. The agreements are made for the mutually decided period with them and it is renewed based on their performance and the further vacancies in the organisation.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health & Safety practices	Majority of sourcing supplier assessment through questionnaire
Working conditions	Majority of sourcing supplier assessment through questionnaire

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No significant risks/concerns observed in the self-assessment taken by suppliers for health and safety practices and working Conditions. Value Chain Partners were advised to correct/ rectify the minor incidences which were reported and follow up actions were taken.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Key Stakeholders are identified on the basis of the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions. The Company recognises Board of Directors, Employees & workers, Investors & shareholders, Customers, Suppliers, Government and Regulatory Bodies, Suppliers, Communities and Service providers as its Key Stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Board of Directors	No	Board meetings, one-to-one meetings and Emails	Quarterly and need based	Compliance of law and strategic decision making,
Employees & Workers	No	Monthly Review Meetings, Emails, Celebrations, SMS and Notice Board	Annually, Monthly, Weekly and need based	Employee engagement activities, suggestions, Motivational Schemes, Celebrations, Motivational initiatives and performance review
Investors & Shareholders	No	Quarterly publication of results, Newspaper advertisements, Email, Website, Analysts/Investor Calls, Annual General Meetings, Stock Exchange intimations.	Periodic	Market developments, Disclosure of Corporate Results, Resolution of queries etc.
Customers	No	Call, mail, one-to-one meetings, conference, technical meetings, trials and events. Personal visits and Exhibitions	Annually, Monthly, Weekly and need based	Quality and other terms and conditions
Suppliers	No	Meeting, mail, call & visit, face-to-face discussions, plant audits, PO, inspection, telephonic discussions, buyer net, internet and networking.	Annually, Monthly, Weekly and need based	Delivery Schedule, Payment issues, Product related

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and Regulatory Bodies	No	Official communication channels <ul style="list-style-type: none"> • Regulatory audits/ inspections • Good governance 	Annually and Quarterly	Compliances and Policy related matters
Communities	Yes	CSR Activities	Periodic	Society, Health and Education related
Value Chain Partners (other than customers and suppliers)	No	Interaction through consultants & plant visits brokers - email & phone calls, mails,	Monthly and Quarterly	Insuring Company assets against fire, earthquake, claim, settlement, premium, payment etc.

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company maintains a continuous and proactive engagement with our major stakeholders, allowing us to convey our strategy and performance at all levels. Stakeholder consultations are conducted by the relevant Company executives, business leaders, and key process heads. Based on feedback from all stakeholders, the board revisits various developments on a regular basis. The Board is apprised of all the major concerns relevant to economic, environmental and social topics during Board meetings.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company in consultation with various stakeholders has identified material environmental and social topics. The Company makes sure to integrate stakeholders’ input while developing its processes and policies. However, the stakeholder consultation will be used to support the identification and management of environmental, and social topics whenever there will be requirement

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

The Company through its CSR initiatives, provide necessary support to the vulnerable/marginalised community. The CSR Policy of the Company is based on the belief that all are born with equal potential but not with equal opportunity. It identifies the marginalised/vulnerable sections of the community and strives to work for the betterment of this section as it realises that the aforesaid section as underprivileged.

PRINCIPLE 5 Businesses should respect and promote human rights
Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	344	97	28%	Data not available for the previous year		
Other than permanent	0	NIL	0%			
Total Employees	344	97	28%			
Workers						
Permanent	241	NIL	0%	Data not available for the previous year		
Other than permanent	915	NIL	0%			
Total Workers	1156	NIL	%			

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	339	-	-	339	100%	302	-	-	302	100%
Female	5	-	-	5	100%	8	-	-	8	100%
Other than permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	241	-	-	241	100%	244	-	-	244	100%
Female	0	0	0	0	0	0	0	0	0	0
Other than permanent										
Male	915	684	75%	231	25%	768	545	71%	213	28%
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	2,03,06,400	N/A	N/A
Key Managerial Personnel	2	1,41,91,200	1	25,23,120
Employees other than BoD and KMP	336	5,46,780	5	8,73,960
Workers	241	4,31,640	N/A	N/A

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has HR Policy through which it endeavors to protect Human Rights at the workplace. The corporate HR department addresses the issues received pertaining to human rights, investigates and makes sure that no reprisal/retaliation action is taken against the employee who raised the issue.

Furthermore, respective Head of the Departments are responsible for their respective business connect for addressing human rights impacts or issues caused or contributed to by the business. The management of the Company also participates in reviewing the Human Rights Policy at an organisational level.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has various internal mechanisms in place to redress grievances related to human rights issues which includes:

- POSH Policy (<https://stlfasteners.com/investors/>)
- Grievance Redressal Policy (<https://stlfasteners.com/investors/>)
- Vigil Mechanism/Whistle Blower Policy (<https://stlfasteners.com/investors/>)

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour/Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	NIL	NIL	-	NIL	NIL	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has POSH policy in place to safeguard the complainant against discrimination, victimisation, retaliation or any other unfair employment practices. In order to prevent adverse consequences to the complainant in cases of discrimination and harassment, Internal Complaint Committee has been constituted. It ensures that the identity of the complainant is not revealed and it protects the complainant from any retaliation or negative consequences that may occur from submitting the complaint. Furthermore, the organisation has established an organised system for reporting complaints and grievances, and a dedicated team is in charge of analysing and resolving any issues in a rapid and efficient manner.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, business agreements and contracts contain a standard provision of compliance with all applicable laws, conventions and policies etc., which also encompasses the human rights requirements.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%, internally assessed
Forced/ Involuntary labour	100%, internally assessed
Sexual harassment	100%, internally assessed
Discrimination at workplace	100%, internally assessed
Wages	100%, internally assessed
Others- please specify	Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks / concerns were identified from the assessments carried out on the topics mentioned above during the year.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company periodically familiarises employees and workers about their rights and duties under Company policies and procedures. However, there were no grievances/complaints reported during the current financial year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Throughout the year, the Company continues to take measures to integrate human rights into its Company culture at all levels.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company's premises/offices are largely accessible to differently abled visitors in addition to regular employees/ workers.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Majority of sourcing supply assessed
Discrimination at workplace	Majority of sourcing supply assessed
Child labour	Majority of sourcing supply assessed
Forced/ Involuntary labour	Majority of sourcing supply assessed
Wages	Majority of sourcing supply assessed
Others- please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risks/ concerns were identified from assessments of the specified value chain partners at Question 4 above.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Units	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	(in Giga joules)	1,45,919	1,20,355
Total fuel consumption (B)	(in Giga joules)	71,152	68,210
Energy consumption through other sources (C)	(in Giga joules)	6,204	1,969
Total energy consumption (A+B+C)	(in Giga joules)	2,23,275	1,90,534
Energy intensity per rupee of turnover (<i>Total energy consumption/ turnover in rupees</i>)	(Giga Joule/ Crore)	368	400
Energy intensity (optional) – the relevant metric may be by the entity	Giga Joule/ Net Tonnage	6.68	6.61

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No such assessment/evaluation/assurance was carried out by an external agency during the reporting period.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable, as the Company does not have any sites / facilities identified as DCs under the PAT Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	76,432	67,043
(iii) Third party water	48,217	38,331
(iv) Seawater/Desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,24,649	1,05,374
Total volume of water consumption (in kilolitres)	1,24,649	1,05,374
Water intensity per rupee of turnover (Water consumed / turnover)	205	221
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No such assessment/evaluation/assurance was carried out by an external agency during the reporting period.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has implemented a mechanism for Zero Liquid Discharge plant at Prithla and Bangalore. The plant's wastewater is reused during the process, and the remaining wastewater that is not recyclable or reusable is evaporated in a boiler and sent back into the system.

The Company also takes several initiatives across all the our plants to conserve and recycle water. The other two plants at DLF and Ballabgarh are authorised to discharge the ETP treated water to the discharge line.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	mg/NM3	400	193
SOx	mg/NM3	49.9	38.4
Particulate matter (PM)	mg/NM3	45.2	63.2
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others-please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No such assessment/evaluation/assurance was carried out by an external agency during the reporting period.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,931	4,745
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	32,831	27,079
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent/ Turnover	64	57
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		0.98	0.94

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No such assessment/evaluation/assurance was carried out by an external agency during the reporting period.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company strives to reduce its GHG emissions and has taken up several initiatives to achieve the same. One such initiative is reducing the dependency on non-renewable energy sources and moving to renewable sources by installing solar panels to harness solar energy. The Company also takes steps to reduce its energy consumption by recovering the waste heat from the furnaces and compressors.

Furthermore, the Company has initiated the decarbonisation strategy would start reporting these parameters from next financial year onwards.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total waste generated (in metric tonnes)		
Plastic waste (A)	15.0	14.723
E-waste (B)	0.5	0.345
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) <i>Used Oil</i>	1,425.6	802.2
Other Non-hazardous waste generated (H). <i>Scrap trimming parts</i>	3,167	2,872.8
Total (A+B + C + D + E + F + G + H)	4,608.1	3,690.1
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	2,941.0	2,656.0
(ii) Landfilling	1,316.0	750.0
(iii) Other disposal operations	351.1	284.1
Total	4,608.1	3,690.1

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No such assessment/evaluation/assurance was carried out by an external agency during the reporting period.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The primary focus is at the point of waste generation. We follow the concept of 3 R's: Reduce, Reuse, and Recycle. To reduce both hazardous and nonhazardous waste, improvement projects are being carried out. Reduction of waste is an important and critical management part of review index.

The Company follows legally prescribed procedures and applies environmentally sound disposal techniques for disposing of the hazardous waste, whereas the non-hazardous waste is sold to the authorised recyclers, as identified by the Company. Further, to reduce the wastage of water, the Company has installed ETPs and STPs at some of its plants, wherein the Company reuses the treated water for non-potable purposes.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable, since there are no operations of the Company near above-mentioned areas.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant web link
No environmental impact assessment of projects was undertaken by the Company during the current reporting Year. Hence, this requirement is not applicable.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with all the applicable environmental laws/ regulations/ guidelines in India.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Not Applicable, since there is no non-compliance with the applicable environmental laws/ regulations/ guidelines in India.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable resources		
Total electricity consumption (A) (Giga Joule)	6,204	1,969
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C) (Giga Joule)	6,204	1,969
From non-renewable resources		
Total electricity consumption (D) (Giga Joule)	1,45,919	1,20,355
Total fuel consumption (E)	71,152	68,210
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F) (Giga Joule)	2,17,071	1,88,565

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No. An internal assessment was carried out for energy consumption of the Company during the reporting period.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	5,876	6,142
- With treatment – please specify level of treatment	12,998	15,357
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	402	507
- With treatment – please specify level of treatment	0	0
(v) Others (Gardening)		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	19,276	22,006

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (contd.)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No, an internal assessment was carried out by the Company during the reporting period.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: DLF Faridabad, Ballabgarh Faridabad, Kolar-Bangalore, Palwal-Faridabad
- (ii) Nature of operations: Manufacturing of cold tensile fasteners
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	76,432	67,043
(iii) Third party water	48,217	38,331
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	1,24,648	1,05,375
Total volume of water consumption (in kilolitres)	1,24,648	1,05,375
Water intensity per rupee of turnover <i>(Water consumed / turnover)</i>	205	221
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	18,874	21,499
- No treatment	5,876	6,142
- With treatment – please specify level of treatment	12,998	15,357
(ii) Into Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	402	507
- No treatment	402	507
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	19,276	22,006

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (contd.)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No, an internal assessment was carried out by the Company during the reporting period.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent	The Company is yet to track Scope 3 emissions and is in the process of reviewing and deciding on its future course of action in this regard.	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Not Applicable, as no independent assessment/ evaluation/assurance has been carried out by an external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, as the Company does not have any operations in ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installation of Solar Plant	Installed 700 Kwp solar plant. With this total solar capacity is 2136 Kwp	Carbon footprint reduction
2	Installation of Dual Fuel Kit for Genset	Genset are retrofitted with dual fuel thereby reducing the exhaust emission	Carbon footprint reduction/ Reduction in air emissions
3	Waste Heat Recovery system	Multiple heat recovery projects under implementation	Reduced energy consumption
4	Collection of usage of Rainwater in process	Reduction of usage of fresh water from Borewell	Reduced ground water consumption
5	Reuse of spent acid	Use spent acid in ETP process	Reduced acid consumption

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a robust Disaster management/Business continuity plan to handle the following natural disasters and emergencies:

- Fire Emergency.
- Earthquake Emergency
- Medical Emergency
- Food Poisoning Emergency.
- Gas Leakage Emergency.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

There is no major environmental impact resulting from the Company's value chain (sourcing suppliers assessed for this purpose).

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

80% of all the Sourcing suppliers were assessed for their environmental impacts.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations: 2**
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to;**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Component Manufacturers Association of India (ACMA)	National
2	Society of Indian Automobile Manufacturers (SIAM)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not Applicable, as the Company has not received any adverse orders from any regulatory authorities.		

Leadership Indicators

1. **Details of public policy positions advocated by the entity;**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
The Company directly or through industry bodies and other associations puts forth a number of suggestions with respect to the industry in general and its activities in particular. Further, the Company is part of different forums, where we participate in different meetings for our respective inputs.					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable, as there were no projects that required SIA based on applicable laws in the current financial year.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
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Not Applicable, as there were no projects requiring an R&R.

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has an internal grievance redressal committee in place to handle the community's grievances. Any such complaint received is referred to the respective department for further action.

Further, as a matter of policy, the Company keeps undertaking various CSR activities to address the needs of the community in the vicinity of its plants premises. There is an Open Door Policy of the Company, wherein the communities can approach plant/ location and management of that respective plant.

Furthermore, the Company also accesses the communities in the vicinity of its plants premises to address their grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	The Company procures from vendors based on quality, cost, and delivery aspects. The Company strives for a fair, transparent, and inclusive, procurement process that provides equal opportunities for all suppliers.	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable, as there were no projects that required SIA based on applicable law in the current reporting year.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
No CSR projects were undertaken by the Company in designated aspirational districts as identified by government bodies.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

The Company supports marginalised/ vulnerable groups through its CSR initiatives; however, it does not have a formal policy in place for procurement from the aforesaid mentioned group.

(b) From which marginalised /vulnerable groups do you procure?

Not Applicable.

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NIL				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
Not Applicable, as mentioned in Question no. 4 above.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Healthcare and Sanitation	The benefits of the initiatives are extended to the entire community, however, the exact number of persons benefitted are not available.	100%
2	Promoting Education (Infrastructure Development of Government schools, Construction of smart classes)		100%
3	Promoting Sports		100%
4	Empowering Underprivileged section of the society and support to destitute (Rehabilitation)		100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Robust complaint handling procedure. Enclosed separately.

The Company is into Business to Business (B2B) and supplies products to OEMs, and do not have the direct visibility for the end users. However, the Company receives monthly supplier's rating from its OEMs. The report rates us on the parameter of Quality, Cost, Delivery, Development and Management (QCDDM). This rating is analysed by Sales and Marketing department and the relevant stakeholders are addressed, in order to find areas for improvement. Appropriate actions strategies are identified to improve the feedback received.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NIL, as the Company is in B2B business, and the products are not meant for the end customers directly.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber-security	NIL	NIL	-	NIL	NIL	-
Delivery of essential services	NIL	NIL	-	NIL	NIL	-
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	NIL	NIL	-
Other	NIL	NIL	-	NIL	NIL	-

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	NIL	NIL
Forced recalls	NIL	NIL

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The IT framework policy of the Company was in the implementation phase as at the year end and has been completed post year end.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable, as the Company is not dealing with rendering the Essential services. Further, the Company has not received any complaints with respect to advertising, cyber security and data privacy of customers, re-occurrence of instances of product recalls during the reporting period nor any penalties were paid to, or actions were taken by regulatory authorities on account of safety of products / services.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The official website of the Company provides information about products it offers to OEMs. The web-link for the Company's website is: <https://stlfasteners.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Since the Company is a B2B supplier, it supplies products directly to the OEMs. They further assemble and sells the end products to the end user customers. Therefore, the Company has limited role for informing and educating the end user about the safe and responsible usage of its products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable, as the Company does not provide essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable, as the Company supplies products to the OEMs and there is no direct visibility for the end users. Further, the Company's endeavor is always to consider customer satisfaction as a top priority, it seeks customer satisfaction by various mechanisms. Customer's feedback is obtained directly or indirectly to identify any grievances and accordingly, corrective measures are designed and executed. Post that, customer satisfaction summaries are then collated, reviewed and monitored by the all the process owners in discussion with the management of the Company.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

No Instances were identified pertaining to data breach during the Current Financial Year.

b. Percentage of data breaches involving personally identifiable information of customers.

No data breaches were identified related to personally identifiable information of customers during the Current Financial Year.

Management Discussion & Analysis Report

Global Economic Review

In recent years, the global economy has demonstrated resilience and adaptability despite the challenges such as the Covid-19 pandemic and the Russia-Ukraine conflict. Collective efforts across the globe have however played a crucial role in addressing issues such as rising inflation and supply shortages, particularly in the energy and food markets, which were most impacted by the conflict. To counteract this, central banks worldwide implemented synchronised tightening of monetary policy. As a result, and aided by lower commodity prices, inflation is expected to decline to 7.0% in CY 2023 from its high of 8.7% in CY 2022.

Between August 2022 and February 2023, primary commodity prices underwent a significant decline of 28.2%. This downward trend was primarily driven by energy commodities, which experienced a substantial drop of 46.4%. During the same period, crude oil prices also experienced a reduction of 15.7%. The weakened demand caused by the global economic slowdown played a significant role in contributing to this decline. Furthermore, European natural gas prices saw a significant decrease of 76.1% due to lower consumption levels and a surplus in storage. Notably, China experienced its first annual decline in oil consumption in this century, further impacting the market dynamics.

In contrast, there was a notable rebound in base and precious metal prices, which increased by 19.7% and 3.3%, respectively, in comparison to the previous fiscal year, FY 2021-22. Initially, metal prices had experienced a broad-based retreat following the initial surge after the Russian invasion. This decline was primarily driven by the slowing demand for metals in China, which accounts for approximately half of the global consumption of major metals. The tightening of monetary policies also played a role in the decreased demand. However, with China's reopening and the subsequent increase in infrastructure spending, metal prices began to rebound, offering a more positive outlook for the market.

Global Economic Outlook

The global economy, as per the latest IMF report, is expected to register a global growth of 3% which is lower than the earlier estimates but still above the average growth rate of 2.9% over the past decade. The war in Ukraine has disrupted global trade and energy markets, leading to higher prices for food and energy. Rising inflation is also a concern, as it is eating into household incomes and businesses' profits. In most economies, the

priority remains achieving sustained disinflation, while ensuring financial stability. Tighter monetary policy is being implemented by central banks around the world to bring inflation under control, but this could also weigh on economic growth. This all factors are contributing to lower forecast for global growth in 2024 by 0.2 % points than its April forecast, at 3.2%¹.

Indian Economic Review

For over a decade, India has been one of the most prominent countries with robust economic growth. On the back of the Government's measures to develop the transportation, infrastructure, logistics and business ecosystems, India's economy has maintained its position among the fastest-growing economies across the globe with a growth rate of 7.2%.

During the current financial year, the manufacturing sector recorded upward growth that was driven by both international and domestic demand for Indian goods, indicating a sustained improvement in the business environment. The auto industry is one of the primary economic pillars and vital growth driver due to strong backward and forward linkages. This is led by private consumption which is expected to grow by 7.5% in FY 2022-23, led by a recovery in rural demand and a rise in urban wages. Additionally, a rebound in investment is expected to grow by 12.2% in FY 2022-23, driven by Government spending on infrastructure and a pick-up in private investment.

Despite these growth factors, global geopolitical tensions remain a significant factor influencing inflationary pressures. To address this concern, the Reserve Bank of India has executed a sequence of five consecutive increases in the repo rate, resulting in a rate of 6.50% during FY 2022-23. This approach of RBI has led to a gradual reduction in inflationary pressures, as reflected in the declining inflation rates.

The Government is directing its efforts towards enhancing its tax revenue, and it is using increased tax collections to fund infrastructure development programmes, such as PLI schemes, National Monetisation Pipeline (NMP) and P M Gati Shakti. Additionally, in order to enhance the growth trajectory of the Indian economy, the Government has raised capital expenditure by 33% for FY 2023-24.

Indian Economic Outlook

India's economy is showing continued progress in FY 2023-24. As per the latest report by the IMF, India is expected to witness a growth rate of 6.1% with an

¹ Source : <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>

inflation rate falling to 5.1%, aligning with the targets set by the RBI. The implementation of structural reforms and policies aimed at stimulating investment and productivity, along with a growing and youthful workforce, positions India favorably as a future economic powerhouse. The Government's emphasis on fostering innovation and entrepreneurship, bolstered by a thriving start-up ecosystem and a burgeoning digital economy, further fuels growth and creates new avenues for development.

A robust domestic demand and favorable government initiatives are expected to help India remain as one of the fastest growing major economies globally. However, external challenges, such as a slowdown in the global economy and monetary tightening in advanced economies, are factors that could affect the country's growth.²

Indian Auto Industry Overview

The Indian auto industry contributes significantly to India's GDP, with the nation also emerging as a leader in electric vehicle (EV) adoption. With increased competition and capacity expansion, the sector now contributes approximately 7.1% to the national GDP and employs over 19 million individuals.

In FY 2022-23, overall domestic automobile sales grew by 13% on a year-on-year (y-o-y) basis. Further, all categories experienced double-digit growth, with two-

wheelers growing at 17%, passenger vehicles at 27%, commercial vehicles at 20%, tractors at 12%, and three-wheelers at 87% y-o-y in domestic sales. The increase in sales volume across segments was supported by healthy demand in urban areas, increasing replacement demand, a growing demand for utility vehicles within the passenger vehicle segment, the vehicle scrappage policy, and the PLI scheme.

Correspondingly, the automobile industry is witnessing a transition towards green energy, as increased demand for EVs has played a significant role in the overall growth of volumes in FY 2023. The EV two-wheeler market recorded the highest growth at 310%, E-Bus segment saw a growth of 59%, E-PV witnessed 133%, while EV three-wheeler recorded a 120% growth. The demand for EVs is driven by shifting consumer preferences towards options that offer lower energy consumption, reduced maintenance, and lower servicing requirements compared to internal combustion engine (ICE) models.

In the coming years, India is going to witness robust growth as India's ₹ 18.20 Lac Crores automotive industry is expected to reach ₹ 246 Lac Crores by FY 2026. In this growing industry, EVs are going to play a major role, as the EV segment is anticipated to experience a CAGR of 49% from 2022 to 2030. It is predicted that by FY 2030, EV sales reach be 1 Crore units.^{3 4}

i. Production

From April 2022 to March 2023, the automotive industry manufactured a combined total of 2,59,31,867 vehicles, encompassing passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles. This figure represents a notable increase compared to the production of 2,30,40,066 units recorded in the preceding period of April 2021 to March 2022.

Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Passenger Vehicles	40,20,267	40,28,471	34,24,564	30,62,280	36,50,698	45,78,639
Commercial Vehicles	8,95,448	11,12,405	7,56,725	6,24,939	8,05,527	10,35,626
Three-Wheelers	10,22,181	12,68,833	11,32,982	6,14,613	7,58,669	8,55,696
Two-Wheelers	2,31,54,838	2,44,99,777	21,032,927	1,83,49,941	1,78,21,111	1,94,59,009
Quadricycles	1,713	5,388	6,095	3,836	4,061	2,897
Grand Total	2,90,94,447	3,09,14,874	2,63,53,293	2,26,55,609	2,30,40,066	2,59,31,867

ii. Domestic Sales

In FY 2022-2023, the wholesale figures of passenger vehicles witnessed remarkable growth, with the total number of units sold increasing from 30,69,523 to 38,90,114. Within this category, passenger cars experienced growth from 14,67,039 to 17,47,376 units, utility vehicles saw a surge from 14,89,219 to 20,03,718 units, and vans showed a rise from 1,13,265 to 1,39,020 units.

² <https://timesofindia.indiatimes.com/business/india-business/indias-gdp-grows-by-7-2-in-fy23-govt-data/articleshow/100651861.cms>, <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1897272>, <https://pib.gov.in/PressReleasePage.aspx?PRID=1894932>

³ Source: <https://yourstory.com/2023/04/indias-automotive-industry-growth-trends-global-prominence>

⁴ Source: <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2023/feb/doc2023217160601.pdf>, <https://www.investindia.gov.in/sector/automobile>, <https://www.siam.in/statistics.spx?mpgid=8&pgidtrail=9>

Additionally, the wholesale figures of commercial vehicles demonstrated a positive trend, with an overall increase from 7,16,566 to 9,62,468 units. Within this segment medium and heavy commercial vehicles experienced substantial growth from 2,40,577 to 3,59,003 units, while light commercial vehicles witnessed an increase from 4,75,989 to 6,03,465 units.

The wholesale figures of three-wheelers exhibited a significant boost, rising from 2,61,385 to 4,88,768 units in FY 2022-23 compared to the previous year. Similarly, two-wheelers recorded an increase in sales from 13,57,00,008 to 15,86,20,087 units in the same period.

With the personal tax rebate limit raised to ₹ 7 Lacs in the union budget, the Government has effectively boosted disposable income and encouraged discretionary spending. This development is expected to positively influence the automobile industry in various cities and towns. The rising trend of car ownership in India, evident from the country's position as the world's third-largest auto market in FY 2022, further supports the anticipated benefits for the industry.⁵

In FY 2022-23, overall domestic automobile sales grew by 13% on a year-on-year (y-o-y) basis. Further, all categories experienced double-digit growth, with two-wheelers growing at 17%, passenger vehicles at 27%, commercial vehicles at 34%, tractors at 12%, and three-wheelers at 87% y-o-y growth in domestic sales.⁶

Electric Two-Wheeler Overview

The electric two-wheeler segment has become increasingly popular as a cleaner and more efficient alternative to conventional two-wheelers. In FY 2022-23, electric two-wheelers sold in India recorded sales of 7.82 Lac units, representing an increase of over 80% to the previous year. The increased demand for electric two-wheelers can be attributed to attractive product launches, performance and features of EVs and lower Total Cost of Ownership and advancements in EV technology.

According to a report titled 'Forecasting Penetration of Electric Two-Wheelers in India', launched by NITI Aayog, there will be a 100% penetration of electric two-wheelers in the Indian market by FY 2026-27. However, the Government's decision to slash the FAME-II subsidy

of electric two-wheelers has led to a fall of 56.3% in its sales during the month of June 2023, compared to May 2023. The future scenario of EV is based on three major factors influencing the market penetration of electric two-wheelers: vehicle performance in terms of range and power, demand incentives and lower battery cost.^{7 8}

Global Automotive Fastener Industry

The automotive Original Equipment Supplier (OES) industry plays a significant role in the market for industrial fasteners. In recent years, this sector has experienced growth mainly attributed to the growing production of vehicles. The OES industry's growth is further driven by on-going development of new drivetrains and more efficient engines aimed at reducing energy consumption and emissions.

However, the industry has faced significant challenges in recent years, including the ongoing Russia-Ukraine conflict and disruptions in supply chains. These challenges have led to inflationary pressures on various goods and services, thus impacting the industry's production volumes and profitability.

According to application-based segmentation, the automotive industry segment is anticipated to exhibit a compound annual growth rate (CAGR) of 2.6% from 2021 to 2028. The Asia-Pacific region is expected to be a major contributor, with an estimated revenue of ₹ 4,762 Lac Crores in 2030, registering a CAGR of 5.4%.

Indian Fastener Industry - Opportunities

India's status as a prominent hub for auto component sourcing is steadily advancing, as evidenced by a substantial portion of its yearly production being exported to international markets. Furthermore, the adoption of the China+1 Strategy by multi national companies will enable the auto and auto component industries to capitalise on the global market opportunity and contribute significantly to the global value chain. Thanks to its new global prominence, a well-educated labour force, a fast-growing, business-friendly economy, and a large-scale automotive manufacturing value chain, India may be the best-positioned country to capitalise on supply chain diversification from China.^{9 10}

⁵ Source: <https://www.siam.in/statistics.aspx?mpgid=88&pgidtrail=9>

⁶ Source: <https://www.siam.in/statistics.aspx?mpgid=88&pgidtrail=9>

⁷ Source: <https://jmkresearch.com/annual-india-ev-report-card-fy2023/>

⁸ Source: *Electric two-wheeler penetration 100% by FY27: Niti Aayog - IndBiz | Economic Diplomacy Division | IndBiz | Economic Diplomacy Division*

⁹ Source: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1920284>

¹⁰ Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1806077>
<https://pib.gov.in/PressReleasePage.aspx?PRID=18953>

Company Overview

Sterling Tools Limited (referred to as 'STL' or 'The Company') is the second-largest manufacturer of cold-forged hi-tensile fasteners in the country and has established itself as a key supplier to major automotive original equipment manufacturers (OEMs). As a manufacturer of auto component for the last four decades, the Company has also ventured into manufacturing of EV components i.e. Motor Control Units (MCUs).

With state-of-the-art manufacturing facilities, the Company ensures the production of reliable and high-quality fasteners. It has successfully diversified its product range across various categories within the fastener segment. STL has maintained strong and enduring relationships with customers, demonstrating their commitment to providing excellent products and services.

Sterling Gtack E-mobility Limited (SGEM), the wholly owned subsidiary, serves as a growth catalyst and is the vehicle for exploring new ventures within the emerging EV powertrain domain. SGEM has been an early entrant introducing new technologies and is one of the leading

MCU manufacturers in the country today. The early success of the company is due to the technical prowess and the focus on product development and application support. Notably, SGEM achieved profitability in its very first full year of operations.

STL's Company Outlook

The automotive industry is expected to generate greater momentum in the next few years. STL's success is closely tied to the growth and development of the automotive, infrastructure, and farm equipment industries. Going forward, your Company continues to maintain its position in the fasteners market, while actively pursuing new business opportunities from existing and new customers. The Company aims to outpace industry growth and expand its market share.

To meet the increasing demand for MCUs, SGEM has proactively enhanced its manufacturing capabilities, expanding its capacity from 3,00,000 units to an impressive 6,00,000 units per annum. The company will seek to add to its portfolio EV powertrain components so as to provide its customers comprehensive solutions.

Financial Performance

(in ₹ Crores)

Particulars	Consolidated		Standalone	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from Operations	771.98	509.58	597.65	471.24
Revenue Growth	51.49%	43.35%	26.83%	32.64%
Traded Goods	-	-	-	-
EBITDA	100.44	68.97	92.27	73.30
PAT	47.88	25.54	41.43	29.73
Operating Profit Margin	13.01%	13.53%	15.44%	15.55%
Net Profit Margin	6.20%	5.01%	6.93%	6.31%
Basic EPS	13.29	7.09	11.5	8.25
Trade Receivables	81.37	62.74	65.24	56.95
Trade Receivable Days	38	45	40	44
Inventory	163.42	116.12	124.43	102.37
Inventory Turnover Ratio	2.78	1.98	2.24	1.79
EBIT	68.72	41.63	61.40	46.29
Interest Expense	8.84	6.87	8.12	6.63
Interest Coverage Ratio	7.78	6.06	7.56	6.99
Equity	400.43	355.78	401.45	363.12
Net Worth	400.43	355.78	401.45	363.12
Return on Net Worth/Equity	12.66%	7.43%	10.84%	8.52%
No. of Shares O/S	3.60	3.60	3.60	3.60

Revenue from Operations: The Company's revenue from operations on a consolidated basis increased from ₹ 50,958.32 Lacs in FY 2021-22 to ₹ 77,197.80 Lacs in FY 2022-23, showcasing a growth of 51.49%. On a standalone basis, STL's revenue from operations increased from ₹ 47,124.25 Lacs in FY 2021-22 to ₹ 59,765.44 Lacs in FY 2022-23, showcasing a growth of 26.83%. SGEM's revenue grew from ₹ 38.4 Crores in FY 2022 to ₹ 174.7 Crores in FY 2023 recording an increase of approx. 4.5 times in its first full year of operations. SGEM accounted for 20-30% of total consolidated revenues.

EBITDA: The Company's EBITDA on a consolidated basis increased from ₹ 6,896.96 Lacs in FY 2021-22 to ₹ 10,043.61 Lacs in FY 2022-23, a growth of 45.62%. On a standalone basis, STL's EBITDA increased from ₹ 7,330.00 Lacs in FY 2021-22 to ₹ 9,227.45 Lacs, a growth of 25.89%.

PAT: The Company's PAT on a consolidated basis increased from ₹ 2,553.56 Lacs in FY 2021-22 to ₹ 4,787.80 Lacs in FY 2022-23, a growth of 87.50%. On a standalone basis, STL's PAT increased from ₹ 2,972.81 Lacs in FY 2021-22 to ₹ 4,142.95 Lacs, effectively increasing by 39.36%.

Inventory Turnover Ratio: The Company's inventory turnover ratio on a consolidated basis increased from 1.98 in FY 2021-22 to 2.78 in FY 2022-23. STL's inventory turnover ratio on a standalone basis increased from 1.79 in FY 2021-22 to 2.24 in FY 2022-23.

Interest Coverage Ratio: The Company's interest coverage ratio on a consolidated basis improved from 6.06 in FY 2021-22 to 7.78 in FY 2022-23. On a standalone basis, STL's interest coverage ratio improved from 6.99 to 7.56.

Return on Net Worth: The Company's return on net worth on a consolidated basis increased from 7.43% in FY 2021-22 to 12.66% in FY 2022-23. On a standalone basis, the return on net worth increased from 8.52% in FY 2021-22 to 10.84% in FY 2022-23.

Risks

- **Market Trend:** The Company is dependent on the automotive industry in India. Any adverse changes in the industry's conditions may have a negative impact on the Company's operations and financials.

Mitigation Strategies: The Company maintains a very diversified customer & supplier portfolio in passenger vehicle/commercial vehicle/trackers/off road segment so that no one industry segment or customer can unduly impact company performance. Further the Company focusses on strengthening the product portfolio to align with industry standards and remain up-to-date with emerging trends in the automobile sector.

- **Data Security:** The rise of digitalisation and automation has led to a growing concern regarding data compromise by malicious external entities.

Mitigation Strategies: STL uses the state-of-the-art technology to protect its data, and regularly invests in technology to improve its data security.

- **EV Sector:** This is a fast-growing sector with a lot of volatility and is yet to mature.

Mitigation Strategies: The Company is ahead of learning curve due to its early entry in this sector and in a position to better forecast strategy against the uncertainties of EV business.

Internal Control System & their Adequacy

Sterling Tools Limited has established a robust internal control system that plays a pivotal role in the Company's success. This system serves as a reliable and efficient mechanism for reviewing various business segments and sales operations. It is instrumental in maintaining internal audit controls, safeguarding assets, and ensuring compliance with regulations. A team of experts identifies key areas of business operations, which are thoroughly scrutinised during the periodic internal audits. Internal auditors, along with the Audit Committee and the Board, diligently review each area, providing valuable insights and recommendations to enhance internal controls. With a focus on system-driven operations, the Company utilises appropriate IT-enabled controls, shop floor automation, and quality control. Furthermore, significant investments are made in machine upgrades, supported by a robust internal management information system. The presence of both external and internal auditors, proportionate to the size of the business, further reinforces the Company's commitment to sound governance practices.

Cautionary Statement

Certain statements in the Management Discussion & Analysis section concerning future prospects may be forward-looking statements, which involve a number of underlying identified/unidentified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macroenvironment, a global pandemic like Covid-19 may pose an unforeseen, unprecedented, unascertainable, and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs, or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Independent Auditor's Report

To, The Members of **Sterling Tools Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Sterling Tools Limited ('the Company'), which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter

Revenue recognition

The Company's revenue is derived primarily from manufacturing and sale of hi-tensile cold forged fasteners recognised in accordance with the accounting policy described in Note 1(C)(12) to the accompanying standalone financial statements. Refer Note 29 and 48 for details of revenue recognised during the year from a large number of customers.

In accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, ('Ind AS 115') revenue from the sale of products is recognised by the Company when the performance obligation is satisfied, i.e., when the 'control' of the goods underlying the particular performance obligation is transferred to the customer. The performance obligations are generally considered to be satisfied by the management at the time of delivery of goods to the customer/carrier in accordance with the terms and conditions included in the revenue contracts.

How our audit addressed the key audit matter

Our audit procedures for testing revenue recognition included, but were not limited to the following:

- Understood the revenue recognition process and assessed the appropriateness of the revenue recognition policies adopted by the Company in accordance with principles enunciated under Ind AS 115;
- Evaluated the design and implementation of Company's key financial controls in respect of revenue recognition and tested the operating effectiveness of such controls for a sample of transactions;
- Performed substantive testing of revenue transactions recorded during the year using statistical sampling by verifying the underlying supporting documents including customer contracts, customer's purchase orders, sales order, invoices and proof of delivery;

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition from sale of products also involves determination of variable consideration on account of volume discounts and other rebate programmes run by the Company, which requires estimates to be made by the management at each period end.</p> <p>Further, the Company and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognised before control has been transferred.</p> <p>The above factors and the amounts involved, required considerable audit efforts in testing revenue recorded during the year, and therefore, we have identified revenue recognition as a key audit matter in the current year audit.</p>	<ul style="list-style-type: none"> • Performed testing of samples of revenue transactions recorded for specified period before and after year-end by verifying underlying documents as above to determine whether revenue was recognised in the correct period; • Obtained confirmations for invoices outstanding at the year-end on a sample basis and reviewed the reconciling items, if any; • Tested manual journal entries posted to revenue; • Assessed the adequacy of the disclosures made by the management in accordance with the applicable accounting standards.

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

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

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

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

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

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial

statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 8. In preparing the standalone financial statements, the Board of Directors are 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are 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 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 these standalone financial statements.
 11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone 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 management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 12. 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.
 13. 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.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- ### Report on Other Legal and Regulatory Requirements
15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

Independent Auditor's Report (Contd.)

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March, 2023 and the operating effectiveness of such controls, refer to our separate report in Annexure II, wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 41(B)(I) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March, 2023;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March, 2023;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2023;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 52(vi) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 52(vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (iv)(a) and (iv)(b) above contain any material misstatement.

Independent Auditor's Report (Contd.)

- v. The final dividend paid by the Company during the year ended 31 March, 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 50 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March, 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act

to the extent it applies to declaration of dividend; and

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 01 April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Ashish Gera
Partner

Place: Faridabad
Date: 08 May, 2023

Membership No.: 508685
UDIN: 23508685BGYCQQ9563

Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Sterling Tools Limited on the standalone financial statements for the year ended 31 March, 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2 to the standalone financial statements are held in the name of the Company. However, for title deeds of the undermentioned immovable properties in the nature of land, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

Description of property	Situated at/location	Gross carrying value as at 31 March, 2023 (₹ in Lacs)
Land	Plot No. 4, 5A, 52, 53, 54 and 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road, Faridabad, Haryana	195.95
Land	Prithla Village, Faridabad	206.13
Land	Plot No 109-110, Vemgal Industrial Area, District Kolar, Karnataka	980.37

- (d) The Company has not revalued its property, plant and equipment, right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) As disclosed in note 24(f) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 Crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, except for the following:

Name of the banks	Working capital limit sanctioned (₹ in Lacs)	Nature of current assets offered as security	Quarter ended	Amount disclosed as per statement (₹ in Lacs)	Amount as per books of accounts (₹ in Lacs)	Difference (₹ in Lacs)	Remarks/ reason, if any
HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	11,000.00	Pari-passu charge on current assets	30 June, 2022	16,395.00	18,009.09*	(1,614.09)	Refer note 24(f) of the standalone financial statements.
HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	11,000.00	Pari-passu charge on current assets	30 September, 2022	17,882.33	19,738.57*	(1,856.24)	Refer note 24(f) of the standalone financial statements.

Name of the banks	Working capital limit sanctioned (₹ in Lacs)	Nature of current assets offered as security	Quarter ended	Amount disclosed as per statement (₹ in Lacs)	Amount as per books of accounts (₹ in Lacs)	Difference (₹ in Lacs)	Remarks/ reason, if any
HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	11,000.00	Pari-passu charge on current assets	31 December, 2022	18,627.14	20,433.61*	(1,806.47)	Refer note 24(f) of the standalone financial statements.
HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	11,000.00	Pari-passu charge on current assets	31 March, 2023	17,198.11	18,966.82#	(1,768.71)	Refer note 24(f) of the standalone financial statements.

* Per books of accounts which were subject to review

Per books of accounts which were subject to audit

- (iii) (a) The Company has provided guarantee and loans to subsidiary and others during the year as per details given below:

Particulars	Guarantees (₹ in Lacs)	Loans (₹ in Lacs)
Aggregate amount provided/granted during the year:		
- Subsidiary	5,000.00	-
- Others	-	43.08
Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiary	5,000.00	-
- Others	-	23.53

- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of the grant of all advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not given any security or granted any loans during the year.
- (c) In respect of advance in the nature of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments/receipts of principal are regular. Further, no interest is receivable on such advances in the nature of loans.
- (d) There is no overdue amount in respect of advances in the nature of loans granted to such companies, firms, LLPs or other parties.

- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.

- (f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost

Annexure I to the Independent Auditor's Report (Contd.)

records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross amount * (₹ in Lacs)	Amount paid under protest (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty and penalty	8.26	Nil	January 2013 to June 2017	Customs Excise and Service Tax Appellate Tribunal ('CESTAT'), Delhi
Central Excise Act, 1944	Excise duty and penalty	106.04	Nil	April 2014 to June 2017	Customs Excise and Service Tax Appellate Tribunal ('CESTAT'), Chandigarh
Goods and Services Tax Act, 2017	Input tax credit	50.00	Nil	Financial year 2019-20	Excise and taxation officer, Faridabad, Haryana
Income-tax Act, 1961	Demand under the Income-tax Act, 1961	0.62	Nil	Assessment year 2013-14	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Demand under the Income-tax Act, 1961	2.94	Nil	Assessment year 2016-17	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Demand under the Income-tax Act, 1961	51.78	Nil	Assessment year 2018-19	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Demand under the Income-tax Act, 1961	142.58	Nil	Assessment year 2020-21	Commissioner of Income-tax (Appeals)

* Excluding interest, if any.

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

Annexure I to the Independent Auditor's Report (Contd.)

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company ('CIC').
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We,

Annexure I to the Independent Auditor's Report (Contd.)

however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, there are no unspent amounts towards corporate social responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards corporate social responsibility under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Ashish Gera
Partner

Place: Faridabad
Date: 08 May, 2023

Membership No.: 508685
UDIN: 23508685BGYCQQ9563

Annexure II to the Independent Auditor's Report of even date to the members of Sterling Tools Limited on the standalone financial statements for the year ended 31 March, 2023

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Sterling Tools Limited ('the Company') as at and for the year ended 31 March, 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls

with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March, 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Ashish Gera
Partner

Place: Faridabad

Membership No.: 508685

Date: 08 May, 2023

UDIN: 23508685BGYCQQ9563

Standalone Balance Sheet

as at 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022 (Restated)
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	25,641.78	26,581.40
(b) Capital work-in-progress	3	1,112.23	104.04
(c) Other intangible assets	4	50.52	39.02
(d) Financial assets			
(i) Investments	5	5,575.96	3,625.51
(ii) Other financial assets	6	466.53	425.55
(e) Income-tax assets (net)	7	63.44	8.63
(f) Other non-current assets	8	515.70	808.89
Total non-current assets		33,426.16	31,593.04
2 Current assets			
(a) Inventories	9	12,442.57	10,236.60
(b) Financial assets			
(i) Investments	10	500.08	769.72
(ii) Trade receivables	11	6,524.25	5,695.42
(iii) Cash and cash equivalents	12	443.84	76.31
(iv) Bank balances other than (iii) above	13	4,195.62	1,878.96
(v) Loans	14	23.53	2,010.06
(vi) Other financial assets	15	149.98	277.14
(c) Other current assets	16	3,175.08	3,723.55
Total current assets		27,454.95	24,667.76
TOTAL ASSETS		60,881.11	56,260.80
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	720.48	720.48
(b) Other equity	18	39,424.50	35,591.47
Total equity		40,144.98	36,311.95
1 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,664.48	4,293.14
(ia) Lease liabilities	42	5.05	15.54
(ii) Other financial liabilities [other than those specified in item (b)]	20	19.32	33.26
(b) Provisions	21	137.28	125.13
(c) Deferred tax liabilities (net)	22	1,755.05	1,636.78
(d) Other non-current liabilities	23	884.30	1,586.63
Total non-current liabilities		6,465.48	7,690.48
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	8,714.40	8,042.40
(ia) Lease liabilities	42	15.84	45.35
(ii) Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises; and	25	964.62	800.81
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,897.99	1,795.63
(iii) Other financial liabilities [other than those specified in item (c)]	26	717.32	554.12
(b) Other current liabilities	27	1,877.27	965.60
(c) Provisions	21	83.21	54.46
(d) Current tax liabilities (net)	28	-	-
Total current liabilities		14,270.65	12,258.37
Total liabilities		20,736.13	19,948.85
TOTAL EQUITY AND LIABILITIES		60,881.11	56,260.80

Note 1 to 52 form an integral part of these standalone financial statements.
As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gera
Partner
Membership no. 508685

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399

Place: Faridabad
Date: 08 May, 2023

Standalone Statement of Profit and Loss for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Income			
Revenue from operations	29	59,765.44	47,124.25
Other income	30	588.39	338.30
Total income		60,353.83	47,462.55
Expenses			
Cost of materials consumed	31	26,466.60	19,316.71
Changes in inventories of finished goods and work-in-progress	32	(1,029.24)	(329.84)
Employee benefits expense	33	4,540.59	4,160.11
Finance costs	34	812.48	662.65
Depreciation and amortisation expenses	35	3,087.32	2,700.77
Other expenses	36	21,148.43	16,985.57
Total expenses		55,026.18	43,495.97
Profit before exceptional items and tax		5,327.65	3,966.58
Exceptional items	37	344.26	-
Profit before tax		5,671.91	3,966.58
Tax expense:	22		
Current tax		1,427.62	1,040.72
Deferred tax		101.34	(46.95)
Total tax expense		1,528.96	993.77
Profit for the year		4,142.95	2,972.81
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(1.01)	(7.76)
(b) Changes in fair value of equity investment through other comprehensive income		68.27	323.45
(ii) Income-tax relating to items that will not be reclassified to profit or loss		(16.93)	(79.45)
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income-tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		50.33	236.24
Total comprehensive income for the year		4,193.28	3,209.05
Earnings per equity share			
Basic and diluted (₹)	38	11.50	8.25
[nominal value of share ₹ 2 (31 March, 2022: ₹ 2)]			

Note 1 to 52 form an integral part of these standalone financial statements. As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gera
Partner
Membership no. 508685

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399

Place: Faridabad
Date: 08 May, 2023

Standalone Statement of Cash Flows for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
A Cash flow from operating activities		
Net profit before tax	5,671.91	3,966.58
Adjustments for:		
Depreciation and amortisation expenses	3,087.32	2,700.77
Unrealised foreign exchange (gain)/loss	(1.80)	2.71
(Profit)/loss on disposal of property, plant and equipment (net)	(35.13)	1.80
Finance costs	1,127.00	638.84
Gain on termination of lease liability	(0.12)	-
Interest income	(181.05)	(173.06)
Amortisation of grant income	(175.87)	(219.20)
Gain on sale of mutual fund	(44.14)	(7.73)
Gain on fair value of mutual fund	(0.08)	(20.19)
Income from investment in equity instruments	(25.87)	(64.90)
Dividend received from subsidiary company	(254.00)	-
Liabilities no longer required, written back	(1.18)	(7.91)
Loss/(gain) on fair value of forward contracts	15.27	(15.27)
Bad debts written off	1.74	1.08
Loss on disposal of joint venture	4.12	-
Provision for expected credit loss	7.80	102.66
Operating profit before working capital changes	9,195.92	6,906.18
(Increase) in financial assets	(776.81)	(1,695.75)
Decrease/(increase) in other assets	562.57	(457.91)
Increase/(decrease) in financial liabilities	455.25	(376.31)
(Increase)/decrease in inventories	(2,205.96)	703.91
Increase in other liabilities	55.97	410.42
Increase/(decrease) in provisions	39.89	(12.85)
Net cash generated from operations	7,326.83	5,477.69
Income-tax paid (net of refunds)	(1,482.43)	(1,067.84)
Net cash from operating activities (A)	5,844.40	4,409.85

Standalone Statement of Cash Flows for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
B Cash flow from investing activities		(Restated)
Purchase of property, plant and equipment (including capital work- in progress and capital advances)	(2,964.23)	(4,827.18)
Proceeds from disposal of property, plant and equipment	75.30	47.55
Investment in fixed deposit	(4,058.62)	(1,769.35)
Maturity of fixed deposit	1,694.00	2,469.91
Redemption of mutual fund	270.11	577.42
Loan repayment from/(given to) subsidiary	2,000.00	(2,000.00)
Interest received	228.55	174.36
Dividend received on investment in equity instruments	0.05	0.71
Dividend received from subsidiary company	254.00	-
Gain on sale of equity instruments	25.82	61.78
Investment in subsidiary company	(2,000.00)	-
Proceeds from disposal of joint venture	113.70	-
Proceeds from sale of investments in equity instruments	43.76	-
Investment in equity instruments	-	(42.35)
Net cash used in investing activities (B)	(4,317.56)	(5,307.15)
C Cash flows from financing activities		
Proceeds from non-current borrowings	1,754.25	2,589.50
Repayment of non-current borrowings	(2,028.21)	(1,726.80)
Final dividend paid	(360.25)	(360.25)
Proceeds from current borrowings (net)	315.99	968.13
Repayment of lease liabilities	(47.20)	(69.75)
Interest paid	(793.89)	(623.20)
Net cash (used in)/from financing activities (C)	(1,159.31)	777.63
Net increase/(decrease) in cash and cash equivalents (A+B+C)	367.53	(119.67)
Cash and cash equivalents at the beginning of the year	76.31	195.98
Cash and cash equivalents at the end of the year	443.84	76.31
Components of cash and cash equivalents (refer note 12):		
Balances with scheduled banks in current accounts	441.28	73.43
Cash on hand	2.56	2.88
	443.84	76.31

Standalone Statement of Cash Flows for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Lease liabilities	Non-current borrowings including current maturities of long term borrowings	Current borrowings	Dividend
Opening balance as on 01 April, 2021	81.87	5,390.33	5,105.53	-
Add: Non cash changes due to-				
- Recognition of lease liabilities	32.63	-	-	-
- Interest expense	6.78	369.09	261.08	-
- Fair value changes	-	1.88	-	-
- Final dividend	-	-	-	360.25
Less: Non cash changes due to-				
- Adjustment in lease liabilities on modification	9.36	-	-	-
Add: Cash inflows during the year				
- Proceeds from non-current borrowings	-	2,589.50	-	-
- Proceeds from current borrowings	-	-	968.13	-
Less: Cash outflow during the year				
- Repayment of non-current borrowings	-	(1,726.80)	-	-
- Repayment of lease liabilities	(69.75)	-	-	-
- Interest paid	-	(372.57)	(250.63)	-
- Final dividend paid	-	-	-	(360.25)
Closing balance as on 31 March, 2022	60.89	6,251.43	6,084.11	-
Add: Non cash changes due to-				
- Recognition of lease liabilities	7.87	-	-	-
- Interest expense	2.57	438.37	356.38	-
- Fair value changes	-	0.45	-	-
- Final dividend	-	-	-	360.25
Less: Non cash changes due to-				
- Adjustment in lease liabilities on modification	(3.24)	-	-	-
Add: Cash inflows during the year				
- Proceeds from non-current borrowings	-	1,754.25	-	-
- Proceeds from current borrowings	-	-	315.99	-
Less: Cash outflow during the year				
- Repayment of non-current borrowings	-	(2,028.21)	-	-
- Repayment of lease liabilities	(47.20)	-	-	-
- Interest paid	-	(437.51)	(356.38)	-
- Final dividend paid	-	-	-	(360.25)
Closing balance as on 31 March, 2023	20.89	5,978.78	6,400.10	-

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

Note 1 to 52 form an integral part of these standalone financial statements.

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gera
Partner
Membership no. 508685

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399

Place: Faridabad
Date: 08 May, 2023

Standalone Statement of Changes in Equity for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(A) Equity share capital

Particulars	Note	Number	Amount
Balance as at 01 April, 2021	17	36,024,211	720.48
Changes in equity share capital during the year		-	-
Balance as at 31 March, 2022	17	36,024,211	720.48
Changes in equity share capital during the year		-	-
Balance as at 31 March, 2023	17	36,024,211	720.48

(B) Other equity

Particulars	Note	Reserves and surplus				Equity instruments through other comprehensive income	Total
		Capital reserve	Securities premium	General reserve	Retained earnings		
Balance as at 01 April, 2021	18	6.65	4,735.69	2,786.46	24,700.10	513.77	32,742.67
Profit for the year		-	-	-	2,972.81	-	2,972.81
Other comprehensive income							
Remeasurement of defined benefit obligation (net of tax)		-	-	-	(5.81)	-	(5.81)
Changes in fair value of equity investment through other comprehensive income (net of tax)		-	-	-	-	242.05	242.05
Transactions with owners in their capacity as owners:							
Final dividend paid on equity shares		-	-	-	(360.25)	-	(360.25)
Balance as at 31 March, 2022	18	6.65	4,735.69	2,786.46	2,7306.85	755.82	35,591.47
Profit for the year		-	-	-	4,142.95	-	4,142.95
Other comprehensive income							
Remeasurement of defined benefit obligation (net of tax)		-	-	-	(0.76)	-	(0.76)
Changes in fair value of equity investment through other comprehensive income (net of tax)		-	-	-	-	51.09	51.09
Transactions with owners in their capacity as owners:							
Final dividend paid on equity shares		-	-	-	(360.25)	-	(360.25)
Balance as at 31 March, 2023	18	6.65	4,735.69	2,786.46	31,088.79	806.91	39,424.50

Note 1 to 52 form an integral part of these standalone financial statements.

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gera
Partner
Membership no. 508685

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399

Place: Faridabad
Date: 08 May, 2023

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

1. Company information and significant accounting policies

A. Corporate information

Sterling Tools Limited (the 'Company') was incorporated on 07 June, 1979 under the erstwhile Companies Act, 1956 and is domiciled in India (CIN: L29222DL1979PLC009668). The registered office of the Company is at 515, DLF Tower-A, Jasola, New Delhi-110025. The equity shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchange of India. The Company is engaged in the manufacturing and sale of high tensile cold forged fasteners.

B. Basis of preparation

(1) (a) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorised, have been considered in preparing these standalone financial statements.

(b) Recent accounting pronouncements

The Ministry of Corporate Affairs has vide notification dated 31 March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 01 April, 2023. Below is a summary of such amendments:

Ind AS 1 - Presentation of financial statements

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what 'material accounting policy information' is and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

Ind AS 8 - Accounting policies, changes in accounting estimates and errors

The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and

other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Ind AS 12 - Income taxes

The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The Company does not expect the aforesaid amendments to have any significant impact in its standalone financial statements.

(2) Statement of compliance

These financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs under section 133 of Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, presentation requirements as per Division II of Schedule III of the Act and other provisions of the Act (to the extent notified and applicable).

These financial statements of Sterling Tools Limited as at and for the year ended 31 March, 2023 were approved and authorised for issue by Board of Directors on 08 May, 2023. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

(3) Overall considerations

These standalone financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in the standalone financial statements, unless otherwise stated.

(4) Basis of measurement

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

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

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

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

(5) Functional and presentation currency

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

(6) Current and non-current classification

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

An asset is current when it is:

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(7) Measurement of fair values

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

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

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

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

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

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

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

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

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

Further information about the assumptions, valuation techniques, involvement of experts, etc made in measuring fair values is included in note 45- fair value measurements.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the standalone financial statements.

(1) Property, plant and equipment

1.1 Initial recognition and measurement

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

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

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

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

1.2 Subsequent costs

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

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost

can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

1.3 Derecognition

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

(2) Depreciation

Depreciation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment specified in schedule II to the Act as given below:

Asset category	Useful life (in years)
Buildings	30 years
Plant and equipment	10 – 15 years
Furniture and fixtures	10 years
Vehicles	8 – 10 years
Office equipments	5 years
Electrical installations and equipments	10 years
Computers	3 - 6 years

Land is not depreciated. Leasehold improvements are amortised over the lease period.

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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate. Based on technical evaluation, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

(3) Other intangible assets

3.1 Recognition and measurement

Intangible assets that are acquired by the Company, have finite useful lives, are measured at cost less accumulated amortisation and

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

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

3.2 Derecognition

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

3.3 Amortisation

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

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

(4) Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

(5) Borrowing costs

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

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When

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

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

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

(6) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting periods may no longer exist or may have decreased.

(7) Inventories

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

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

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

Finished goods and stores, spares and consumables are valued at lower of cost and net realisable value and the comparison is made on an item-by-item basis.

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

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

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

(8) Provisions and contingent liabilities and contingent assets

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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

(9) Government grants

Grants from government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

When the grant relates to a revenue item, it is recognised in statement of profit and loss on a systematic basis over the periods in which the related costs are expensed. The grant can either be presented separately or can deduct from related reported expense.

Government grant relating to capital assets are recognised initially as deferred income and are credited to statement of profit and loss on a straight line basis over the expected lives of the related asset and presented as other operating income within revenue from operations.

(10) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(11) Foreign currency transactions and translation

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

translation of monetary items are recognised in the statement of profit and loss in the year in which it arises.

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

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

(12) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good (or a bundle of goods) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, as or when, the performance obligation is satisfied. The Company recognises revenue when it transfers control of a product to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes tax and duties collected on behalf of the government. The Company recognises revenue from the following major sources:

Sale of products (including scrap sales)

Revenue from sale of products (including scrap sales) is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company recognises revenue when it transfers control over a product to a customer i.e. when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments

received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the Balance Sheet under other current liabilities (see note 27).

Satisfaction of performance obligations

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

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

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

Variable considerations associated with such sales

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

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Contract assets and contract liabilities

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Company's future performance. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Transfer of trade receivables

The Company transfers certain trade receivables under bill discounting arrangements with banks.

These transferred receivables do not qualify for derecognition as the Company retains the credit risk with respect to these transferred receivables due to the existence of the recourse arrangement. Consequently, the proceeds received from such transfers with recourse arrangements are recorded as borrowings from banks and classified under current borrowings.

Income from export incentives

Income from export incentives viz. Duty Drawback are recognised on accrual basis.

(13) Dividend income

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

(14) Other income

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

(15) Operating expenses

Operating expenses are recognised in statement of profit and loss upon utilisation of the service or as incurred.

(16) Employee benefits

16.1 Short term employee benefits

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

16.2 Defined contribution plan

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

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

The Company pays fixed contribution to government administered provident fund scheme at predetermined rates. The contributions to the fund for the year are recognised as expense and are charged to the statement of profit and loss.

16.3 Defined benefit plan

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

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

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

16.4 Other long-term employee benefits

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

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

(17) Lease

Company as a lessee

The Company's lease asset classes primarily consist of property leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

(18) Taxes on income

Income-tax expense comprises current and deferred tax. Current tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

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

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

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

(19) Earning per share

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

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity

shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(20) Equity, reserves and dividend payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

(21) Segment reporting

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

(22) Equity investment

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

(23) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(24) Dividend payment

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the Board of directors.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(25) Financial instruments

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

25.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price in accordance with Ind AS 115. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Subsequent measurement

(i) Financial assets carried at amortised cost

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

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

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

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e.

removed from the Company's balance sheet) when:

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

Impairment of financial assets

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

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Trade receivables using the lifetime expected credit loss model.

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

25.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables,

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at amortised cost

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

Derecognition

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

25.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(26) Trade payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective

interest rate method where the time value of money is significant.

(27) Borrowings

Interest bearing borrowings are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the standalone statement of profit and loss.

D. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is as under:

(1) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilised.

(2) Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(3) Contingent liabilities

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

(4) Impairment of financial assets

At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

(5) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(6) Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

(7) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-

cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

(8) Government grant

Grants receivables are based on estimates for utilisation of the grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted for prospectively over the balance life of the asset.

(9) Fair value measurements

Management applies valuation techniques to determine fair value of equity shares (where active market quotes are not available) and stock option. This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of equity shares or stock options.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2 Property, plant and equipment (All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	Owned assets										Right-of-use assets			Grand Total			
	Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Electrical installations and equipments	Computers	Total	Leasehold land	Right-of-use assets - Building	Right-of-use assets - other assets	Total				
Gross block																	
As at 01 April, 2021	1,078.50	6,504.54	31,315.82	290.65	492.27	493.08	1,043.72	254.63	41,473.21	980.37	212.27	9.97	1,202.61				42,675.82
Additions	-	973.15	3,511.63	72.08	132.27	19.31	57.36	19.46	4,785.26	-	30.09	2.54	32.63				4,817.89
Disposals/adjustments	-	-	(108.18)	-	(55.18)	(7.11)	-	-	(170.47)	-	9.36	-	9.36				(161.11)
Balance as at 31 March, 2022	1,078.50	7,477.69	34,719.27	362.73	569.36	505.28	1,101.08	274.09	46,088.00	980.37	251.72	12.51	1,244.60				47,332.60
Additions	-	103.79	1,503.76	63.79	254.18	96.70	96.83	32.41	2,151.46	-	7.87	-	7.87				2,159.33
Disposals/adjustments	-	(16.25)	(69.79)	-	(36.56)	-	-	(0.57)	(123.17)	-	(3.12)	-	(3.12)				(126.29)
Balance as at 31 March, 2023	1,078.50	7,565.23	36,153.24	426.52	786.98	601.98	1,197.91	305.93	48,116.29	980.37	256.47	12.51	1,249.35				49,365.64
Accumulated depreciation																	
As at 01 April, 2021	-	1,598.78	15,197.42	130.84	217.09	295.79	493.29	119.65	18,052.86	-	141.25	3.90	145.15				18,198.01
Charge for the year	-	205.63	2,131.20	24.09	59.86	63.31	67.36	60.65	2,612.10	-	60.22	1.99	62.21				2,674.31
Adjustments for disposals	-	-	(93.08)	-	(21.53)	(6.51)	-	-	(121.12)	-	-	-	-				(121.12)
Balance as at 31 March, 2022	-	1,804.41	17,235.54	154.93	255.42	352.59	560.65	180.30	20,543.84	-	201.47	5.89	207.36				20,751.20
Charge for the year	-	238.09	2,489.66	30.67	65.66	68.16	72.22	49.18	3,013.64	-	39.57	2.45	42.02				3,055.66
Adjustments for disposals	-	(10.25)	(61.33)	-	(10.98)	-	-	(0.44)	(83.00)	-	-	-	-				(83.00)
Balance as at 31 March, 2023	-	2,032.25	19,663.87	185.60	310.10	420.75	632.87	229.04	23,474.48	-	241.04	8.34	249.38				23,723.86
Net block as at 31 March, 2022	1,078.50	5,673.28	17,483.73	207.80	313.94	152.69	540.43	93.79	25,544.16	980.37	50.25	6.62	1,037.24				26,581.40
Net block as at 31 March, 2023	1,078.50	5,532.98	16,489.37	240.92	476.88	181.23	565.04	76.89	24,641.81	980.37	15.43	4.17	999.97				25,641.78

Notes:

- Refer note a of note 19 "Non current financial liabilities- Borrowings" and note a of note 24 "Current financial liabilities- Borrowings" for details regarding property, plant and equipment which are pledged as security.
- Refer note 41(A) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company. However, the title deeds of the undermentioned immovable properties in the nature of land, which have been mortgaged as security for loans or borrowings taken by the Company, are lying with such respective lenders.

Description of property	Situated at/Location
Land	Plot No. 4, 5A, 52, 53, 54 and 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road, Faridabad, Haryana
Land	Prithla Village, Faridabad
Land	Plot No 109-110, Vemgal Industrial Area, District Kolar, Karnataka

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

3 Capital work-in-progress

Particulars	Amount
Balance as at 01 April, 2021	-
Additions	3,355.50
Capitalised during the year	3,251.46
Balance as at 31 March, 2022	104.04
Additions	2,873.85
Capitalised during the year	1,865.66
Balance as at 31 March, 2023	1,112.23

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Ageing schedule of capital work-in-progress is as follows:					
As at 31 March, 2023					
- Projects in progress	1,008.19	104.04	-	-	1,112.23
- Projects temporarily suspended	-	-	-	-	-
					1,112.23
As at 31 March, 2022					
- Projects in progress	104.04	-	-	-	104.04
- Projects temporarily suspended	-	-	-	-	-
					104.04

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

4 Other intangible assets

Particulars	Computer software	Total
Gross block		
As at 01 April, 2021	114.46	114.46
Additions	10.08	10.08
Balance as at 31 March, 2022	124.54	124.54
Additions	43.16	43.16
Balance as at 31 March, 2023	167.70	167.70
Accumulated amortisation		
As at 01 April, 2021	59.06	59.06
Charge for the year	26.46	26.46
Balance as at 31 March, 2022	85.52	85.52
Charge for the year	31.66	31.66
Balance as at 31 March, 2023	117.18	117.18
Net block as at 31 March, 2022	39.02	39.02
Net block as at 31 March, 2023	50.52	50.52

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

5 Non-current financial assets - investments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unquoted investments		
Investment in equity instruments in subsidiaries (carried at cost)		
100,000 equity shares (31 March, 2022: 100,000 equity shares) of ₹ 10 each fully paid up in Haryana Ispat Private Limited	1,198.50	1,198.50
28,456,000 equity shares (31 March, 2022: 8,456,000 equity shares) of ₹ 10 each fully paid up in Sterling Gtake E-mobility Limited	2,845.60	845.60
Investment in equity instrument in joint venture (carried at cost)		
Nil equity shares (31 March, 2022: 3,405,000 equity shares) of ₹ 10 each fully paid up in Sterling Fabory India Private Limited, (refer note: a)	-	688.25
Less: Provision for impairment in the value of investment	-	(570.43)
		117.82
Investment in equity instruments (carried at fair value through other comprehensive income)		
9,922 equity shares (31 March, 2022: 9,922 equity shares) of ₹ 10 each fully paid up in Altigreen Propulsion Labs Private Limited	1,531.86	1,463.59
	5,575.96	3,625.51
Aggregate amount of unquoted investments	5,575.96	4,195.94
Aggregate amount of impairment in the value of investments	-	570.43

Note:

- a. Proportion of ownership interest in joint venture is stated as follows:

Name of jointly controlled entity	Place of business	% of ownership interest		Accounting method
		As at 31 March, 2023	As at 31 March, 2022	
Sterling Fabory India Private Limited	India	-	50	Equity method in accordance with Ind AS 28 'Investments in Associates and Joint Ventures'.

Equity investments in subsidiary and joint venture are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

6 Non-current financial assets - others

(Unsecured, considered good)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security deposits	453.41	411.24
Interest accrued but not due	13.12	14.31
	466.53	425.55

7 Income-tax assets (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid taxes (net of provision for tax)*	63.44	8.63
	63.44	8.63

*Refer note 28 for movement of taxes

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

8 Other non-current assets (Unsecured and considered good)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital advances	485.33	764.42
Advances other than capital advances:		
- Prepaid expenses	4.79	24.31
- Balances with statutory authorities	25.58	20.16
	515.70	808.89

9 Inventories (Valued at lower of cost and net realisable value)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw material	4,964.69	4,079.86
Work in progress	1,360.42	1,090.06
Finished goods	4,832.40	4,073.52
Stores, spares and consumables [includes goods in transit of ₹ 7.82 Lacs (31 March, 2022: ₹10.51 Lacs)]	1,285.06	993.16
	12,442.57	10,236.60

Refer note 24(a) for information on inventory pledged as security by the Company

Certain inventory of finished goods have been written down to its net realisable value in line with Ind AS 2, Inventories, and the resultant impact of write down amounts to ₹ 55.48 Lacs (31 March, 2022 - ₹ 45.88 Lacs). The carrying value of such inventories carried at fair value less costs to sell amounts to ₹ 468.48 Lacs (31 March, 2022 - ₹ 793.06 Lacs).

10 Current financial assets - investments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Quoted investment		
Investment in mutual funds (carried at fair value through profit or loss) *		
Nil units (31 March, 2022: 1,020,458.68 units) in IDFC Arbitrage Fund	-	287.25
Nil units (31 March, 2022: 3,934.25 units) in Kotak Liquid Fund - Direct Plan - Growth Option	-	169.29
Nil units (31 March, 2022: 85,464.09 units) in ICICI Prudential Liquid Fund - Direct Plan - Growth Option	-	269.43
13,858.962 units (31 March, 2022: Nil units) in SBI Overnight Fund - Regular Plan - Growth Option	500.08	-
Investment in equity instruments (carried at fair value through profit or loss) **		
Nil equity shares (31 March, 2022: 1,295 equity share) in SBI Life Insurance Company Limited	-	14.52
Nil equity shares (31 March, 2022: 248 equity share) in Coforge Limited	-	11.05
Nil equity shares (31 March, 2022: 17,610 equity share) in IDFC First Bank Limited	-	6.99
Nil equity shares (31 March, 2022: 89 equity share) in Larsen & Toubro Infotech Limited	-	5.48
Nil equity shares (31 March, 2022: 41 equity share) in Ultratech Cement Limited	-	2.71

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Nil equity shares (31 March, 2022: 467 equity share) in Deepak Fertilisers and Petrochemicals Corporation Limited	-	2.62
Nil equity shares (31 March, 2022: 18 equity share) in Schaeffler India Limited	-	0.35
Nil equity shares (31 March, 2022: 14 equity share) in Oil India Limited	-	0.03
	500.08	769.72
Aggregate amount of quoted investments and market value thereof		
- Book value	500.00	726.04
- Market value	500.08	769.72

* Includes investment in mutual funds in the previous year which were monitored through Avendus Absolute Return Strategy.

** Includes investment in equity instruments in the previous year which were monitored through Avendus Absolute Return Strategy.

11 Current financial assets - trade receivables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables		
Trade receivables - considered good, unsecured	6,524.25	5,695.42
Trade receivables - credit impaired	147.29	139.49
	6,671.54	5,834.91
Less: allowance for expected credit loss	(147.29)	(139.49)
	6,524.25	5,695.42

Movement in the allowance for expected credit loss

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Balance at the beginning of the year	139.49	36.83
Add: Allowance provided during the year	7.80	102.66
Less: Amounts written off during the year	-	-
Balance at the end of the year	147.29	139.49

- All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
- Refer note 24(a) for information on trade receivables pledged as security by the Company.
- There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- e. The carrying amounts of the trade receivables include receivables which are subject to a bill discounting arrangement with the bank. Under this arrangement, the Company has transferred the relevant receivables to the bank in exchange for cash. However, the Company retains the credit risk with respect to the transferred receivables due to the existence of recourse till the due date of the relevant bills discounted. Accordingly, the Company continues to recognise the transferred receivables in their entirety in its standalone balance sheet till the due date. The amount repayable under the bills discounting arrangement is presented as unsecured current borrowings in note 24 - Current financial liabilities - borrowings. The Company considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts in respect of the bills discounting arrangement is as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total transferred trade receivables under the bills discounting arrangement	1,672.31	1,540.55
Associated unsecured borrowings (refer note 24)	1,672.31	1,540.55

Ageing schedule of trade receivables is as follows:

As at 31 March, 2023	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	5,400.42	1,095.18	18.79	1.98	7.85	0.03	6,524.25
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	36.83	36.83
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	105.41	5.05	-	110.46

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

As at 31 March, 2022	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	4,873.05	807.22	4.26	9.74	0.93	0.22	5,695.42
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	36.83	36.83
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	1.45	96.16	5.05	-	-	102.66

12 Current financial assets - cash and cash equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with scheduled banks in current accounts	441.28	73.43
Cash on hand	2.56	2.88
	443.84	76.31

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and previous year.

13 Current financial assets - Bank balances other than cash and cash equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unpaid dividend accounts (earmarked balances with banks)*	19.36	20.99
Balances with banks in deposit accounts with original maturity of more than three months but residual maturity of less than twelve months**	4,112.96	1,748.35
Interest accrued but not due on fixed deposits with banks	63.30	109.62
	4,195.62	1,878.96

* Not due for deposit in the Investor Education and Protection Fund.

** Includes fixed deposits with banks amounting to ₹ Nil (31 March, 2022 - ₹ 521.10 Lacs), which are monitored through Aventus Absolute Return Strategy, where the Company is the sole beneficial owner of the said fixed deposits.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

14 Current financial assets - loans

(Unsecured and considered good)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans receivable	23.53	10.06
Loan to related party	-	2,000.00
	23.53	2,010.06

Details of loans or advances to specified persons:

Type of borrower	As at 31 March, 2023		As at 31 March, 2022	
	Outstanding amount of loan or advance in the nature of loan	% to the total loans and advances in the nature of loans	Outstanding amount of loan or advance in the nature of loan	% to the total loans and advances in the nature of loans
Related party - subsidiary				
- repayable on demand	-	-	2,000.00	99.50%

15 Current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Other financial assets		
Export incentive receivable	3.84	15.89
Less: Provision for loss allowance	-	-
	3.84	15.89
Derivatives designated as hedges		
- Foreign exchange forward contracts	-	15.27
Receivable from portfolio management services *	5.01	80.12
Security deposits	-	24.83
Gratuity recoverable	4.83	1.41
Others #	136.30	139.62
	149.98	277.14

* The Company had availed the services of Aventus Capital Public Markets Alternate Strategies LLP for managing its investment portfolio. This amount represents the surplus cash and bank balances lying with the portfolio management services.

This pertains to receivable from scrap sale and other recoverable.

Movement in the provision for loss allowance

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Balance at the beginning of the year	-	32.05
Add: provision created during the year	-	-
Less: Amounts written off during the year	-	(32.05)
Balance at the end of the year	-	-

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

16 Other current assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances other than capital advances:		
Prepaid expenses	47.28	36.59
Balance with government authorities	2,505.06	2,241.11
Surplus of plan assets (refer note 39)	47.79	23.54
Advance to suppliers	574.95	1,422.31
	3,175.08	3,723.55

17 Equity share capital

Particulars	As at 31 March, 2023	As at 31 March, 2022
Authorised:		
50,000,000 equity shares (31 March, 2022: 50,000,000 equity shares) of ₹ 2/- each	1,000.00	1,000.00
Issued, subscribed and paid up:		
36,024,211 equity shares (31 March, 2022: 36,024,211 equity shares) of ₹ 2/- each	720.48	720.48
	720.48	720.48

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	36,024,211	720.48	36,024,211	720.48
Add: Equity shares issued during the year	-	-	-	-
Equity shares outstanding as at the end of the year	36,024,211	720.48	36,024,211	720.48

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share (31 March, 2022: ₹ 2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

During the year ended 31 March, 2023, the amount of per share final dividend recognised as distributions to equity shareholders is ₹ 1 per share (31 March, 2022: ₹ 1 per share) amounting to ₹ 360.25 Lacs (previous year - ₹ 360.25 Lacs).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

c. Shareholders holding more than 5% shares in the Company*

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	% holding	No. of shares	% holding
Late Shri Manohar Lal Aggarwal, Promoter	-	-	3,855,080	10.70%
Mr. Anil Aggarwal, Promoter	6,110,583	16.96%	6,110,583	16.96%
Mr. Atul Aggarwal, Promoter	9,665,367	26.83%	9,665,367	26.83%
Mr. Akhill Aggarwal	2,687,957	7.46%	1,660,000	4.61%
Mr. Anish Aggarwal	2,728,957	7.58%	1,701,000	4.72%
L&T Mutual Fund Trustee Limited	-	-	2,361,956	6.56%
Meidoh Company Limited	1,801,211	5.00%	1,801,211	5.00%

* As per records of the Company, including its register of members

- d. No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid-up shares by way of bonus issues nor has any bought back of shares happened during the period of five years immediately preceding the reporting date.

e. Details of equity shares held by promoter in the Company as at the end of the year*

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Late Shri Manohar Lal Aggarwal	-	-	(16.27%)	3,855,080	10.70%	-
Mr. Anil Aggarwal	6,110,583	16.96%	-	6,110,583	16.96%	(8.44%)
Mr. Atul Aggarwal	9,665,367	26.83%	-	9,665,367	26.83%	-
Mrs. Promila Aggarwal	701,000	1.95%	-	701,000	1.95%	-
Mr. Akhill Aggarwal	2,687,957	7.46%	4.34%	1,660,000	4.61%	4.22%
Mr. Anish Aggarwal	2,728,957	7.58%	4.34%	1,701,000	4.72%	4.22%
Ms. Ayesha Aggarwal	1,799,166	4.99%	7.59%	-	-	-

* Promoters for the purpose of this disclosure means promoters as defined under section 2(69) of the Companies Act, 2013

18 Other equity

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital reserve	6.65	6.65
Security premium	4,735.69	4,735.69
General reserve	2,786.46	2,786.46
Retained earnings	31,088.79	27,306.85
Equity instruments through other comprehensive income	806.91	755.82
Total	39,424.50	35,591.47

i) Capital reserve

Capital reserves represents proceeds of forfeited shares.

ii) Security premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

iii) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

iv) Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

v) Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of certain investment in equity instruments in other comprehensive income. These changes are accumulated in this reserve within equity.

19 Non current financial liabilities - Borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
Indian rupee loan from banks (secured)		
Term loans	5,945.62	6,219.58
Less: Current maturities of long-term borrowings (refer note 24)	(2,314.30)	(1,958.29)
Add: Interest accrued but not due on borrowings	33.16	31.85
	3,664.48	4,293.14

- a) The term loans (including current maturities) are secured by equitable mortgage of certain land and building at Plot No. 4, 5A, 52, 53, 54 and 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road and factory land and building situated at Prithla Village, Faridabad and Plot No 109-110, Vemgal Industrial Area, District Kolar, Bangalore, Karnataka and hypothecation of plant and machinery and other property, plant and equipment.
- b) The terms and repayment profile of the term loans from banks is below:
 - (i) Term loan from Punjab National Bank carries an interest of 8.35% and is repayable in 60 monthly instalments commencing from August 2019 with last instalment due on May 2024.
 - (ii) Term loan from State Bank of India carries an interest of 8.15% and is repayable in 60 monthly instalments commencing from January 2020 with last instalment due on December 2024.
 - (iii) Term loan from HDFC Bank carries an interest in the range of 8.60% to 9.25% and is repayable in 51 - 60 monthly instalments commencing from December 2019 with last instalment due on March 2028.
- c) There has been no default in servicing of loan during the year.
- d) The term loans have been used for the specific purpose for which they were availed.
- e) The Company has complied with the relevant financial covenants under the terms of borrowings throughout the reporting period.

20 Non-current financial liabilities - others

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security deposits	19.32	33.26
	19.32	33.26

Notes

to Standalone financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

21 Provisions

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Non-current	Current	Non-current	Current
Provisions for employee benefit obligations [refer note 39(ii) and 39(iii)]	137.28	83.21	125.13	54.46
	137.28	83.21	125.13	54.46

22 Deferred tax liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred tax liability		
Property plant and equipment and intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/ amortisation as per Companies Act	1,695.03	1,636.24
Fair value of forward exchange contracts	-	3.84
Fair value of investments in equity instruments	271.38	254.19
Sub-total (a)	1,966.41	1,894.27
Deferred tax assets		
Employee benefits	90.99	77.32
Provision for impairment in the value of investment	-	143.57
Allowance for expected credit loss	37.07	35.11
Interest on foreclosure of license under Export Promotion Capital Goods ('EPCG') scheme	82.86	-
Effective interest rate adjustment	0.11	0.47
Impact of difference between right-of-use assets and lease liabilities	0.33	1.02
Sub-total (b)	211.36	257.49
Net deferred tax liability [(a) - (b)]	1,755.05	1,636.78

Movement in deferred tax balances

Particulars	As at 01 April, 2022	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March, 2023
Deferred tax liabilities				
Property plant and equipment and intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation amortisation as per Companies Act	1,636.24	58.79	-	1,695.03
Fair value of forward exchange contracts	3.84	(3.84)	-	-
Fair value of investments in equity instruments	254.19	0.01	17.18	271.38
Sub- total (a)	1,894.27	54.96	17.18	1,966.41

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	As at 01 April, 2022	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March, 2023
Deferred tax assets				
Employee benefits	77.32	13.42	0.25	90.99
Interest on foreclosure of license under EPCG scheme	-	82.86	-	82.86
Provision for impairment in the value of investment	143.57	(143.57)	-	-
Allowance for expected credit loss	35.11	1.96	-	37.07
Effective interest rate adjustment	0.47	(0.36)	-	0.11
Impact of difference between right-of-use assets and lease liabilities	1.02	(0.69)	-	0.33
Sub- total (b)	257.49	(46.38)	0.25	211.36
Net deferred tax liabilities [(a)-(b)]	1,636.78	101.34	16.93	1,755.05

Deferred tax liabilities

Particulars	As at 01 April, 2021	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March, 2022
Property plant and equipment and intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,673.74	(37.50)	-	1,636.24
Fair value of forward exchange contracts	-	3.84	-	3.84
Fair value of investments in equity instruments	172.79	-	81.40	254.19
Sub-total (a)	1,846.53	(33.66)	81.40	1,894.27
Deferred tax assets				
Employee benefits	79.48	(4.11)	1.95	77.32
Provision for impairment in the value of investment	143.57	-	-	143.57
Allowance for expected credit loss	9.27	25.84	-	35.11
Provision for loss allowance	8.07	(8.07)	-	-
Effective interest rate adjustment	0.66	(0.19)	-	0.47
Impact of difference between right-of-use assets and lease liabilities	1.20	(0.18)	-	1.02
Sub-total (b)	242.25	13.29	1.95	257.49
Net deferred tax liabilities [(a)-(b)]	1,604.28	(46.95)	79.45	1,636.78

Notes

to Standalone financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

i) Income-tax recognised in Standalone Statement of Profit and Loss

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax expense		
Current year	1,448.20	1,086.11
Earlier years	(20.58)	(45.39)
	1,427.62	1,040.72
Deferred tax expense		
Origination and reversal of temporary differences	101.34	(46.95)
	101.34	(46.95)
Total income tax expense	1,528.96	993.77

ii) Income-tax recognised in other comprehensive income

Particulars	31 March, 2023			31 March, 2022		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Remeasurement of defined benefit plans	(1.01)	0.25	(0.76)	(7.76)	1.95	(5.81)
Changes in fair value of equity investment through other comprehensive income	68.27	(17.18)	51.09	323.45	(81.40)	242.05
	67.26	(16.93)	50.33	315.69	(79.45)	236.24

iii) Reconciliation of effective tax rate

Particulars	31 March, 2023		31 March, 2022	
	Rate	Amount	Rate	Amount
Profit before tax		5,671.91		3,966.58
Tax using the Company's domestic tax rate of 25.17% (31 March, 2022 - 25.17%)	25.17%	1,427.51	25.17%	998.31
Tax effect of:				
- Corporate social responsibility expenditure		18.91		23.55
- Tax adjustment for earlier years		(20.58)		(45.39)
- Others		103.12		17.30
At the effective income tax rate		1,528.96		993.77

(a) There is no temporary differences associated with investment in subsidiaries.

(b) Basis of computing Company's domestic tax rate:

Particulars	31 March, 2023	31 March, 2022
Base rate	22.00%	22.00%
Add: Surcharge @ 10%	2.20%	2.20%
	24.20%	24.20%
Add: Health and Education cess @ 4%	0.97%	0.97%
	25.17%	25.17%

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

23 Other non-current liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred grant income [refer note (a) below]	836.40	1,550.88
Others	47.90	35.75
	884.30	1,586.63
(a) Movement of deferred grant income:		
Opening balance	1,779.11	1,798.31
Add: Grant received during the year	-	200.00
Less: Released to standalone statement of profit and loss	(175.87)	(219.20)
	1,603.24	1,779.11
Deferred grant income:		
- Current	766.84	228.23
- Non-current	836.40	1,550.88
	1,603.24	1,779.11

During the previous year, the Company had received subsidy amounting to ₹ 200.00 Lacs, for the construction of Effluent Treatment Plant (ETP), vide order no. CI/58/SPI/2013, under the Investment Policy of 2014-19. The aforesaid subsidy had been recognised as government grant by setting up a deferred grant income, which is amortised over the life of asset in accordance with Ind AS 20, 'Accounting for Government Grants and Disclosure of Government Assistance'.

24 Current financial liabilities - borrowings

(Secured and carried at amortised cost)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans repayable on demand from banks		
- Cash credit facilities	214.59	2,033.10
- Working capital demand loan	4,513.20	2,500.00
Current maturities of long-term borrowings (refer note 19)	2,314.30	1,958.29
Interest accrued but not due on borrowings	-	10.46
(Unsecured and carried at amortised cost)		
Bill discounting facility from banks	1,672.31	1,540.55
	8,714.40	8,042.40

Note:

- The cash credit facilities and working capital demand loan are secured by hypothecation of all inventories including those in transit, receivables, book debts on pari passu basis, equitable mortgage of land and building situated at Plot No 4, 5A, 52, 53,54 and 54A DLF Industrial Estate, Phase-I, Delhi- Mathura Road and factory land and building situated at Prithla Village, Faridabad and Plot No 109-110, Vemgal Industrial Area, District Kolar, Bangalore, Karnataka.
- The outstanding balance of cash credit facilities is repayable on demand and the rate of interest ranges between 6.85% to 8.65% (31 March, 2022: 7.00% to 7.60%) per annum .
- The outstanding balance of working capital demand loan is repayable within a period 30 days and the rate of interest ranges between 5% to 7% (31 March, 2022: 5.0% to 5.9%) per annum.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- d) The cash credit facilities and working capital demand loans have been used for the specific purpose for which they are taken as at the year end.
- e) The bills discounting facility from banks are secured by first charge on trade receivables subject to the bills discounting arrangement.
- f) Details of quarterly statements of current assets filed by the Company with banks and reasons of material discrepancies :

For the year ended 31 March, 2023:

Quarter ended	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
30 June, 2022	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	18,009.09	16,395.00	1,614.09	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
30 September, 2022	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	19,738.57	17,882.33	1,856.24	Variance is primarily on account of supplementary invoices and due to recognition of amount repayable under the bills discounting arrangement considered post submission of the quarterly statements.
31 December, 2022	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	20,439.61	18,627.14	1,806.47	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
31 March, 2023	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	18,966.82	17,198.11	1,768.71	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

For the year ended 31 March, 2022:

Quarter ended	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Remarks
30 June, 2021	HDFC Bank, Punjab National Bank and State Bank of India	Pari-passu charge on current assets	15,563.00	15,075.26	487.74	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
30 September, 2021	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	17,098.72	16,173.22	925.50	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
31 December, 2021	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	14,953.34	14,289.88	663.46	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
31 March, 2022	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	15,932.03	14,464.30	1,467.73	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.

25 Current financial liabilities - trade payables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	964.62	800.81
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,897.99	1,795.63
	2,862.61	2,596.44

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- A) a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	964.62	800.81
- Interest	-	-
ii) The amount of interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

- b) This information has been compiled in respect of parties to the extent they could be identified as micro, small and medium enterprises on the basis of information available with the management as at the year end.

B) Ageing schedule of trade payables is as follows:

As at 31 March, 2023	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	960.54	4.08	-	-	-	964.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	549.96	453.81	875.09	6.81	3.59	8.73	1,897.99
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

As at 31 March, 2022	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	800.81	-	-	-	-	800.81
Total outstanding dues of creditors other than micro enterprises and small enterprises	557.25	987.48	233.63	6.93	10.33	0.01	1,795.63
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

26 Current financial liabilities - others

Particulars	As at 31 March, 2023	As at 31 March, 2022
Creditors for capital goods [refer note (a) below]	133.25	173.77
Unclaimed dividends*	19.36	20.99
Employee related payables	564.71	359.36
	717.32	554.12

* the above amount does not include any sum due to be transferred to Investor Education and Protection Fund.

a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	-	-
- Interest	-	-
ii) The amount of interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

This information has been compiled in respect of parties to the extent they could be identified as micro, small and medium enterprises on the basis of information available with the management as at the year end.

Notes

to Standalone financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

27 Other current liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract liabilities (refer note 48)	204.24	202.49
Deferred grant income [refer note 23(a)]	766.84	228.23
Statutory dues payable	576.96	534.88
Interest accrued on foreclosure of authorisation license under Export Promotion Capital Goods ('EPCG') scheme	329.23	-
	1,877.27	965.60

28 Current tax liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for tax (net of advance tax)	-	-
	-	-

Note:

The following table provides the details of income-tax assets and current tax liabilities:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid taxes (refer note 7)	63.44	8.63
Provision for tax (refer note 28)	-	-
Net position [asset/(liability)]	63.44	8.63

a. Income-tax assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	8.63	80.13
Transfer from current tax liabilities	54.81	19.03
Refunds received	-	(90.53)
Total (A)	63.44	8.63

b. Current tax liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	-	98.65
Provision for tax	1,448.20	1,086.11
Interest on taxes	-	-
Prepaid taxes paid during the year	(1,482.43)	(1,158.40)
Tax earlier years	(20.58)	(45.39)
Transferred to income-tax assets	54.81	19.03
Total (B)	-	-
Net income-tax assets [(A) - (B)]	63.44	8.63

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

29 Revenue from operations

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Sale of products		
- Finished goods	58,854.35	46,196.14
Other operating income		
- Sale of scrap	723.67	639.70
- Export incentives	11.55	69.21
- Amortisation of grant income	175.87	219.20
Total	59,765.44	47,124.25

30 Other income

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income from:		
- fixed deposits with banks carried at amortised cost	93.49	99.19
- security deposit with electricity department carried at amortised cost	17.30	18.26
- loan to subsidiary carried at amortised cost	70.25	55.62
Other non operating income		
Liabilities no longer required, written back	1.18	7.91
Gain on foreign exchange fluctuation (net)	19.46	-
Gain on termination of lease liability	0.12	-
Profit on disposal of property, plant and equipment (net)	35.13	-
Gain on fair value of forward contracts measured at fair value through profit or loss	-	15.27
Income from investment in equity instruments carried at fair value through profit or loss		
- gain on sale of equity instruments	25.82	61.78
- dividend income	0.05	0.71
- gain on fair value of equity instruments	-	2.41
Dividend received from subsidiary company	254.00	-
Income from mutual funds carried at fair value through profit or loss		
- gain on sale of mutual fund	44.14	7.73
- gain on fair value of mutual fund	0.08	20.19
Miscellaneous income	27.37	49.23
	588.39	338.30

31 Cost of materials consumed

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Raw material at the beginning of the year	4,079.86	5,221.86
Add: purchases during the year	27,351.43	18,174.71
Less: Raw material at the end of the year	4,964.69	4,079.86
Total cost of materials consumed	26,466.60	19,316.71

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

32 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventories at the beginning of the year		
- Finished goods	4,073.52	3,409.30
- Work-in-progress	1,090.06	1,424.44
	5,163.58	4,833.74
Inventories at the end of the year		
- Finished goods	4,832.40	4,073.52
- Work-in-progress	1,360.42	1,090.06
	6,192.82	5,163.58
Increase in inventories	(1,029.24)	(329.84)

33 Employee benefits expense

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salary, wages and bonus	4,032.73	3,727.63
Contribution to provident and other funds	369.03	337.15
Staff welfare expenses	138.83	95.33
	4,540.59	4,160.11

34 Finance costs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest expense on financial liabilities measured at amortised cost	795.20	632.06
Interest on lease liabilities	2.57	6.78
Other finance cost	14.71	23.81
	812.48	662.65

35 Depreciation and amortisation expenses

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation on property, plant and equipment	3,013.64	2,612.10
Amortisation on right-of-use assets	42.02	62.21
Amortisation on other intangible assets	31.66	26.46
	3,087.32	2,700.77

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

36 Other expenses

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Consumption of stores and spares	5,141.19	3,961.47
Job work charges	2,190.46	1,739.29
Consumption of packing materials	1,000.35	916.71
Power and fuel	4,684.14	3,866.64
Rent (refer note 42)	56.60	45.11
Repairs and maintenance		
- Building	589.88	326.61
- Plant and machinery	1,652.79	1,386.69
Security charges	114.07	96.80
Insurance	188.39	176.68
Legal and professional charges	440.72	356.13
Rates and taxes	21.17	24.46
Sales promotion	51.38	70.46
Freight outward	1,781.04	1,469.40
Travelling and conveyance	248.93	107.87
Contract labour charges	2,104.64	1,617.97
Payment to auditors (refer details below)	38.14	25.86
Commission to director (refer note 43)	100.00	64.00
Corporate social responsibility expenses (refer note 44)	75.13	93.58
Allowance for expected credit loss	7.80	102.66
Loss on sale of forward contracts measured at fair value through profit or loss	15.27	-
Bad debts written off	1.74	1.08
Loss on foreign exchange fluctuation (net)	-	12.94
Loss on disposal of joint venture	4.12	-
Loss on disposal of property, plant and equipment (net)	-	1.80
Miscellaneous expenses	640.48	521.36
	21,148.43	16,985.57

Payments to statutory auditors as*

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Auditor	35.50	25.00
(b) For reimbursement of expenses	2.64	0.86
	38.14	25.86

*excluding applicable taxes

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

37 Exceptional items

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Insurance claim received [refer note (a) below]	673.49	-
Interest on foreclosure of license under Export Promotion Capital Goods ('EPCG') scheme [refer note (b) below]	(329.23)	-
	344.26	-

Note:

- (a) This pertains to insurance claim received from insurance company amounting to ₹ 673.49 Lacs pertaining to a fire incident in an earlier year at one of the Company's manufacturing facility.
- (b) This pertains to estimated interest liability amounting to ₹ 329.23 Lacs recognised by the Company on foreclosure of one license under Export Promotion Capital Goods ('EPCG') scheme.

38 Earnings per share

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit for the year attributable to equity shareholders (A)	4,142.95	2,972.81
Weighted average number of equity shares outstanding during the year (B) (nos. in Lacs)	360.24	360.24
Nominal value per share (₹)	2.00	2.00
Basic and diluted earnings per equity share (face value of share- ₹ 2 each) (A/B) (₹)	11.50	8.25

39 Employee benefits

i) Defined contribution plans

The Company makes fixed contribution towards provident fund and Employees' State Insurance (ESI) for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company is required to contribute a specified percentage of payroll cost to fund the benefits. Similarly, the contribution is made in ESI at a specified percentage of payroll cost.

The Company recognised ₹ 223.11 Lacs (31 March, 2022: ₹ 215.39 Lacs) for provident fund contributions and ₹ 10.65 Lacs (31 March, 2022: ₹ 11.59 Lacs) for ESI contributions in the Standalone Statement of Profit and Loss and included in "Employee benefits expenses" in note 33. The contribution payable to these plans by the Company is at rates specified in the rules of the schemes.

ii) Defined benefit plans

Gratuity

Contribution to Gratuity funds- Life Insurance Corporation of India, Group Gratuity Scheme

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India. The unfunded gratuity obligation of directors is determined based on actuarial valuation using the Projected Unit Credit Method.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- A) Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's standalone financial statements as at balance sheet date:

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the beginning of the year	40.00	38.71	679.60	645.54
Included in profit or loss:				
Current service cost	-	-	60.50	57.18
Interest cost	2.84	2.62	47.07	41.14
Total amount recognised in profit and loss	2.84	2.62	107.57	98.32
Included in other comprehensive income:				
Remeasurement loss/(gain) arising from:				
- demographic assumptions	1.39	1.35	(0.07)	-
- financial assumptions	1.39	1.35	(14.14)	(19.39)
- experience adjustment	(5.62)	(4.03)	18.51	30.90
Total amount recognised in other comprehensive income	(2.84)	(1.33)	4.30	11.51
Other	-	-	(3.69)	(4.07)
Less: Benefits paid	-	-	31.34	71.70
Present value of obligation at the end of year	40.00	40.00	756.44	679.60

Change in the fair value of plan assets

Particulars	Gratuity (funded portion)	
	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Fair value of plan asset at the beginning of the year	703.14	633.34
Included in profit and loss:		
Return on plan assets - interest income	53.55	45.94
Contributions paid	82.12	97.20
Benefits paid	31.34	71.70
Others	(3.69)	(4.07)
Included in other comprehensive income:		
Actuarial gain	(0.45)	(2.43)
Fair value of plan asset at the end of the year	804.23	703.14

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Major category of plan asset as a % of total plan assets

Category of assets (% allocation)	As at 31 March, 2023		As at 31 March, 2022	
	(%)	Amount	(%)	Amount
Insurance policies	100	804.23	100	703.14

Net defined benefit liability recognised in the standalone balance sheet

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Present value of unfunded/funded obligation at the end of the year	40.00	40.00	756.44	679.60
Fair value of plan asset as at the end of the year	-	-	804.23	703.14
Net defined benefit liability/(asset)	40.00	40.00	(47.79)	(23.54)

B) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Discount rate (per annum)	7.35%	7.11%	7.35%	7.11%
Salary growth rate (per annum)	6.00%	6.00%	6.00%	6.00%
Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Retirement age (years)	58	58	58	58
Withdrawal rate (%)	1%	1%	2% to 15%	2% to 10%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

C) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Gratuity (funded)			
	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(54.48)	62.31	(52.06)	59.77
Salary escalation rate (1% movement)	65.72	(58.72)	62.85	(55.58)

Particulars	Gratuity (unfunded)			
	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.39)	(1.39)	(1.35)	(1.35)
Salary escalation rate (1% movement)	(1.39)	(1.39)	(1.35)	(1.35)

Sensitivities due to mortality and withdrawals are not material. Hence, impact of change is not calculated above.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

D) Risk exposure

i) Changes in discount rate

A decrease in discount yield will increase plan liabilities.

ii) Mortality table

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

iii) Salary increase

Actual salary increase will increase the plan's liabilities. Increase in salary rate assumption in future valuation will also increase the valuation.

E) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flows)-funded

Particulars	31 March, 2023	31 March, 2022
Less than 1 year	69.63	51.64
Between 1-2 years	58.93	45.53
Between 3-5 years	228.20	181.81
Over 5 years	369.70	533.77
Total	726.46	812.75

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.04 years (31 March, 2022: 12.52 years).

Expected contribution to post-employment benefit plans in the next year is nil (31 March, 2022: nil).

F) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flows)-unfunded

Particulars	31 March, 2023	31 March, 2022
Less than 1 year	40.00	40.00
Between 1-2 years	-	-
Between 2-5 years	-	-
Over 5 years	-	-
Total	40.00	40.00

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 1 year (31 March, 2022: 1 year).

Expected contribution to post-employment benefit plans in the next year is ₹ 20.00 Lacs (31 March, 2022: ₹ 19.32 Lacs).

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

G) Amount for the current and previous four years are as follows - gratuity (funded):

Particulars	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019
Defined benefit obligation	756.44	679.60	645.54	595.88	564.16
Experience gain/(loss) adjustments on liabilities	(18.51)	(30.90)	(2.99)	36.53	(9.99)

H) Amount for the current and previous four years are as follows - gratuity (unfunded):

Particulars	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019
Defined benefit obligation	40.00	40.00	38.71	36.98	54.69
Experience gain adjustments on liabilities	5.62	4.03	0.74	22.20	3.00

iii) Other long-term employee benefit plans

The Company provides for compensated absences to its employees. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a other long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of ₹ 51.96 Lacs (31 March, 2022: ₹ 41.39 Lacs) for the year have been made on the basis of actuarial valuation as at the year end and debited to the Standalone Statement of Profit and Loss. As at 31 March, 2023, provision for compensated absences amounts to ₹ 180.49 Lacs (31 March, 2022 - ₹ 139.59 Lacs) presented as provisions for employee benefit obligations in note 21 - Provisions.

40 Operating segments

In accordance with Ind AS 108 'Operating Segments', the Board of Directors of the Company, being the chief operating decision maker of the Company has determined "Automotive components" as the only operating segment.

Further, in terms of paragraph 31 of Ind AS 108, entity wide disclosures have been presented in the consolidated financial statements which are presented in the same financial report.

41 Contingent liabilities, contingent assets and commitments

A. Capital commitment:

- Estimated amount of contracts remaining to be executed on the capital account and not provided for in the books of account (net of capital advances) ₹ 190.68 Lacs (₹ 820.37 Lacs as at 31 March, 2022).
- The Company vide memo no. 3278 dated 14 May, 2013 had paid certain amounts to Senior Town Planner, Faridabad Circle, Faridabad, for the "change in land use" of part of the land situated at its Prithla unit. As per the agreed terms, there would be certain external development charges, scrutiny fees, etc. which are payable at a future date, if any variation is carried out at this said unit. However, the quantum of such future liability is not quantified in the said letter.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

B. Contingent liabilities and other commitments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contingent liabilities		
I) Claims against the Company not acknowledged as debt:		
i) Disputed liability - Central Excise Act (refer note 'a' below)	114.30	287.44
ii) Interest on disputed liability - Central Excise Act (refer note 'b' below)	70.25	153.55
iii) Disputed liability - GST Act. (refer note 'c' below)	50.00	-
iv) Demand under Income-tax Act, 1961		
- Assessment year: 2013-14	0.62	0.62
- Assessment year: 2016-17	2.94	3.56
- Assessment year: 2018-19	51.78	51.78
- Assessment year: 2020-21	142.58	155.68
II) Guarantees excluding financial guarantees:		
i) Corporate guarantee given on behalf of subsidiary company	5,000.00	5,000.00
Other commitments		
i) Export Promotion Capital Goods (EPCG) - export obligation (refer note 'd' below)	4,361.44	13,997.16

- a) Service tax demand amounting to ₹ 106.04 Lacs for the period April 2014 to June 2017 was due to disallowance of the Cenvat Credit on outward transportation of final product to the buyer's premises. Representation against the aforementioned demand were filed before the Joint Commissioner of Central Tax, Faridabad, Haryana. On 4 June, 2021, the Company has received an unfavourable order from the Joint Commissioner. On 2 August, 2021, the Company had filed an appeal against the aforesaid order with the Commissioner Appeals, however, the Company has received an unfavourable order from the Commissioner Appeals vide order dated 25 February, 2022. The Company has filed an appeal, on 26 May, 2022, against the said demand/order with Customs Excise and Service Tax Appellate Tribunal ('CESTAT'), Chandigarh and remains confident of getting a relief against the said order.

Excise duty demand amounting to ₹ 181.40 Lacs for the period January 2013 to June 2017 under the Central Excise Act is owing to dispute regarding not adding the value of drawings/designs and specifications in the cost of moulds/dies. The Company had submitted requisite responses before the Additional Director General (Adjn.), Director General of Goods and Services Tax Intelligence, New Delhi. During the current year, Additional Director General (Adjn.), vide order no 48-67/2022 CE dated 29 July, 2022, has dropped the demand to ₹ 8.26 Lacs in this case. The Company has filed an appeal, on 16 November, 2022, against the said order with Customs Excise and Service Tax Appellate Tribunal ('CESTAT'), Delhi and remains confident of a favourable outcome on the above.

- b) Interest amounting to ₹ 70.25 Lacs (31 March, 2022 - ₹ 153.55 Lacs) on the demands raised by excise authorities has been calculated by the Company based on the demand cum show-cause notices pending adjudication.
- c) Demand under GST amounting to ₹ 50.00 Lacs raised during the year vide show cause notice reference no. ZD060922013840M dated 21 September, 2022, pertaining to mismatch of input tax credit in GSTR-3B and GSTR-2A/2B for the financial year 2019-20. The Company has submitted reply to the said show cause notice vide letter dated 27 October, 2022. The Company is of the view that the issues raised by revenue do not have sufficient statutory backing and the Company's stand is supported by various favourable judicial precedents. The Company believes that it has a strong case to argue and remains confident of getting a relief against the said demand.

The Company has no other material contingent liabilities other than those disclosed above, which could devolve upon the Company.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required in respect of the above proceedings.

- d) "The Company, during the year, has filed for the redemption/fulfilment of the export obligations in respect of eight licenses under Export Promotion Capital Goods ('EPCG') scheme with the relevant authorities. Basis such filling, the Company has fulfilled the export obligations in respect of the said eight licenses and the Export Obligation Discharge Certificate ('EODC') in respect of the same are awaited as at the date of approval of these standalone financial statements.

Further, with respect to one license, the management has performed a detailed assessment and concluded that the Company will be able to fulfil a part of the export obligation in respect of this license and proportionate duty on the un-fulfilled export obligation will be payable by the Company to the authorities. The Company has assessed that adequate liability for payment of the said duty in respect of the aforesaid license is existing in the books of accounts and estimated interest liability amounting to ₹ 329.23 Lacs on foreclosure of this licence has been recognised in the standalone statement of profit and loss account (refer note 37).

Export obligation disclosed under other commitments [refer note 41(B)] as at the year end represents export obligation in respect of the one license where the export obligation is pending."

C. Contingent assets - Nil

42 Lease related disclosures as lessee

Lease liabilities are presented in the standalone balance sheet as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current	15.84	45.35
Non-current	5.05	15.54
Total	20.89	60.89

The following are amounts recognised in standalone statement of profit and loss:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Amortisation on right-of-use assets	42.02	62.21
Interest expense on lease liabilities	2.57	6.78
Rent expense*	56.60	45.11
Total	101.19	114.10

*Rent expense for short-term leases and not included in the measurement of lease liabilities.

The Company has leases for its plant, offices and equipments. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the standalone balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets within property, plant and equipment within which the corresponding underlying assets would be presented if they were owned. The additions to right-of-use assets and carrying amounts of right-of-use assets has been disclosed in note 2.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on standalone balance sheet:

Right-of-use asset	No. of right-of-use assets leased	"Range of remaining term (in years)"	No of leases with extension options/ No of leases with termination options
Plant, offices and equipments	21	1 - 5 years	21

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 45(II)(B)(ii).

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financial statements.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹ 56.60 Lacs (31 March, 2022 - ₹ 45.11 Lacs).

Total cash outflow for leases for the year ended 31 March, 2023 was ₹ 103.80 Lacs (31 March, 2022 - ₹ 114.86 Lacs) [including ₹ 56.60 Lacs (31 March, 2022 - ₹ 45.11 Lacs) paid towards the aforementioned short-term leases].

43 Related party disclosures

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:

I Name of the related parties and description of relationship:

Relationship	Name of related party
Subsidiary company	Haryana Ispat Private Limited
	Sterling Gtake E-Mobility Limited
Key management personnel (KMP)	Mr. Anil Aggarwal – Chairman cum Managing Director
	Mr. Atul Aggarwal – Whole Time Director
	Mr. Akhill Aggarwal – Director
	Mr. Jaideep Wadhwa - Director
	Dr. Triloki Nath Kapoor- Independent director
	Ms. Malini Sud- Independent director
	Mr. Chhotu Ram Sharma- Independent director
	Mr. Shailendra Swarup- Independent director
Enterprise over which KMP exercise control and/or significant influence	Mr. Rakesh Batra - Independent Director
	Mr. Rahoul Kabir Bhandari - Independent director (till 15 December, 2021)
	Sterling Technologies Private Limited
	Sterling Automobiles Private Limited
Relative of KMP with whom transactions have occurred	Sterling Tools Foundation
	Late Shri Manohar Lal Aggarwal (Father of Mr. Anil Aggarwal)
	Mr. Anish Agarwal (Son of Mr. Anil Aggarwal)
Joint venture company	Mrs. Promila Aggarwal (Wife of Mr. Anil Aggarwal)
	Sterling Fabory India Private Limited (till 02 June, 2022)

Notes to Standalone financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

II Disclosure of related parties transactions (including material transactions):

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
i) Transaction with subsidiary company		
a) Investment made		
Sterling Gtake E-Mobility Limited	2,000.00	1.00
	2,000.00	1.00
b) Loan (repayment received)/given		
Sterling Gtake E-Mobility Limited	(2,000.00)	2,000.00
	(2,000.00)	2,000.00
c) Interest income		
Sterling Gtake E-Mobility Limited	70.25	55.62
	70.25	55.62
d) Corporate guarantee given on behalf of subsidiary company		
Sterling Gtake E-Mobility Limited	5,000.00	5,000.00
	5,000.00	5,000.00
e) Sale of asset		
Sterling Gtake E-Mobility Limited	5.10	-
	5.10	-
f) Dividend received		
Haryana Ispat Private Limited	254.00	-
	254.00	-
ii) Transaction with enterprises over which KMP has control and/ or significant influence		
a) Repairs and maintenance		
Sterling Automobiles Private Limited	2.87	1.77
	2.87	1.77
b) Insurance/warranty		
Sterling Automobiles Private Limited	2.97	2.70
	2.97	2.70
c) Rent paid		
Sterling Technologies Private Limited	27.72	51.22
	27.72	51.22
d) Purchase of asset		
Sterling Automobiles Private Limited	5.55	20.19
	5.55	20.19
e) Corporate social responsibility expenses		
Sterling Tools Foundation	50.17	93.25
	50.17	93.25
f) Refund received of Security Deposit		
Sterling Technologies Private Limited	24.00	-
	24.00	-

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
iii) Transaction with joint venture company		
Disposal of investment in joint venture (including loss on disposal of investment)	117.82	-
Purchase of goods	-	9.16
Purchase of assets	-	8.75
	117.82	17.91
iv) Transaction with KMP and their relatives		
Remuneration paid (A)		
Mr. Anil Aggarwal	211.04	184.10
Mr. Atul Aggarwal	205.16	180.58
Mr. Anish Aggarwal	-	34.37
	416.20	399.05
Commission paid (B)		
Mr. Anil Aggarwal	50.00	32.00
Mr. Atul Aggarwal	50.00	32.00
	100.00	64.00
Compensation to KMP * [(A)+(B)]		
- Short-term employee benefits	473.97	391.96
- Defined contribution plans	42.23	36.72
	516.20	428.68
* Does not include provisions/ contributions towards gratuity and compensated absences for all directors, as such provisions/ contributions are for the Company as a whole.		
Dividend paid		
Late Shri Manohar Lal Aggarwal	38.55	38.55
Mr. Anil Aggarwal	61.11	81.11
Mr. Atul Aggarwal	96.65	96.65
Mrs. Promila Aggarwal	7.01	7.01
Mr. Akhill Aggarwal	16.60	6.60
Mr. Anish Aggarwal	17.01	7.01
Mr. Jaideep Wadhwa	0.14	0.14
	237.07	237.07
Director sitting fees		
Dr. Triloki Nath Kapoor	2.50	3.50
Ms. Malini Sud	2.50	3.50
Mr. Chhotu Ram Sharma	6.00	6.00
Mr. Shailendra Swarup	5.50	5.00
Mr. Rakesh Batra	6.00	6.50
Mr. Rahoul Kabir Bhandari	-	1.00
	22.50	25.50
Legal and professional charges		

Notes to Standalone financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Mr. Jaideep Wadhwa	75.00	70.00
	75.00	70.00
Reimbursement of expenses		
Mr. Jaideep Wadhwa	3.18	3.27
	3.18	3.27
Particulars	As at 31 March, 2023	As at 31 March, 2022
v) Closing balances		
Remuneration payable		
Mr. Anil Aggarwal	-	0.29
Mr. Atul Aggarwal	-	0.46
Mr. Anish Aggarwal	-	-
	-	0.75
Commission payable		
Mr. Anil Aggarwal	39.98	26.31
Mr. Atul Aggarwal	38.89	23.15
	78.87	49.46
Legal and professional charges payables		
Mr. Jaideep Wadhwa	5.63	-
	5.63	-
Outstanding payables		
Sterling Automobiles Private Limited	0.29	2.79
	0.29	2.79
Outstanding receivables		
Sterling Gtake E-Mobility Limited	6.48	-
	6.48	-
Loan to related party		
Sterling Gtake E-Mobility Limited	-	2,000.00
	-	2,000.00
Corporate guarantee on behalf of subsidiary company		
Sterling Gtake E-Mobility Limited	5,000.00	5,000.00
	5,000.00	5,000.00
Security deposits		
Sterling Technologies Private Limited	-	24.00
	-	24.00
Investments		
Haryana Ispat Private Limited	1,198.50	1,198.50
Sterling Gtake E-Mobility Limited	2,845.60	845.60
Sterling Fabory India Private Limited	-	117.82
	4,044.10	2,161.92

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

44 Corporate social responsibility ('CSR')

The Company's CSR programmes/projects focusses on sectors and issues as mentioned in in Schedule VII read with section 135 of the Act. The CSR committee has been formed by the Company as per the Act.

a) Details of CSR expenditure of the Company are as under:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Gross amount required to be spent (i.e. 2% of average net profits under section 198 of Companies Act, 2013 of last three years) (A)	75.13	93.58
Shortfall of the previous year (B)	-	-
Total (A+B)	75.13	93.58
Amount spent during the year [refer note (b) below]	50.17	93.58
Shortfall/(surplus) for the year (refer note below)	24.96	-

The shortfall in the amount required to be spent during the year is on account of the fact that the Company has certain on-going projects on which such unspent amounts were identified to be spent. The Company has transferred the unspent amount of ₹ 24.96 Lacs to a separate bank account on 28 April, 2023 in accordance with the requirements of section 135 of the Act.

b) Details of CSR expenses incurred:

Amount spent during the year ended 31 March, 2023:

S. No.	Purpose for which expenditure incurred	Amount in cash/ cheque	Remarks	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	50.17	Others	50.17

Amount spent during the year ended 31 March, 2022:

S. No.	Purpose for which expenditure incurred	Amount in cash/ cheque	Remarks	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	93.58	Others	93.58

The aforesaid CSR expenditure amounting to ₹ 50.17 Lacs (31 March, 2022 - ₹ 93.25 Lacs) pertains to contribution to Sterling Tools Foundation (entity over which KMP exercise control), with the main objective of working in areas focused on health, education, empowering under-privileged section of the society and to support the destitute.

- c) During the year, the Company has made provision of ₹ 24.96 Lacs (previous year- nil) for corporate social responsibility expenses.

Movement in the provision for corporate social responsibility

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Balance at the beginning of the year	-	-
Add: provision made during the year	24.96	-
Less: amounts adjusted/utilised during the year	-	-
Balance at the end of the year	24.96	-

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- d) The Company does not have any excess amount spent during the current and the previous year and accordingly, no such carry forward of the excess amount.
- e) The Company have any ongoing projects as at 31 March, 2023. However, there were no on-going projects as at 31 March, 2022.

Details of on-going projects are as follows:

Particulars	With the Company	In separate CSR unspent account
Balance as on 01 April, 2021	-	-
Amount required to be spent during the year	93.58	-
Amount spent during the year	(93.58)	-
Balance as on 31 March, 2022	-	-
Amount required to be spent during the year	75.13	-
Amount spent during the year	(50.17)	-
Transferred to separate CSR unspent account	(24.96)	24.96
Balance as on 31 March, 2023	-	24.96

45 Fair value measurements

I Financial instruments

(a) Financial instruments by category

Derivative financial instruments and investment in mutual funds are measured at fair value through profit or loss. Investment in equity instruments (except investments in subsidiaries and joint venture company) are measured at fair value through other comprehensive income. Other than the aforementioned, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost.

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

As at 31 March, 2023

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments*	1,531.86	-	-	-	1,531.86	-	-	1,531.86	1,531.86
Current investments	-	500.08	-	-	500.08	500.08	-	-	500.08
Financial assets not measured at fair value									
Non-current investments	-	-	4,044.10	-	4,044.10				
Loans	-	-	23.53	-	23.53				
Other financial assets	-	-	616.51	-	616.51				
Trade receivables	-	-	6,524.25	-	6,524.25				
Cash and cash equivalents	-	-	443.84	-	443.84				
Other bank balance	-	-	4,195.62	-	4,195.62				
	1,531.86	500.08	15,847.85	-	17,879.79				
Financial liabilities measured at fair value									
Borrowings	-	-	-	12,378.88	12,378.88				
Lease liabilities	-	-	-	20.89	20.89				
Trade payables	-	-	-	2,862.61	2,862.61				
Other financial liabilities	-	-	-	736.64	736.64				
	-	-	-	15,999.02	15,999.02				

As at 31 March, 2022

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments*	1,463.59	-	-	-	1,463.59	-	-	1,463.59	1,463.59
Current investments	-	769.72	-	-	769.72	769.72	-	-	769.72
Other forward exchange contracts	-	15.27	-	-	15.27	-	15.27	-	15.27
Financial assets not measured at fair value									
Non-current investments	-	-	2,161.92	-	2,161.92				
Loans	-	-	2,010.06	-	2,010.06				
Other financial assets	-	-	687.42	-	687.42				
Trade receivables	-	-	5,695.42	-	5,695.42				
Cash and cash equivalents	-	-	76.31	-	76.31				
Other bank balance	-	-	1,878.96	-	1,878.96				
	1,463.59	784.99	12,510.09	-	14,758.67				
Financial liabilities measured at fair value									
Borrowings	-	-	-	12,335.54	12,335.54				
Lease liabilities	-	-	-	60.89	60.89				
Trade payables	-	-	-	2,596.44	2,596.44				
Other financial liabilities	-	-	-	587.38	587.38				
	-	-	-	15,580.25	15,580.25				

*The equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as this is strategic investment and the Company considered this to be more relevant.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's board of directors.

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers within the levels for the year ended 31 March, 2023 and 31 March, 2022.

Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value
Forward exchange contracts	The fair value of forward exchange contracts is determined using forward exchange rates as at the balance sheet date.	Not applicable	Not applicable
Investment in quoted mutual funds measured at fair value through profit or loss	The fair value of investment in mutual funds is determined using quoted NAV as at the balance sheet date.	Not applicable	Not applicable
Investment in quoted equity instruments measured at fair value through profit or loss	The fair value of investment in equity instruments is determined using quoted prices as at the balance sheet date.	Not applicable	Not applicable
Investment in unquoted equity instruments measured at fair value through other comprehensive income	The fair value of investment in equity instruments is determined on the basis of independent valuation using the Discounted Cash Flow (DCF) method.	Long-term growth rate and discount rates	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> - the long-term growth rate would be higher (lower); - the discount rate were lower (higher).

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are not measured at fair value, the carrying amounts are considered equal to their respective fair values.

II. Financial risk management

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade payables and other payables. The Company's principal financial assets include trade and other receivables, investments and cash and bank balances that it derives directly from its operations.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Company primarily sells high tensile cold forged fasteners to bulk customers comprising mainly automotive manufacturers operating in India and outside India. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Cash and cash equivalents, other bank balances and deposits with banks

Cash and cash equivalents and other bank balances of the Company are held with banks which have high external rating. The Company considers that its cash and cash equivalents and other bank balances have low credit risk based on the external credit ratings of the counterparties.

Loans to employees, security deposits and other financial assets

The Company provides loans to its employees and furnish security deposit to various parties for electricity, communication, etc.. The Company considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Other financial assets majorly includes receivables from scrap sales wherein the Company monitors the credit risk of the respective customer/dealers on the basis of the individual characteristics of the customer/dealer and any default risk or increased credit risk in the past.

Investments

The Company has invested in unquoted equity instruments of its subsidiaries, its joint venture and other company. The management actively monitors the operation of subsidiaries and joint venture which affect investments. The Company does not expect the counterparty to fail in meeting its obligations other than those specifically considered as impairment allowance as per the management's assessment.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Particulars	31 March, 2023	31 March, 2022
Financial assets for which loss allowance is measured using 12 months expected credit loss model:		
Non-current investments	5,575.96	3,625.51
Other non-current financial assets	466.53	425.55
Current investments	500.08	769.72
Cash and cash equivalents	443.84	76.31
Other bank balances	4,195.62	1,878.96
Current loans	23.53	2,010.06
Other current financial assets	149.98	277.14
	11,355.54	9,063.25
Financial assets for which loss allowance is measured using life time expected credit loss:		
Trade receivables	6,524.25	5,695.42
	6,524.25	5,695.42

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Provision for expected credit loss

(a) Financial assets for which loss allowance is measured using 12 month expected credit loss

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting period in respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit loss

The Company has customers with strong capacity to meet the obligations and therefore the risk of default is negligible in respect of outstanding from customers. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full. Hence, no impairment loss has been recognised during the year and the previous year in respect of trade receivables.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	Less than 90 days	90-180 days	180-270 days	270-360 days	More than 360 days	Total
Gross carrying amount as 31 March, 2023	6,248.41	247.19	17.64	1.15	157.15	6,671.54
Gross carrying amount as 31 March, 2022	5,639.11	42.61	15.88	84.54	52.77	5,834.91

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its capital requirements. Accordingly, no liquidity risk is perceived.

As at 31 March, 2023, the Company has a working capital of ₹ 13,184.30 Lacs (31 March, 2022 - ₹ 12,409.39 Lacs) including cash and cash equivalents of ₹ 443.84 Lacs (31 March, 2022 - ₹ 76.31 Lacs).

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non- derivative financial liabilities		
Floating-rate borrowings		
- Expiring within one year	6,272.20	7,877.39
- Expiring beyond one year	-	-

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(ii) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March, 2023

Contractual maturities of financial liabilities	Contractual cash flows					Total
	Less than 90 days	90-180 days	180-270 days	270-360 days	More than 360 days	
Non-derivative financial liabilities						
Non current borrowings (including current maturities of non-current borrowings)	707.72	694.90	682.08	669.25	4,026.77	6,780.72
Lease liabilities	4.44	4.24	4.14	3.98	5.33	22.13
Other non-current financial liabilities						
- Security deposits	-	-	-	-	19.32	19.32
Current borrowings						
- Working capital loans	6,400.10	-	-	-	-	6,400.10
Trade payables	2,862.61	-	-	-	-	2,862.61
Creditors for capital expenditure	133.25	-	-	-	-	133.25
Interest accrued but not due	33.16	-	-	-	-	33.16
Employee related payables	564.71	-	-	-	-	564.71
Unclaimed dividend	19.36	-	-	-	-	19.36
Total	10,725.35	699.14	686.22	673.23	4,051.42	16,835.36

31 March, 2022

Contractual maturities of financial liabilities	Contractual cash flows					Total
	Less than 90 days	90-180 days	180-270 days	270-360 days	More than 360 days	
Non-derivative financial liabilities						
Non current borrowings (including current maturities of non-current borrowings)	593.13	584.71	576.29	567.86	4,633.56	6,955.55
Lease liabilities	12.79	12.79	10.57	9.47	15.79	61.41
Other non-current financial liabilities						
- Security deposits	-	-	-	-	33.26	33.26
Current borrowings						
- Working capital loans	6,073.65	-	-	-	-	6,073.65
Trade payables	2,596.43	-	-	-	-	2,596.43
Creditors for capital expenditure	173.77	-	-	-	-	173.77
Interest accrued but not due	42.31	-	-	-	-	42.31
Employee related payables	359.36	-	-	-	-	359.36
Unclaimed dividend	20.99	-	-	-	-	20.99
Total	9,872.43	597.50	586.86	577.33	4,682.61	16,316.73

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of directors is responsible for setting up of policies and procedures to manage market risks of the Company. The Company is carrying out imports of certain raw materials and capital goods and exports finished goods which are denominated in the currency other than the functional currency of the Company which exposes it to foreign currency risk. In order to minimise the risk, the Company executes forwards contract with respect to purchases and sales made in currency other than its functional currency, the foreign exchange exposure of the Company is ascertained on the basis of the progress billings and purchase orders issued.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(i) Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial assets and financial liabilities are as below:

Particulars	As at 31 March, 2023			
	EURO	JPY	USD	GBP
Financial assets				
Trade receivables	133.82	-	-	-
Derivatives assets (₹ in Lacs)	-	-	-	-
Financial liabilities				
Trade payables	1.25	0.22	38.26	-
Net exposure to foreign currency risk - assets / (liabilities)	132.57	(0.22)	(38.26)	-

Particulars	As at 31 March, 2022			
	EURO	JPY	USD	GBP
Financial assets				
Trade receivables	679.72	-	12.10	9.47
Derivatives assets (₹ in Lacs)	15.27	-	-	-
Financial liabilities				
Trade payables	4.95	0.08	53.87	-
Net exposure to foreign currency risk - assets / (liabilities)	690.04	(0.08)	(41.77)	9.47

Sensitivity analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against foreign currency as at the year end would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

5% movement	Profit and loss (before tax)	
	Strengthening	Weakening
31 March, 2023		
INR/EUR	6.63	(6.63)
INR/USD	(1.91)	1.91
INR/GBP	-	-
INR/JPY	(0.01)	0.01

5% movement	Profit and loss (before tax)	
	Strengthening	Weakening
31 March, 2022		
INR/EUR	34.50	(34.50)
INR/USD	(2.09)	2.09
INR/GBP	0.47	(0.47)
INR/JPY	(0.01)	0.01

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(ii) Interest rate risk

The Company is exposed to interest rate risk arising mainly from non-current and current borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	31 March, 2023	31 March, 2022
Financial assets:		
Fixed rate instruments		
- Fixed deposits	4,112.96	1,748.35
Total	4,112.96	1,748.35
Variable-rate instruments		
- Rupee term loans	5,945.62	6,219.58
- Working capital facilities	4,727.79	4,533.10
- Bill discounting facility from banks	1,672.31	1,540.55
Total	12,345.72	12,293.23

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortised cost. They are, therefore, not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

Particulars	Profit or loss (before tax)	
	100 bp increase	100 bp decrease
31 March, 2023		
Rupee term loans	(55.21)	55.21
Working capital facility	(53.69)	53.69
Cash flow sensitivity (net)	(108.90)	108.90

Particulars	Profit or loss (before tax)	
	100 bp increase	100 bp decrease
31 March, 2022		
Rupee term loans	(70.71)	70.71
Working capital facility	(58.84)	58.84
Cash flow sensitivity (net)	(129.55)	129.55

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(iii) Price risk

The Company is mainly exposed to the price risk mainly due to its investment in mutual funds and equity instruments, which are measured at fair value through profit or loss. The price risk arises due to uncertainties about the future market values (quoted prices or NAV) of these instruments. To manage the price risk arising from investments in mutual funds and equity instruments, the group diversifies its portfolio. Further, the management reviews the investment portfolio and the movement in the market to manage the risk.

The Company's investment in the mutual funds and equity instruments are publicly traded.

Sensitivity analysis

To provide a meaningful assessment of the price risk associated with the Company's investment portfolio, the Company performed the sensitivity analysis to determine the impact of change in prices of the mutual funds and equity instruments that would have on the value of investment portfolio, assuming a 1% changes in the prices of mutual funds and equity instruments.

Particulars	Profit or loss (before tax)				Value of investment			
	For the year ended 31 March, 2023		For the year ended 31 March, 2022		As at 31 March, 2023		As at 31 March, 2022	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Investment in mutual funds and equity instruments	11.03	(11.03)	12.74	(12.74)	5.00	(5.00)	7.70	(7.70)

46 Capital management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an appropriate capital structure of debt and equity.

The management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements.

The Company monitors capital on the basis of its gearing ratio which is net debt divided by total equity. Net debt comprises of non-current and current borrowings less cash and cash equivalents. Equity includes equity share capital and other equity that are managed as capital. The gearing ratio at the end of the reporting periods are as follows:

Particulars	31 March, 2023	31 March, 2022
Total borrowings	12,378.88	12,335.54
Less: Cash and cash equivalents	443.84	76.31
Net debt	11,935.04	12,259.23
Total equity	40,144.98	36,311.95
Net debt to equity ratio	0.30	0.34

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

47. Accounting ratios

Additional regulatory information with respect to the specified ratios as required by paragraph 6(L)(xiv) of the general instructions for preparation of balance sheet to Schedule III to the Act:

Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	1.92	2.01	(4%)	Not applicable, refer note below
Debt equity ratio	Net debt = Total borrowings - cash and cash equivalents	Total equity	0.30	0.34	(12%)	Not applicable, refer note below

Ratio	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% variance	Reason for variance
Debt service coverage ratio	Earning available for debt service = Net profit after taxes + Non-cash operating expenses/ income (net) + interest expenses + provision for impairment in the value of investments	Debt service = Interest and lease payments + principal repayments of long-term borrowings	2.85	2.50	14%	Not applicable, refer note below
Return on equity ratio	Net profit after taxes	Average shareholder's equity	11%	9%	27%	Increase in profit has resulted in an improvement in the ratio
Inventory turnover ratio	Cost of goods sold	Average inventories	2.24	1.79	25%	Increase in the operations and corresponding increased material consumption during the year has resulted in an improvement in the ratio
Trade receivables turnover ratio	Net sales	Average trade receivables	9.63	9.38	3%	Not applicable, refer note below

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Ratio	Numerator	Denominator	For the year ended 31 March, 2023	For the year ended 31 March, 2022	% variance	Reason for variance
Trade payables turnover ratio	Cost of goods sold + consumption of stores and spares + job work charges + consumption of packing materials + power and fuel	Average trade payables	14.09	10.55	34%	Increase in the operations and material consumption alongwith quicker payment to vendors during the year has resulted in an improvement in the ratio
Net capital turnover ratio	Net sales	Working capital = current assets - current liabilities	4.46	3.72	20%	Not applicable, refer note below
Net profit ratio	Net profit after taxes	Revenue from operations	7%	6%	10%	Not applicable, refer note below
Return on capital employed	Earnings before interest and taxes + provision for impairment in the value of investments	Capital employed = Tangible net worth + total debt + deferred tax liabilities	13%	10%	22%	Not applicable, refer note below
Return on investment	Income generated from invested fund	Average invested fund in treasury investments	5.59%	5.40%	4%	Not applicable, refer note below

Note:

Reasons for variance in the ratios are required to be furnished when variance is more than 25%.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

48. Disclosures pursuant to Ind AS 115, Revenue from Contracts with Customers, are as follows:

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography, type and timing of recognition.

Description	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue by geography	Fasteners	Fasteners
Domestic	57,708.58	41,407.41
Export	1,145.77	4,788.73
	58,854.35	46,196.14
Customer wise		
Related party	-	-
Non-related party	58,854.35	46,196.14
	58,854.35	46,196.14
Revenue by time		
Revenue recognised at point in time	58,854.35	46,196.14
	58,854.35	46,196.14

(b) Revenue recognised in relation to contract liabilities

Ind AS 115 requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period. Same has been disclosed as below:

Description	Year ended 31 March, 2023	Year ended 31 March, 2022
Amounts included in contract liabilities at the beginning of the year	202.49	193.64
Performance obligations satisfied in previous years	-	-
	202.49	193.64

(c) Assets and liabilities related to contracts with customers

Description	As at 31 March, 2023		Year ended	
	Non-current	Current	Non-current	Current
Contract assets related to sale of goods	-	-	-	-
Contract liabilities related to sale of goods				
Contract liabilities - Advance from customers	-	204.24	-	202.49
Contract liabilities - Security deposits	19.32	-	33.26	-

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(d) Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

Description	31 March, 2023	31 March, 2022
Opening balance of contract liabilities	235.75	221.69
Amount of revenue recognised against opening contract liabilities	(202.49)	(193.64)
Addition in balance of contract liabilities for current year	190.30	207.70
Closing balance of contract liabilities	223.56	235.75

There has been no significant changes in contract assets/liabilities during the year.

(e) Reconciliation of revenue recognised in Standalone Statement of Profit and Loss with contract price

Description	Year ended 31 March, 2023	Year ended 31 March, 2022
Contract price	60,360.60	47,473.34
Less: Discounts and freight	1,506.25	1,277.20
Revenue from operations as per Standalone Statement of Profit and Loss	58,854.35	46,196.14

(f) Satisfaction of performance obligations

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

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

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

Variable considerations associated with such sales

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognises revenue for the amounts it ultimately expects to realise from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

49. Details of disclosure pursuant to Regulation 34 of the SEBI (Listing, Obligations & Disclosure Requirements) Regulations, 2015 and disclosure under section 186(4) of the Act:

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Haryana Ispat Private Limited (subsidiary)	Sterling Gtake E-mobility Limited (subsidiary)	Haryana Ispat Private Limited (subsidiary)	Sterling Gtake E-mobility Limited (subsidiary)
Investments				
Investments at the beginning of the year	1,198.50	845.60	1,198.50	844.60
Investments at the end of the year	1,198.50	2,845.60	1,198.50	845.60
Loan given*				
Loan outstanding at the beginning of the year	-	2,000.00	-	-
Loan outstanding at the end of the year	-	-	-	2,000.00
Corporate guarantee on behalf of subsidiary company				
Corporate guarantee on behalf of subsidiary company	-	5,000.00	-	-
Corporate guarantee at the beginning of the year	-	5,000.00	-	5,000.00

* The loan given to the subsidiary was unsecured and carried an interest @ 7.60% p.a. The said loan was repayable on demand. The subsidiary company has repaid the loan during the year.

50. The Board of Directors have recommended a final dividend of ₹ 2 per share (face value of ₹ 2 per share) for the FY 2022-23, which is subject to the approval of the members at the ensuing Annual General Meeting.

51. Restatement of standalone financial statements

Standalone balance sheet:

Particulars	Note	As at 31 March, 2022 (Reported)	Adjustments	As at 31 March, 2022 (Restated)
Non-current assets				
Financial assets				
Other financial assets	(b)	411.24	14.31	425.55
Total non-current assets		31,578.73	14.31	31,593.04
Current assets				
Financial assets				
Trade receivables	(a)	4,154.87	1,540.55	5,695.42
Loans	(b)	2,024.37	(14.31)	2,010.06
Total current assets		23,141.52	1,526.24	24,667.76
Total assets		54,720.25	1,540.55	56,260.80

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	Note	As at 31 March, 2022 (Reported)	Adjustments	As at 31 March, 2022 (Restated)
Non-current liabilities				
Financial liabilities				
Borrowings	(b)	4,261.29	31.85	4,293.14
Total non-current liabilities		7,658.63	31.85	7,690.48
Current liabilities				
Financial liabilities				
Borrowings	(a) and (b)	6,491.39	1,551.01	8,042.40
Other financial liabilities	(b)	596.43	(42.31)	554.12
Total current liabilities		10,749.67	1,508.70	12,258.37
Total liabilities		18,408.30	1,540.55	19,948.85
Total equity and liabilities		54,720.25	1,540.55	56,260.80

Standalone statement of cash flows:

Particulars		For the year ended 31 March, 2022 (Reported)	Adjustments	For the year ended 31 March, 2022 (Restated)
Cash flow from operating activities				
Increase in financial assets	(a)	(155.20)	(1,540.55)	(1,695.75)
Net cash generated from operations		7,018.24	(1,540.55)	5,477.69
Net cash from operating activities		5,950.40	(1,540.55)	4,409.85
Cash flow from financing activities				
(Repayment of)/proceeds from current borrowings (net)	(a)	(572.42)	1,540.55	968.13
Net cash (used in)/from financing activities		(762.92)	1,540.55	777.63
Net decrease in cash and cash equivalents		(119.67)	-	(119.67)

Notes:

- (a) As at 31 March, 2022, the Company's bill discounting facility from its bank aggregating to ₹ 1,540.55 Lacs was netted off from trade receivable as the payment against these bills were regular from the customers. In the current year, the management has reassessed the accounting for the arrangement as per principles of Ind AS 109, Financial Instruments, and concluded that since the Bank has a recourse to the Company under the arrangement, aforesaid balances should be presented on gross basis. Accordingly, current borrowings and trade receivables as at 31 March, 2022 have been restated by ₹ 1,540.55 Lacs in accordance with Ind AS – 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' with no impact on the standalone net cash flows, the standalone statement of profit and loss and total comprehensive income for the year ended 31 March, 2022.
- (b) This pertains to the reclassification of the interest accrued on financial assets and financial liabilities alongwith the relevant carrying amounts of such financial assets and financial liabilities. There is no impact of these reclassification on the standalone statement of profit and loss or the standalone statement of cash flows for the year ended 31 March, 2022.

Notes to Standalone financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

52 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institutions or other lenders.
- (iii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies ('ROC') beyond the statutory period.
- (v) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the current and preceding year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (ix) The Company has not traded or invested in crypto currency or virtual currency during the current and the preceding financial year.

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

Ashish Gera
Partner
Membership no. 508685

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399

Place: Faridabad
Date: 08 May, 2023

Independent Auditor's Report

To, The Members of **Sterling Tools Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Sterling Tools Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group's revenue is derived primarily from manufacturing and sale of automotive components recognised in accordance with the accounting policy described in note 1(C)(12) to the accompanying consolidated financial statements. Refer note 29 and 49 for details of revenue recognised during the year from a large number of customers.</p> <p>In accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, ('Ind AS 115') revenue from the sale of products is recognised by the Group when the</p>	<p>Our audit procedures for testing revenue recognition included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Understood the revenue recognition process and assessed the appropriateness of the revenue recognition policies adopted by the Group in accordance with principles enunciated under Ind AS 115; • Evaluated the design and implementation of Group's key financial controls in respect of revenue recognition and tested the operating effectiveness of such controls for a sample of transactions;

section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March, 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key audit matter	How our audit addressed the key audit matter
<p>performance obligation is satisfied, i.e., when the 'control' of the goods underlying the particular performance obligation is transferred to the customer. The performance obligations are generally considered to be satisfied by the management at the time of delivery of goods to the customer/carrier in accordance with the terms and conditions included in the revenue contracts.</p> <p>Revenue recognition from sale of products also involves determination of variable consideration on account of volume discounts and other rebate programmes run by the Group, which requires estimates to be made by the management at each period end.</p> <p>Further, the Group and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognised before control has been transferred.</p> <p>The above factors and the amounts involved, required considerable audit efforts in testing revenue recorded during the year, and therefore, we have identified revenue recognition as a key audit matter in the current year audit.</p>	<ul style="list-style-type: none"> • Performed substantive testing of revenue transactions recorded during the year using statistical sampling by verifying the underlying supporting documents including customer contracts, customer's purchase orders, sales order, invoices and proof of delivery; • Performed testing of samples of revenue transactions recorded for specified period before and after year-end by verifying underlying documents as above to determine whether revenue was recognised in the correct period; • Obtained confirmations for invoices outstanding at the year-end on a sample basis and reviewed the reconciling items, if any; • Tested manual journal entries posted to revenue; • Assessed the adequacy of the disclosures made by the management in accordance with the applicable accounting standards.

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

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 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 these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, 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 management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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.

12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of two subsidiaries, whose financial statements reflects total assets of ₹ 7,867.74 Lacs and net assets of ₹ 2,953.99 Lacs as at 31 March, 2023, total revenues of ₹ 17,432.36 Lacs and net cash inflows amounting to ₹ 10.31 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that two subsidiary companies have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act, we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with

Independent Auditor's Report (Contd.)

the Companies (Indian Accounting Standards) Rules, 2015;

- e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, are disqualified as on 31 March, 2023 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 report of the other auditors on separate financial statements and other financial information of the subsidiaries:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 41(B)(I) to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March, 2023;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March, 2023. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies during the year ended 31 March, 2023;
 - iv. (a) The respective managements of the Holding Company and its subsidiary

companies, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 52(v) to the accompanying consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- (b) The respective managements of the Holding Company and its subsidiary companies, have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in the note 52(vi) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year ended 31 March, 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 51 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March, 2023 which is subject to the approval of the members

at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

Further, the interim dividend declared and paid by a subsidiary company during the year ended 31 March, 2023 and until the date of this audit report is in compliance with section 123 of the Act.

A subsidiary company has not declared or paid any dividend during the year ended 31 March, 2023; and

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 01 April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Ashish Gera
Partner

Place: Faridabad
Date: 08 May, 2023

Membership No.: 508685
UDIN: 23508685BGYCQR3993

Annexure I to the Independent Auditor's Report of even date to the members of Sterling Tools Limited on the consolidated financial statements for the year ended 31 March 2023

List of entities included in the consolidated financial statements

- a. Haryana Ispat Private Limited, subsidiary; and
- b. Sterling Gtake E-mobility Limited, subsidiary.

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Annexure II to the Independent Auditor's Report of even date to the members of Sterling Tools Limited on the consolidated financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Sterling Tools Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies included in the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Group's business, including adherence to the Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued

by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance

with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls

were operating effectively as at 31 March, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies included in the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, whose financial statements reflect total assets of ₹ 7,867.74 Lacs and net assets of ₹ 2,953.99 Lacs as at 31 March, 2023, total revenues of ₹ 17,432.36 Lacs and net cash inflows amounting to ₹ 10.31 Lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Ashish Gera
Partner

Place: Faridabad
Date: 08 May, 2023

Membership No.: 508685
UDIN: 23508685BGYQQR3993

Consolidated Balance Sheet

as at 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022 (Restated)
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	27,385.16	28,003.78
(b) Capital work-in-progress	3	1,117.72	104.04
(c) Other intangible assets	4	130.03	43.87
(d) Financial assets			
(i) Investments	5	1,531.86	1,578.78
(ii) Other financial assets	6	469.42	428.09
(e) Deferred-tax assets (net)	22(b)	134.65	131.81
(f) Income-tax assets (net)	7	64.60	13.98
(g) Other non-current assets	8	536.32	844.53
Total non-current assets		31,369.76	31,148.88
2 Current assets			
(a) Inventories	9	16,341.63	11,611.55
(b) Financial assets			
(i) Investments	10	500.08	769.72
(ii) Trade receivables	11	8,136.50	6,273.54
(iii) Cash and cash equivalents	12	460.24	82.40
(iv) Bank balances other than (iii) above	13	5,026.96	2,342.26
(v) Loans	14	25.60	10.43
(vi) Other financial assets	15	152.28	277.54
(c) Other current assets	16	3,679.57	4,147.95
Total current assets		34,322.86	25,515.39
TOTAL ASSETS		65,692.62	56,664.27
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	720.48	720.48
(b) Other equity	18	39,322.26	34,857.86
Total equity		40,042.74	35,578.34
1 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,664.48	4,293.14
(ia) Lease liabilities	42	5.05	15.54
(ii) Other financial liabilities [other than those specified in item (b)]	20	19.32	33.26
(b) Provisions	21	694.54	204.53
(c) Deferred tax liabilities (net)	22(a)	1,755.05	1,780.35
(d) Other non-current liabilities	23	884.30	1,586.63
Total non-current liabilities		7,022.74	7,913.45
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	9,592.49	8,282.05
(ia) Lease liabilities	42	15.84	45.35
(ii) Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises; and	25	964.62	801.77
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,871.08	2,383.10
(iii) Other financial liabilities [other than those specified in item (c)]	26	830.26	556.10
(b) Other current liabilities	27	1,925.60	1,012.02
(c) Provisions	21	355.67	92.09
(d) Current tax liabilities (net)	28	71.58	-
Total current liabilities		18,627.14	13,172.48
Total liabilities		25,649.88	21,085.93
TOTAL EQUITY AND LIABILITIES		65,692.62	56,664.27

Notes 1 to 52 form an integral part of these consolidated financial statements.
As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gera
Partner
Membership no. 508685

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399

Place: Faridabad
Date: 08 May, 2023

Consolidated Statement of Profit and Loss for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Income			
Revenue from operations	29	77,197.80	50,958.32
Other income	30	290.01	302.65
Total income		77,487.81	51,260.97
Expenses			
Cost of materials consumed	31	40,036.50	23,432.91
Changes in inventories of finished goods and work-in-progress	32	(1,172.53)	(1,029.22)
Employee benefits expense	33	5,211.28	4,455.96
Finance costs	34	883.69	686.74
Depreciation and amortisation expenses	35	3,171.59	2,733.55
Other expenses	36	23,368.96	17,442.69
Total expenses		71,499.49	47,722.63
Profit before tax and share of loss of investment accounted for using equity method and tax		5,988.32	3,538.34
Share of loss of investment accounted for using equity method		-	(61.66)
Profit before exceptional items and tax		5,988.32	3,476.68
Exceptional items	37	344.26	-
Profit before tax		6,332.58	3,476.68
Tax expense:			
Current tax	22	1,590.02	1,043.95
Deferred tax		(45.24)	(120.83)
Total tax expense		1,544.78	923.12
Profit for the year		4,787.80	2,553.56
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(0.02)	(5.53)
(b) Changes in fair value of equity investment through other comprehensive income		68.27	323.45
(ii) Income-tax relating to items that will not be reclassified to profit or loss		(17.10)	(79.83)
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income-tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		51.15	238.09
Total comprehensive income for the year		4,838.95	2,791.65
Profit for the year attributable to			
a) Owners of the Holding Company		4,787.80	2,553.70
b) Non-controlling interest		-	(0.14)
		4,787.80	2,553.56
Other comprehensive income attributable to			
a) Owners of the Holding Company		51.15	238.09
b) Non-controlling interest		-	-
		51.15	238.09
Total comprehensive income attributable to			
a) Owners of the Holding Company		4,838.95	2,791.79
b) Non-controlling interest		-	(0.14)
		4,838.95	2,791.65
Earnings per equity share			
Basic and diluted (₹)	38	13.29	7.09
[nominal value of share ₹ 2 (31 March, 2022: ₹ 2)]			

Notes 1 to 52 form an integral part of these consolidated financial statements.

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gera
Partner
Membership no. 508685

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399

Place: Faridabad
Date: 08 May, 2023

Consolidated Statement of Cash Flows for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
A Cash flow from operating activities		
Net profit before tax	6,332.58	3,476.68
Adjustments for:		
Share of loss for investment in joint venture	-	61.66
Depreciation and amortisation expenses	3,171.59	2,733.55
Unrealised foreign exchange loss	84.56	1.51
(Profit)/ loss on disposal of property, plant and equipment (net)	(33.63)	3.72
Finance costs	1,168.48	647.88
Gain on termination of lease liability	(0.12)	-
Interest income	(142.79)	(136.68)
Amortisation of grant income	(175.87)	(219.20)
Gain on sale of mutual fund	(44.14)	(7.73)
Gain on fair value of mutual fund	(0.08)	(20.19)
Income from investment in equity instruments	(28.51)	(64.90)
Liabilities no longer required, written back	(1.18)	(7.91)
Loss/(gain) on fair value of forward contracts	15.27	(15.27)
Bad debts written off	1.74	1.08
Loss on disposal of joint venture	4.12	-
Provision for warranty	701.10	112.68
Provision for expected credit loss	7.80	102.66
Operating profit before working capital changes	11,060.92	6,669.54
(Increase) in financial assets	(1,814.88)	(2,239.98)
Decrease/(increase) in other assets	482.49	(814.03)
Increase in financial liabilities	2,753.54	151.06
(Increase) in inventories	(4,730.08)	(642.87)
Increase in other liabilities	57.88	448.43
Increase/(decrease) in provisions	52.47	(10.93)
Net cash generated from operations	7,862.34	3,561.22
Income-tax paid (net of refunds)	(1,575.64)	(1,078.93)
Net cash from operating activities (A)	6,286.70	2,482.29

Consolidated Statement of Cash Flows for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work- in progress and capital advances)	(3,320.58)	(5,179.21)
Proceeds from disposal of property, plant and equipment	70.72	53.82
Investment in fixed deposits	(7,459.65)	(1,969.35)
Maturity of fixed deposits	4,724.98	2,468.81
Redemption of mutual funds	270.11	577.42
Dividend received on investment in equity instruments	0.05	0.71
Gain on sale of equity instruments	25.82	61.78
Interest received	192.32	107.11
Proceeds from disposal of joint venture	113.70	-
Proceeds from sale of investments in equity instruments	43.76	-
Investment in equity instruments	-	(42.35)
Net cash used in investing activities (B)	(5,338.77)	(3,921.26)
C Cash flows from financing activities		
Proceeds from non-current borrowings	1,754.25	2,589.50
Repayment of non-current borrowings	(2,028.21)	(1,726.80)
Final dividend paid	(360.25)	(360.25)
Proceeds from current borrowings (net)	954.42	1,157.73
Repayment of lease liabilities	(47.20)	(69.75)
Interest paid	(828.80)	(581.69)
Share issue expenses	(14.30)	-
Net cash (used in)/from financing activities (C)	(570.09)	1,008.74
Net increase/(decrease) in cash and cash equivalents (A+B+C)	377.84	(430.23)
Cash and cash equivalents at the beginning of the year	82.40	512.63
Cash and cash equivalents at the end of the year	460.24	82.40
Components of cash and cash equivalents (refer note 12):		
Balances with scheduled banks in current accounts	456.99	77.44
Cash on hand	3.25	4.96
	460.24	82.40

Consolidated Statement of Cash Flows for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Reconciliation between the opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities:

Particulars	Lease liabilities	Non-current borrowings including current maturities of long term borrowings	Current borrowings	Dividend
Opening balance as on 01 April, 2021	81.87	5,390.33	5,105.53	-
Add: Non cash changes due to-				
- Recognition of lease liabilities	32.63	-	-	-
- Interest expense	6.78	313.48	325.23	-
- Fair value changes	-	1.88	-	-
- Interim dividend	-	-	-	360.25
Less: Non cash changes due to-				
- Adjustment in lease liabilities on modification	9.36	-	-	-
Add: Cash inflows during the year				
- Proceeds from non-current borrowings	-	2,589.50	-	-
- Proceeds from current borrowings	-	-	1,157.73	-
Less: Cash outflow during the year				
- Repayment of non-current borrowings	-	(1,726.80)	-	-
- Repayment of lease liabilities	(69.75)	-	-	-
- Interest paid	-	(316.96)	(264.73)	-
- Interim dividend paid including dividend distribution tax	-	-	-	(360.25)
Closing balance as on 31 March, 2022	60.89	6,251.43	6,323.76	-
Add: Non cash changes due to-				
- Recognition of lease liabilities	7.87	-	-	-
- Interest expense	2.57	368.12	461.55	-
- Fair value changes	-	0.45	-	-
- Final dividend	-	-	-	360.25
Less: Non cash changes due to-				
- Adjustment in lease liabilities on modification	(3.24)	-	-	-
Add: Cash inflows during the year				
- Proceeds from non-current borrowings	-	1,754.25	-	-
- Proceeds from current borrowings	-	-	954.42	-
Less: Cash outflow during the year				
- Repayment of non-current borrowings	-	(2,028.21)	-	-
- Repayment of lease liabilities	(47.20)	-	-	-
- Interest paid	-	(367.26)	(461.54)	-
- Final dividend paid	-	-	-	(360.25)
Closing balance as on 31 March, 2023	20.89	5,978.78	7,278.19	-

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

Notes 1 to 52 form an integral part of these consolidated financial statements.

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gera
Partner
Membership no. 508685

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399

Place: Faridabad
Date: 08 May, 2023

Consolidated Statement of Changes in Equity for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(A) Equity share capital

Particulars	Note	Number (Lacs)	Amount
Balance as at 01 April, 2021	17	360.24	720.48
Changes in equity share capital during the year		-	-
Balance as at 31 March, 2022	17	360.24	720.48
Changes in equity share capital during the year		-	-
Balance as at 31 March, 2023	17	360.24	720.48

(B) Other equity

Particulars	Note	Reserves and surplus				Equity instruments through other comprehensive income	Total
		Capital reserve	Securities premium	General reserve	Retained earnings		
Balance as at 01 April, 2021	18	6.65	4,735.69	2,786.46	24,384.22	513.77	32,426.79
Profit for the year		-	-	-	2,553.70	-	2,553.70
Other comprehensive income							
Remeasurement of defined benefit obligation (net of tax)		-	-	-	(3.96)	-	(3.96)
Changes in fair value of equity investment through other comprehensive income (net of tax)		-	-	-	-	242.05	242.05
Transactions with owners in their capacity as owners:							
Final dividend paid on equity shares					(360.25)	-	(360.25)
Impact on change in the non-controlling interests					(0.47)	-	(0.47)
Balance as at 31 March, 2022	18	6.65	4,735.69	2,786.46	26,573.24	755.82	34,857.86
Profit for the year		-	-	-	4,787.80	-	4,787.80
Other comprehensive income							
Remeasurement of defined benefit obligation (net of tax)		-	-	-	0.06	-	0.06
Changes in fair value of equity investment through other comprehensive income (net of tax)		-	-	-	-	51.09	51.09
Share issue expenses					(14.30)	-	(14.30)
Transactions with owners in their capacity as owners:							
Final dividend paid on equity shares		-	-	-	(360.25)	-	(360.25)
Balance as at 31 March, 2023	18	6.65	4,735.69	2,786.46	30,986.55	806.91	39,322.26

Notes 1 to 52 form an integral part of these consolidated financial statements.

As per our report of even date attached.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gera
Partner
Membership no. 508685

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399

Place: Faridabad
Date: 08 May, 2023

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

1. Group information and significant accounting policies

A. Corporate information

Sterling Tools Limited (the 'Holding Company') was incorporated on 07 June, 1979 under the erstwhile Companies Act, 1956 and is domiciled in India (CIN: L29222DL1979PLC009668). The registered office of the Holding Company is at no. 515, DLF Tower-A, Jasola, New Delhi-110025. The equity shares of the Holding Company are listed on the Bombay Stock Exchange and National Stock Exchange of India. The Holding Company is engaged in the manufacturing and sale of high tensile cold forged fasteners.

B. Basis of preparation

(1) (a) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorised, have been considered in preparing these consolidated financial statements.

(b) Recent accounting pronouncements

The Ministry of Corporate Affairs has vide notification dated 31 March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 01 April, 2023. Below is a summary of such amendments:

Ind AS 1 - Presentation of financial statements

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what 'material accounting policy information' is and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

Ind AS 8 - Accounting policies, changes in accounting estimates and errors

The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and

other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Ind AS 12 - Income taxes

The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The Group does not expect the aforesaid amendments to have any significant impact in these consolidated financial statements.

(2) Statement of compliance

The consolidated financial statements include the financial statements of the Holding Company, its undermentioned subsidiaries (hereinafter referred to as 'the Group') and joint venture:

- a) Haryana Ispat Private Limited, India, 100% subsidiary with effect from 25 November, 2016;
- b) Sterling Gtack E-Mobility Limited, India, 100% subsidiary with effect from 12 March, 2020; and
- c) Sterling Fabory (India) Private Limited, India, 50% joint venture with effect from 09 March, 2010 upto 02 June, 2022.

These consolidated financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs under section 133 of Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, presentation requirements as per Division II of Schedule III of the Act and other provisions of the Act (to the extent notified and applicable).

These consolidated financial statements of Sterling Tools Limited as at and for the year ended 31 March, 2023 were approved and authorised for issue by Board of Directors on 08 May, 2023. The revision to consolidated financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(3) Overall considerations

These consolidated financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in these consolidated financial statements, unless otherwise stated.

(4) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the consolidated financial statements of the Holding Company and its subsidiaries, line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and the equity of subsidiaries is shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Joint ventures

Interest in joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investment are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equal or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and joint venture are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(5) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

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

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

(6) Functional and presentation currency

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

(7) Current and non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(8) Measurement of fair values

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

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

The central valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure

fair values, then the central valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

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

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

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

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

Further information about the assumptions to these consolidated financial statements, valuation techniques, involvement of experts, etc made in measuring fair values is included in note 45- fair value measurements.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

(1) Property, plant and equipment

1.1 Initial recognition and measurement

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

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

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

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

1.2 Subsequent costs

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

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

1.3 Derecognition

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

(2) Depreciation

Depreciation is recognised in consolidated statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of

property, plant and equipment specified in schedule II to the Act as given below:

Asset category	Useful life (in years)
Buildings	30 years
Plant and equipment	10 – 15 years
Furniture and fixtures	10 years
Vehicles	8 – 10 years
Office equipments	5 years
Electrical installations and equipments	10 years
Computers	3 - 6 years

Land is not depreciated. Leasehold improvements are amortised over the lease period.

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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate. Based on technical evaluation, the Group management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

(3) Other intangible assets

3.1 Recognition and measurement

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

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

3.2 Derecognition

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

3.3 Amortisation

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

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

(4) Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

(5) Borrowing costs

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

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

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

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

(6) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing

impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting periods may no longer exist or may have decreased.

(7) Inventories

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

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

Finished goods and stores, spares and consumables are valued at lower of cost and net realisable value and the comparison is made on an item-by-item basis.

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

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

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

(8) Provisions and contingent liabilities and contingent assets

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

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

Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

(9) Government grants

Grants from government are recognised at their fair value when there is reasonable assurance that the

grant will be received and the Group will comply with all the attached conditions.

When the grant relates to a revenue item, it is recognised in the consolidated statement of profit and loss on a systematic basis over the periods in which the related costs are expensed. The grant can either be presented separately or can deduct from related reported expense.

Government grant relating to capital assets are recognised initially as deferred income and are credited to consolidated statement of profit and loss on a straight line basis over the expected lives of the related asset and presented as other operating income within revenue from operations.

(10) Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(11) Foreign currency transactions and translation

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

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

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

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(12) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good (or a bundle of goods) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, as or when, the performance obligation is satisfied. The Group recognises revenue when it transfers control of a product to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes tax and duties collected on behalf of the government. The Group recognises revenue from the following major sources:

Sale of products (including scrap sales)

Revenue from sale of products (including scrap sales) is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group recognises revenue when it transfers control over a product to a customer i.e. when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the Consolidated Balance Sheet under other current liabilities (see note 27).

Satisfaction of performance obligations

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

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

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

Variable considerations associated with such sales

Periodically, the entities included in the Group enters into volume or other rebate programmes where once a certain volume or other conditions are met, it gives the customer as volume discount some portion of the amounts previously billed or paid. For such arrangements, the respective entities only recognises revenue for the amounts it ultimately expects to realise from the customer. The respective entities estimates the variable consideration for these programmes using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

The subsidiary company provides product warranty on its goods sold to the buyer which is for a period of 3 years or specified distance run by the goods under the warranty terms, whichever is earlier. Under the terms of this warranty customers can return the product for repair or replacement if it fails to perform in accordance with published specifications. These warranties are accounted for under Ind AS 37.

Contract assets and contract liabilities

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Group's future performance. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Transfer of trade receivables

The Holding Company transfers certain trade receivables under bill discounting arrangements with banks. These transferred receivables do not qualify for derecognition as the Holding Company retains the credit risk with respect to these transferred receivables due to the existence of the recourse arrangement. Consequently, the proceeds received from such transfers with recourse arrangements are recorded as borrowings from banks and classified under current borrowings.

Income from export incentives

Income from export incentives viz. Duty Drawback are recognised on accrual basis.

(13) Dividend income

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

(14) Other income

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

(15) Operating expenses

Operating expenses are recognised in consolidated statement of profit and loss upon utilisation of the service or as incurred.

(16) Employee benefits

16.1 Short term employee benefits

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

16.2 Defined contribution plan

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

The Group pays fixed contribution to government administered provident fund scheme at predetermined rates. The contributions to the fund for the year are recognised as expense and are charged to the consolidated statement of profit and loss.

16.3 Defined benefit plan

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

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

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

16.4 Other long-term employee benefits

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

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

(17) Lease

Group as a lessee

The Group's lease asset classes primarily consist of property leases. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset;

- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

(18) Taxes on income

Income-tax expense comprises current and deferred tax. Current tax expense is recognised in the consolidated statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

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

Deferred tax is recognised in the consolidated statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

(19) Earning per share

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

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

(20) Equity, reserves and dividend payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Holding Company are recorded separately within equity.

(21) Segment reporting

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

(22) Equity investment

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

(23) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(24) Dividend payment

A final dividend, including tax thereon, on equity shares is recorded as a liability on the date of approval by the shareholders. An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the Board of directors.

(25) Financial instruments

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

25.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price in accordance with Ind

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

AS 115. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit and loss.

Subsequent measurement

(i) Financial assets carried at amortised cost

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

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

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

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

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

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables using the lifetime expected credit loss model.

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

25.2 Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

25.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(26) Trade payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

(27) Borrowings

Interest bearing borrowings are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated statement of profit and loss.

D. Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the consolidated financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is as under:

(1) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the respective Company's (included in the Group) future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilised.

(2) Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(3) Contingent liabilities

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

(4) Impairment of financial assets

At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates,

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March, 2023 (Contd.)

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

the Group management assesses the expected credit losses on outstanding receivables. Further, Group management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

(5) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(6) Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

(7) Leases

The entities included in the Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for

the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

(8) Government grant

Grants receivables are based on estimates for utilisation of the grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted for prospectively over the balance life of the asset.

(9) Fair value measurements

Management applies valuation techniques to determine fair value of equity shares (where active market quotes are not available) and stock option. This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of equity shares or stock options.

(10) Warranties

The subsidiary company makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information of the nature, frequency and average cost of warranty claims. The Company seeks to improve product quality and minimise warranty expenses arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

2 Property, plant and equipment (All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	Owned assets										Leased assets				Grand total
	Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Electrical installations and equipments	Computers	Total	Leasehold land	Right of use assets - Building	Right of use assets - other assets	Total		
Gross block															
As at 01 April, 2021	2,068.11	6,504.54	31,415.91	299.68	502.15	501.37	1,106.01	265.30	42,663.07	980.37	212.27	9.97	1,202.61	43,865.68	
Additions	-	973.15	3,751.13	82.22	132.27	21.20	57.93	44.52	5,062.42	-	30.09	2.54	32.63	5,095.05	
Disposals/adjustments	-	-	(108.18)	-	(65.06)	(7.11)	-	-	(180.35)	-	9.36	-	9.36	(170.99)	
Balance as at 31 March, 2022	2,068.11	7,477.69	35,058.86	381.90	569.36	515.46	1,163.94	309.82	47,545.14	980.37	251.72	12.51	1,244.60	48,789.74	
Additions	-	103.79	1,798.46	79.62	264.02	110.56	96.83	89.29	2,542.57	-	7.87	-	7.87	2,550.44	
Disposals/adjustments	-	(16.25)	(63.57)	-	(36.56)	-	-	(0.57)	(116.95)	-	(3.12)	-	(3.12)	(120.07)	
Balance as at 31 March, 2023	2,068.11	7,565.23	36,793.75	461.52	796.82	626.02	1,260.77	398.54	49,970.76	980.37	256.47	12.51	1,249.35	51,220.11	
Accumulated depreciation															
As at 01 April, 2021	-	1,598.78	15,199.23	131.06	217.79	296.37	494.35	121.16	18,058.74	-	141.25	3.90	145.15	18,203.89	
Charge for the year	-	205.63	2,144.96	25.26	60.85	65.08	73.91	66.98	2,642.67	-	60.22	1.99	62.21	2,704.88	
Adjustments for disposals	-	-	(93.08)	-	(23.22)	(6.51)	-	-	(122.81)	-	-	-	-	(122.81)	
Balance as at 31 March, 2022	-	1,804.41	17,251.11	156.32	255.42	354.94	568.26	188.14	20,578.60	-	201.47	5.89	207.36	20,785.96	
Charge for the year	-	238.09	2,531.21	33.21	66.24	71.61	78.22	68.27	3,086.85	-	39.57	2.45	42.02	3,128.87	
Adjustments for disposals	-	(10.25)	(58.21)	-	(10.98)	-	-	(0.44)	(79.88)	-	-	-	-	(79.88)	
Balance as at 31 March, 2023	-	2,032.25	19,724.11	189.53	310.68	426.55	646.48	255.97	23,585.57	-	241.04	8.34	249.38	23,834.95	
Net block as at 31 March, 2022	2,068.11	5,673.28	17,807.75	225.58	313.94	160.52	595.68	121.68	26,966.54	980.37	50.25	6.62	1,037.24	28,003.78	
Net block as at 31 March, 2023	2,068.11	5,532.98	17,069.64	271.99	486.14	199.47	614.29	142.57	26,385.19	980.37	15.43	4.17	999.97	27,385.16	

Notes:

- Refer note (a) of note 19 "Non current financial liabilities- Borrowings" and note (a) of note 24 "Current financial liabilities- Borrowings" for details regarding property, plant and equipment which are pledged as security.
- Refer note 41(A) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- The title deeds of all the immovable properties held by the entities included in the Group (other than properties where the entities included in the Group are the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the respective entities included in the Group. However, the title deeds of the undermentioned immovable properties in the nature of land, which have been mortgaged as security for loans or borrowings taken by the Holding Company, are lying with such respective lenders.

Description of property	Situated at/location
Land	Plot No. 4, 5A, 52, 53, 54 and 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road, Faridabad, Haryana
Land	Pritha Village, Faridabad
Land	Plot No 109-110, Vemgal Industrial Area, District Kolar, Karnataka

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

3 Capital work-in-progress

Particulars	Amount
Balance as at 01 April, 2021	34.67
Additions	3,355.50
Capitalised during the year	(3,286.13)
Balance as at 31 March, 2022	104.04
Additions	2,879.34
Capitalised during the year	(1,865.66)
Balance as at 31 March, 2023	1,117.72

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Ageing schedule of capital work-in-progress is as follows:					
As at 31 March, 2023					
- Projects in progress	1,013.68	104.04	-	-	1,117.72
- Projects temporarily suspended	-	-	-	-	-
					1,117.72
As at 31 March, 2022					
- Projects in progress	104.04	-	-	-	104.04
- Projects temporarily suspended	-	-	-	-	-
					104.04

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

4 Other intangible assets

Particulars	Computer software	Total
Gross block		
As at 01 April, 2021	120.06	120.06
Additions	11.72	11.72
Balance as at 31 March, 2022	131.78	131.78
Additions	128.88	128.88
Balance as at 31 March, 2023	260.66	260.66
Accumulated amortisation		
As at 01 April, 2021	59.24	59.24
Charge for the year	28.67	28.67
Balance as at 31 March, 2022	87.91	87.91
Charge for the year	42.72	42.72
Balance as at 31 March, 2023	130.63	130.63
Net block as at 31 March, 2022	43.87	43.87
Net block as at 31 March, 2023	130.03	130.03

Notes

to Consolidated financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

5 Non-current financial assets - investments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unquoted investments		
Investment in equity instrument in joint venture (carried at cost)		
Nil equity shares (31 March, 2022: 3,405,000 equity shares) of ₹ 10 each fully paid up in Sterling Fabory India Private Limited, (refer note: a)	-	115.19
Investment in equity instruments (carried at fair value through other comprehensive income)		
9,922 equity shares (31 March, 2022: 9,922 equity shares) of ₹ 10 each fully paid up in Altigreen Propulsion Labs Private Limited	1,531.86	1,463.59
	1,531.86	1,578.78
Aggregate amount of unquoted investments	1,531.86	1,578.78
Aggregate amount of impairment in value of investments	-	-

Note:

- a. Proportion of ownership interest in joint venture is stated as follows:

Name of jointly controlled entities	Place of business	% of ownership interest		Accounting method
		As at 31 March, 2023	As at 31 March, 2022	
Sterling Fabory India Private Limited	India	-	50	Equity method in accordance with Ind AS 28 'Investments in Associates and Joint Ventures'.

6 Non-current financial assets - others

(Unsecured, considered good)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security deposits	456.30	413.78
Interest accrued but not due	13.12	14.31
	469.42	428.09

7 Income-tax assets (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid taxes (net of provision for tax)*	64.60	13.98
	64.60	13.98

*Refer note 28 for movement of taxes

8 Other non-current assets

(Unsecured and considered good)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital advances	505.47	799.58
Advances other than capital advances:		
- Prepaid expenses	5.27	24.79
- Balances with statutory authorities	25.58	20.16
	536.32	844.53

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

9 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw material [includes goods in transit of ₹ 588.14 Lacs (31 March, 2022: ₹ 272.58 Lacs)]	7,978.88	4,725.12
Work in progress	1,360.42	1,090.06
Finished goods [includes goods in transit of ₹ 197.84 Lacs (31 March, 2021: ₹ 613.51 Lacs)]	5,698.45	4,796.28
Stores, spares and consumables [includes goods in transit of ₹ 7.82 Lacs (31 March, 2022: ₹ 10.51 Lacs)]	1,303.88	1,000.09
	16,341.63	11,611.55

Refer note 24(a) for information on inventory pledged as security by the Group.

Certain inventory of finished goods have been written down to its net realisable value in accordance with Ind AS 2, Inventories, and the resultant impact of write down amounts to ₹ 55.48 Lacs (31 March, 2022 - ₹ 45.88 Lacs). The carrying value of such inventories carried at fair value less costs to sell aggregating to ₹ 468.48 Lacs (31 March, 2022 - ₹ 793.06 Lacs).

10 Current financial assets - investments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Quoted investment		
Investment in mutual funds (carried at fair value through profit or loss) *		
Nil units (31 March, 2022: 1,020,458.68 units) in IDFC Arbitrage Fund	-	287.25
Nil units (31 March, 2022: 3,934.25 units) in Kotak Liquid Fund - Direct Plan - Growth Option	-	169.29
Nil units (31 March, 2022: 85,464.09 units) in ICICI Prudential Liquid Fund - Direct Plan - Growth Option	-	269.43
13,858.962 units (31 March, 2022: Nil units) in SBI Overnight Fund -Regular Plan - Growth Option	500.08	-

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investment in equity instruments (carried at fair value through profit or loss) **		
Nil equity shares (31 March, 2022: 1,295 equity share) in SBI Life Insurance Company Limited	-	14.52
Nil equity shares (31 March, 2022: 248 equity share) in Coforge Limited	-	11.05
Nil equity shares (31 March, 2022: 17,610 equity share) in IDFC First Bank Limited	-	6.99
Nil equity shares (31 March, 2022: 89 equity share) in Larsen & Toubro Infotech Limited	-	5.48
Nil equity shares (31 March, 2022: 41 equity share) in Ultratech Cement Limited	-	2.71
Nil equity shares (31 March, 2022: 467 equity share) in Deepak Fertilisers and Petrochemicals Corporation Limited	-	2.62
Nil equity shares (31 March, 2022: 18 equity share) in Schaeffler India Limited	-	0.35
Nil equity shares (31 March, 2022: 14 equity share) in Oil India Limited	-	0.03
	500.08	769.72
Aggregate amount of quoted investments and market value thereof		
- Book value	500.00	726.04
- Market value	500.08	769.72

* Includes investment in mutual funds in the previous year which were monitored through Aventus Absolute Return Strategy.

** Includes investment in equity instruments in the previous year which were monitored through Aventus Absolute Return Strategy.

11 Current financial assets - trade receivables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables		
Trade receivables - considered good, unsecured	8,136.50	6,273.54
Trade receivables - credit impaired	147.29	139.49
	8,283.79	6,413.03
Less: allowance for expected credit loss	(147.29)	(139.49)
	8,136.50	6,273.54

Movement in the allowance for expected credit loss

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Balance at the beginning of the year	139.49	36.83
Add: Allowance provided during the year	7.80	102.66
Less: Amounts written off during the year	-	-
Balance at the end of the year	147.29	139.49

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
- Refer Note 24(a) for information on trade receivables pledged as security by the Group.
- There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.
- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member
- The carrying amounts of the trade receivables include receivables which are subject to a bill discounting arrangement with the bank. Under this arrangement, the Holding Company has transferred the relevant receivables to the bank in exchange for cash. However, the Holding Company retains the credit risk with respect to the transferred receivables due to the existence of recourse till the due date of the relevant bills discounted. Accordingly, the Holding Company continues to recognise the transferred receivables in their entirety in its balance sheet till the due date. The amount repayable under the bills discounting arrangement is presented as unsecured current borrowings in note 24 - Current financial liabilities - borrowings. The Holding Company considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts in respect of the bills discounting arrangement is as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total transferred trade receivables under the bills discounting arrangement	1,672.31	1,540.55
Associated unsecured borrowings (refer note 24)	1,672.31	1,540.55

Ageing schedule of trade receivables is as follows:

As at 31 March, 2023	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	5,548.62	2,536.92	39.97	3.10	7.85	0.04	8,136.50
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	36.83	36.83
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	105.41	5.05	-	110.46

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

As at 31 March, 2022	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	4,873.05	1,384.22	5.38	9.74	0.93	0.22	6,273.54
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	36.83	36.83
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	1.45	96.16	5.05	-	-	102.66

12 Current financial assets - cash and cash equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with scheduled banks in current accounts	456.99	77.44
Cash on hand	3.25	4.96
	460.24	82.40

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and previous year.

13 Current financial assets - Bank balances other than cash and cash equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unpaid dividend accounts (earmarked balances with banks)*	19.36	20.99
Balances with banks in deposit accounts with original maturity of more than three months but residual maturity of less than twelve months**	4,933.02	2,198.35
Interest accrued but not due on fixed deposits with banks	74.58	122.92
	5,026.96	2,342.26

* Not due for deposit in the Investor Education and Protection Fund.

** Includes fixed deposits with banks amounting to ₹ Nil (31 March, 2022 - ₹ 521.10 Lacs), which are monitored through Avendus Absolute Return Strategy, where the Holding Company is the sole beneficial owner of the said fixed deposits.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

14 Current financial assets - loans

(Unsecured and considered good)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans receivable	25.60	10.43
	25.60	10.43

15 Current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Export incentive receivable	3.84	15.89
Less: Provision for loss allowance	-	-
	3.84	15.89
Derivatives designated as hedges		
- Foreign exchange forward contracts	-	15.27
Receivable from portfolio management services company *	5.01	80.12
Security deposits	2.30	25.23
Gratuity recoverable	4.83	1.41
Others #	136.30	139.62
	152.28	277.54

* The Holding Company had availed the services of Avendus Capital Public Markets Alternate Strategies LLP for managing its investment portfolio. This amount represents the surplus cash and bank balances lying with the portfolio management services.

This pertains to receivable from scrap sale and other recoverable.

Movement in the provision for loss allowance

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Balance at the beginning of the year	-	32.05
Add: provision created during the year	-	-
Less: Amounts written off during the year	-	(32.05)
Balance at the end of the year	-	-

16 Other current assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances other than capital advances:		
Prepaid expenses	61.88	50.06
Balance with government authorities	2,894.61	2,409.20
Surplus of plan assets over obligation (refer note 39)	47.79	23.54
Advance to suppliers	675.29	1,488.54
Other receivable	-	176.61
	3,679.57	4,147.95

Notes

to Consolidated financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

17 Equity share capital

Particulars	As at 31 March, 2023	As at 31 March, 2022
Authorised:		
50,000,000 equity shares (31 March, 2022: 50,000,000 equity shares) of ₹ 2/- each	1,000.00	1,000.00
Issued, subscribed and paid up:		
36,024,211 equity shares (31 March, 2022: 36,024,211 equity shares) of ₹ 2/- each	720.48	720.48
	720.48	720.48

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	3,60,24,211	720.48	3,60,24,211	720.48
Add: Equity shares issued during the year	-	-	-	-
Equity shares outstanding as at the end of the year	3,60,24,211	720.48	3,60,24,211	720.48

b. Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share (31 March, 2022: ₹ 2 per share). Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees.

During the year ended 31 March, 2023, the amount of per share final dividend recognised as distributions to equity shareholders is Re.1 per share (31 March, 2022: Re.1 per share) amounting to ₹ 360.25 Lacs (previous year - ₹ 360.25 Lacs).

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shareholders holding more than 5% shares in the Company*

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	% holding	No. of shares	% holding
Late Shri Manohar Lal Aggarwal, Promoter	-	-	38,55,080	10.70%
Mr. Anil Aggarwal, Promoter	61,10,583	16.96%	61,10,583	16.96%
Mr. Atul Aggarwal, Promoter	96,65,367	26.83%	96,65,367	26.83%
Mr. Akhill Aggarwal	26,87,957	7.46%	16,60,000	4.61%
Mr. Anish Agarwal	27,28,957	7.58%	17,01,000	4.72%
L&T Mutual Fund Trustee Limited	-	-	23,61,956	6.56%
Meidoh Company Limited	18,01,211	5.00%	18,01,211	5.00%

* As per records of the Company, including its register of members

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- d. No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid-up shares by way of bonus issues nor has any bought back of shares happened during the period of five years immediately preceding the reporting date.

e. **Details of equity shares held by promoter in the Holding Company as at the end of the year:**

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Late Shri Manohar Lal Aggarwal	-	-	(16.27%)	38,55,080	10.70%	-
Mr. Anil Aggarwal	61,10,583	16.96%	-	61,10,583	16.96%	(8.44%)
Mr. Atul Aggarwal	96,65,367	26.83%	-	96,65,367	26.83%	-
Mrs. Promila Aggarwal	7,01,000	1.95%	-	7,01,000	1.95%	-
Mr. Akhill Aggarwal	26,87,957	7.46%	4.34%	16,60,000	4.61%	4.22%
Mr. Anish Aggarwal	27,28,957	7.58%	4.34%	17,01,000	4.72%	4.22%
Ms. Ayesha Aggarwal	17,99,166	4.99%	7.59%	-	-	-

* Promoters for the purpose of this disclosure means promoters as defined under section 2(69) of the Companies Act, 2013

18 Other equity

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital reserve	6.65	6.65
Security premium	4,735.69	4,735.69
General reserve	2,786.46	2,786.46
Retained earnings	30,986.55	26,573.24
Equity instruments through other comprehensive income	806.91	755.82
Total	39,322.26	34,857.86

i) **Capital reserve**

Capital reserves represents proceeds of forfeited shares.

ii) **Security premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

iii) **General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

iv) **Retained earnings**

Retained earnings are created from the profit / loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

v) **Equity instruments through other comprehensive income**

The Holding Company has elected to recognise changes in the fair value of certain investment in equity instruments in other comprehensive income. These changes are accumulated in this reserve within equity.

Notes

to Consolidated financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

19 Non current financial liabilities - Borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
Indian rupee loan from banks (secured)		
Term loans	5,945.62	6,219.58
Less: Current maturities of long-term borrowings (refer note 24)	(2,314.30)	(1,958.29)
Interest accrued but not due on borrowings	33.16	31.85
	3,664.48	4,293.14

- a) The term loans (including current maturities) are secured by equitable mortgage of certain land and building at Plot No. 4, 5A, 52, 53, 54 and 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road and factory land and building situated at Prithla Village and Plot No 109-110, Vemgal Industrial Area, District Kolar, Bangalore, Karnataka and hypothecation of plant and machinery and other property, plant and equipment.
- b) The repayment profile of the term loans from banks is as set out below:
- Term loan from Punjab National Bank carries an interest of 8.35% and is repayable in 60 monthly instalments commencing from August 2019 with last instalment due on May 2024.
 - Term loan from State Bank of India carries an interest of 8.15% and is repayable in 60 monthly instalments commencing from January 2020 with last instalment due on December 2024.
 - Term loan from HDFC Bank carries an interest in the range of 8.60% to 9.25% and is repayable in 51 - 60 monthly instalments commencing from December 2019 with last instalment due on March 2028.
- c) There has been no default in servicing of loan during the year.
- d) The term loans have been used for the specific purpose for which they were availed.
- e) The Holding Company has complied with the relevant financial covenants under the terms of borrowings throughout the reporting period.

20 Non-current financial liabilities - others

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security deposits	19.32	33.26
	19.32	33.26

21 Provisions

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Non-current	Current	Non-current	Current
Provisions for employee benefit obligations [refer note 39(ii) and 39(iii)]	152.02	84.41	129.41	54.53
Other provisions				
Provision for warranty	542.52	271.26	75.12	37.56
	694.54	355.67	204.53	92.09

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Movement in the provision for warranty

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Balance at the beginning of the year	112.68	-
Add: provision created during the year	701.10	112.68
Less: Amounts adjusted during the year	-	-
Balance at the end of the year	813.78	112.68

22a Deferred tax liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred tax liability		
Property plant and equipment and intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,695.03	1,636.24
Fair value of forward exchange contracts	-	3.84
Fair value of investments in equity instruments	271.38	254.19
Sub-total (a)	1,966.41	1,894.27
Deferred tax assets		
Employee benefits	89.42	75.75
Allowance for expected credit loss	37.07	35.11
Interest on foreclosure of authorisation license under Export Promotion Capital Goods ('EPCG') scheme	82.86	-
Impact of difference between right-of-use assets and lease liabilities	0.33	1.02
Effective interest rate adjustment	0.11	0.47
Others	1.57	1.57
Sub-total (b)	211.36	113.92
Net deferred tax liability [(a) - (b)]	1,755.05	1,780.35

Movement in deferred tax balances

Particulars	As at 01 April, 2022	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March, 2023
Deferred tax liabilities				
Property plant and equipment and intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,636.24	58.79	-	1,695.03
Fair value of forward exchange contracts	3.84	(3.84)	-	-
Fair value of investments in equity instruments	254.19	0.01	17.18	271.38
Sub- total (a)	1,894.27	54.96	17.18	1,966.41

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	As at 01 April, 2022	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March, 2023
Deferred tax assets				
Employee benefits	75.75	13.42	0.25	89.42
Interest on foreclosure of authorisation license under EPCG scheme	-	82.86	-	82.86
Allowance for expected credit loss	35.11	1.96	-	37.07
Impact of difference between right-of-use assets and lease liabilities	1.02	(0.69)	-	0.33
Effective interest rate adjustment	0.47	(0.36)	-	0.11
Others	1.57	-	-	1.57
Sub- total (b)	113.92	97.19	0.25	211.36
Net deferred tax liabilities [(a)-(b)]	1,780.35	(42.23)	16.93	1,755.05

Deferred tax liabilities

Particulars	As at 01 April, 2021	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March, 2022
Property plant and equipment and intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,673.74	(37.50)	-	1,636.24
Fair value of forward exchange contracts	-	3.84	-	3.84
Fair value of investments in equity instruments	172.79	-	81.40	254.19
Sub- total (a)	1,846.53	(33.66)	81.40	1,894.27
Deferred tax assets				
Employee benefits	77.91	(4.11)	1.95	75.75
Allowance for expected credit loss	9.27	25.84	-	35.11
Impact of difference between right-of-use assets and lease liabilities	1.20	(0.18)	-	1.02
Provision for loss allowance	8.07	(8.07)	-	-
Effective interest rate adjustment	0.66	(0.19)	-	0.47
Others	1.57	-	-	1.57
Sub- total (b)	98.68	13.29	1.95	113.92
Net deferred tax liabilities [(a)-(b)]	1,747.85	(46.95)	79.45	1,780.35

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

22b Deferred tax assets (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred tax assets		
Employee benefits	8.80	0.75
Others	140.00	137.02
Sub-total (a)	148.80	137.77
Deferred tax liability		
Property plant and equipment and intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	14.15	5.96
Sub-total (b)	14.15	5.96
Net deferred tax assets [(a)-(b)]	134.65	131.81

Movement in deferred tax balances

Particulars	As at 01 April, 2022	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March, 2023
Deferred tax assets				
Employee benefits	0.75	8.22	(0.17)	8.80
Others	137.02	2.98	-	140.00
Sub- total (b)	137.77	11.20	(0.17)	148.80
Deferred tax liabilities				
Property plant and equipment and intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	5.96	8.19	-	14.15
Sub- total (a)	5.96	8.19	-	14.15
Net deferred tax assets [(b)-(a)]	131.81	3.01	(0.17)	134.65

Deferred tax assets

Particulars	As at 01 April, 2021	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March, 2022
Employee benefits	1.57	(0.44)	(0.38)	0.75
Others	58.63	78.39	-	137.02
Sub- total (a)	60.20	77.95	(0.38)	137.77
Deferred tax liabilities				
Property plant and equipment and intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1.89	4.07	-	5.96
Sub- total (b)	1.89	4.07	-	5.96
Net deferred tax assets [(a)-(b)]	58.31	73.88	(0.38)	131.81

Notes to Consolidated financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

i) **Income-tax recognised in Consolidated Statement of Profit and Loss**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax expense		
Current year	1,610.60	1,089.34
Earlier years	(20.58)	(45.39)
	1,590.02	1,043.95
Deferred tax expense		
Origination and reversal of temporary differences	(45.24)	(120.83)
	(45.24)	(120.83)
Total income tax expense	1,544.78	923.12

ii) **Income tax recognised in other comprehensive income**

Particulars	31 March, 2023			31 March, 2022		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Remeasurement of defined benefit plans	(0.02)	0.08	0.06	(5.53)	1.57	(3.96)
Changes in fair value of equity investment through other comprehensive income	68.27	(17.18)	51.09	323.45	(81.40)	242.05
	68.25	(17.10)	51.15	317.92	(79.83)	238.09

iii) **Reconciliation of effective tax rate**

Particulars	31 March, 2023	31 March, 2022
	Amount	Amount
Profit before tax	6,332.58	3,476.68
Income-tax expense at tax rates applicable to individual entities included in the Group	1,585.24	925.77
Tax effect of:		
- Corporate social responsibility expenditure	18.91	23.55
- Tax adjustment for earlier years	(20.58)	(45.39)
- Others	(38.79)	19.19
At the effective income tax rate	1,544.78	923.12

(a) There is no temporary differences associated with investment in subsidiaries.

(b) **Basis of computing Group's domestic tax rate:**

Particulars	31 March, 2023	31 March, 2022
Base rate	22.00%	22.00%
Add: Surcharge @ 10%	2.20%	2.20%
	24.20%	24.20%
Add: Health and Education cess @ 4%	0.97%	0.97%
	25.17%	25.17%

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

23 Other non-current liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred grant income [refer note (a) below]	836.40	1,550.88
Others	47.90	35.75
	884.30	1,586.63
(a) Movement of deferred grant income:		
Opening balance	1,779.11	1,798.31
Add: Grant received during the year	-	200.00
Less: Released to standalone statement of profit and loss	(175.87)	(219.20)
	1,603.24	1,779.11
Deferred grant income:		
- Current	766.84	228.23
- Non-current	836.40	1,550.88
	1,603.24	1,779.11

During the previous year, the Holding Company has received subsidy amounting to ₹ 200.00 Lacs, for the construction of Effluent Treatment Plant (ETP), vide order no. CI/58/SPI/2013, under the Investment Policy of 2014-19. The aforesaid subsidy has been recognised as government grant by setting up a deferred grant income, which is amortised over the life of asset in accordance with Ind AS 20, 'Accounting for Government Grants and Disclosure of Government Assistance'.

24 Current financial liabilities - borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
<i>(Secured and carried at amortised cost)</i>		
Loans repayable on demand from banks		
- Cash credit facilities	1,092.68	2,222.70
- Working capital demand loan	4,513.20	2,500.00
Current maturities of long-term borrowings (refer note 19)	2,314.30	1,958.29
Interest accrued but not due on borrowings	-	60.51
<i>(Unsecured and carried at amortised cost)</i>		
Bill discounting facility from banks	1,672.31	1,540.55
	9,592.49	8,282.05

Note:

- The cash credit facilities and working capital demand loan obtained by the Holding Company are secured by hypothecation of all inventories including those in transit, receivables, book debts on pari passu basis, equitable mortgage of land and building situated at Plot No 4, 5A, 52, 53,54 and 54A DLF Industrial Estate, Phase-I, Delhi-Mathura Road and factory land and building situated at Prithla Village, Faridabad and Plot No 109-110, Vemgal Industrial Area, District Kolar, Bangalore, Karnataka.
The cash credit facility obtained by the subsidiary company is primarily secured by corporate guarantee given by the Holding Company and exclusive charge on entire movable and current assets of that subsidiary company.
- The outstanding balance of cash credit facilities is repayable on demand and the rate of interest ranges between 6.85% to 9.32% (31 March, 2022: 7.00% to 7.60%) per annum .
- The outstanding balance of working capital demand loan is repayable within a period of 30 days from the date of disbursement and the rate of interest ranges between 5% to 7% (31 March, 2022: 5.0% to 5.9%) per annum.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- d) The cash credit facilities and working capital demand loans have been used for the specific purpose for which they are taken as at the year end.
- e) The bills discounting facility from banks are secured by first charge on trade receivables subject to the bills discounting arrangement.
- f) Details of quarterly statements of current assets filed by the Holding Company with banks and reasons of material discrepancies:

For the year ended 31 March, 2023:

Quarter ended	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
30 June, 2022	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	18,009.09	16,395.00	1,614.09	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
30 September, 2022	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	19,738.57	17,882.33	1,856.24	Variance is primarily on account of supplementary invoices and due to recognition of amount repayable under the bills discounting arrangement considered post submission of the quarterly statements.
31 December, 2022	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	20,433.61	18,627.14	1,806.47	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
31 March, 2023	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	18,966.82	17,198.11	1,768.71	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

For the year ended 31 March, 2022:

Quarter ended	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Remarks
30 June, 2021	HDFC Bank, Punjab National Bank and State Bank of India	Pari-passu charge on current assets	15,563.00	15,075.26	487.74	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
30 September, 2021	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	17,098.72	16,173.22	925.50	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
31 December, 2021	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	14,953.34	14,289.88	663.46	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.
31 March, 2022	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	15,932.03	14,464.30	1,467.73	Variance is primarily due to recognition of amount repayable under the bills discounting arrangement post submission of the quarterly statements.

With respect to the quarterly statements of current assets filed with bank by the subsidiary company - Sterling Gtack E-mobility Limited, are materially in agreement with the books of account of such subsidiary.

25 Current financial liabilities - trade payables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	964.62	801.77
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,871.08	2,383.10
	5,835.70	3,184.87

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- A) a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	964.62	801.77
- Interest	-	-
ii) The amount of interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

- b) This information has been compiled in respect of parties to the extent they could be identified as micro, small and medium enterprises on the basis of information available with the management as at the year end.

- B) Ageing schedule of trade payables is as follows:

As at 31 March, 2023	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	960.54	4.08	-	-	-	964.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	572.23	453.81	3,824.29	7.33	4.69	8.73	4,871.08
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

As at 31 March, 2022	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	800.81	0.96	-	-	-	801.77
Total outstanding dues of creditors other than micro enterprises and small enterprises	623.45	987.47	753.85	7.99	10.33	0.01	2,383.10
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

26 Current financial liabilities - others

Particulars	As at 31 March, 2023	As at 31 March, 2022
Creditors for capital goods [refer note (a) below]	246.19	175.75
Unclaimed dividend*	19.36	20.99
Employee related payables	564.71	359.36
	830.26	556.10

* the above amount does not include any sum due to be transferred to Investor Education and Protection Fund.

- a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

Particulars	As at 31 March, 2023	As at 31 March, 2022
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	-	-
- Interest	-	-
ii) The amount of interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

This information has been compiled in respect of parties to the extent they could be identified as micro, small and medium enterprises on the basis of information available with the management as at the year end.

Notes

to Consolidated financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

27 Other current liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract liabilities (refer note 49)	211.51	236.69
Deferred grant income [refer note 23(a)]	766.84	228.23
Statutory dues payable	618.02	547.10
Interest accrued on foreclosure of authorisation license under Export Promotion Capital Goods ('EPCG') scheme	329.23	-
	1,925.60	1,012.02

28 Current tax liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for tax (net of advance tax)	71.58	-
	71.58	-

Note:

The following table provides the details of income-tax assets and current tax liabilities:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid taxes (refer note 7)	64.60	13.98
Provision for tax (refer note 28)	(71.58)	-
Net position [asset/(liability)]	(6.98)	13.98

a. Income-tax assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	13.98	80.56
Transfer from current tax liabilities	55.58	23.95
Refunds received	(4.96)	(90.53)
Total (A)	64.60	13.98

b. Current tax liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	-	101.07
Provision for tax	1,610.60	1,089.34
Interest on taxes	6.58	0.50
Prepaid taxes paid during the year	(1,580.60)	(1,169.47)
Tax earlier years	(20.58)	(45.39)
Transferred to income-tax assets	55.58	23.95
Total (B)	71.58	-
Net income-(liabilities)/assets [(A) - (B)]	(6.98)	13.98

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

29 Revenue from operations

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Sale of products		
- Finished goods	76,260.98	49,993.20
Sale of services		
- Product support services	25.73	37.01
Other operating income		
- Sale of scrap	723.67	639.70
- Export incentives	11.55	69.21
- Amortisation of grant income	175.87	219.20
Total	77,197.80	50,958.32

30 Other income

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income from:		
- fixed deposits with banks carried at amortised cost	125.49	118.43
- security deposit with electricity department carried at amortised cost	17.30	18.26
Other non operating income		
Liabilities no longer required, written back	1.18	7.91
Gain on termination of lease liability	0.12	-
Profit on disposal of property, plant and equipment (net)	33.63	-
Gain on fair value of forward contracts measured at fair value through profit or loss	-	15.27
Income from investment in equity instruments carried at fair value through profit or loss		
- gain on sale of equity instruments	25.82	61.78
- dividend income	0.05	0.71
- gain on fair value of equity instruments	-	2.41
Income from mutual funds carried at fair value through profit or loss		
- gain on sale of mutual fund	44.14	7.73
- gain on fair value of mutual fund	0.08	20.19
Miscellaneous income	42.20	49.96
	290.01	302.65

31 Cost of materials consumed

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Raw material at the beginning of the year	4,725.12	5,226.65
Add: purchases during the year	42,702.12	22,931.38
Less: Raw material at the end of the year	7,390.74	4,725.12
Total cost of materials consumed	40,036.50	23,432.91

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

32 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventories at the beginning of the year		
- Finished goods	4,796.28	3,432.68
- Work-in-progress	1,090.06	1,424.44
	5,886.34	4,857.12
Inventories at the end of the year		
- Finished goods	5,698.45	4,796.28
- Work-in-progress	1,360.42	1,090.06
	7,058.87	5,886.34
Increase in inventories	(1,172.53)	(1,029.22)

33 Employee benefits expense

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salary, wages and bonus	4,648.79	4,006.69
Contribution to provident and other funds	398.13	348.68
Staff welfare expenses	164.36	100.59
	5,211.28	4,455.96

34 Finance costs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest expense on financial liabilities measured at amortised cost	830.10	640.60
Interest on lease liabilities	2.57	6.78
Interest on delayed payment of advance taxes	6.58	0.50
Other finance cost	44.44	38.86
	883.69	686.74

35 Depreciation and amortisation expenses

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation on property, plant and equipment	3,086.85	2,642.67
Amortisation on right-of-use assets	42.02	62.21
Amortisation on other intangible assets	42.72	28.67
	3,171.59	2,733.55

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

36 Other expenses

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Consumption of stores and spares	5,193.03	3,972.12
Job work charges	2,814.18	1,739.79
Consumption of packing materials	1,015.34	920.93
Power and fuel	4,703.52	3,877.45
Rent (refer note 42)	111.20	78.76
Repairs and maintenance		
- Building	606.71	327.03
- Plant and machinery	1,657.83	1,388.60
Security charges	114.07	86.50
Insurance	205.55	183.32
Legal and professional charges	516.21	432.22
Rates and taxes	22.51	29.34
Sales promotion	85.46	70.84
Freight outward	1,933.55	1,487.62
Travelling and conveyance	331.79	146.30
Contract labour charges	2,287.75	1,682.91
Payment to auditors (refer details below)	42.89	29.35
Commission to director (refer note 43)	100.00	64.00
Corporate social responsibility expenses (refer note 44)	75.13	93.58
Allowance for expected credit loss	7.80	102.66
Loss on sale of forward contracts measured at fair value through profit or loss	15.27	-
Provision for warranty	701.10	112.68
Bad debts written off	1.74	1.08
Loss on foreign exchange fluctuation (net)	66.89	40.45
Loss on disposal of joint venture	4.12	-
Loss on disposal of property, plant and equipment (net)	-	3.72
Miscellaneous expenses	755.32	571.44
	23,368.96	17,442.69

Payments to statutory auditors as*

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Auditor	39.50	27.89
(b) Other services	0.75	0.60
(c) For reimbursement of expenses	2.64	0.86
	42.89	29.35

*excluding applicable taxes

Notes

to Consolidated financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

37 Exceptional items

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Insurance claim received [refer note (a) below]	673.49	-
Interest on foreclosure of license under Export Promotion Capital Goods ('EPCG') scheme [refer note (b) below]	(329.23)	-
	344.26	-

Note:

- (a) This pertains to an insurance claim received towards a fire incident in an earlier year at one of the manufacturing facility of the Holding.
- (b) This pertains to estimated interest liability amounting to ₹ 329.23 Lacs recognised by the Holding Company on foreclosure of one license under Export Promotion Capital Goods ('EPCG') scheme.

38 Earnings per share

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Consolidated profit for the year attributable to owners (A)	4,787.80	2,553.70
Weighted average number of equity shares outstanding during the year (B) (nos. in Lacs)	360.24	360.24
Nominal value per share (₹)	2.00	2.00
Basic and diluted earnings per equity share (face value of share- ₹ 2 each) (A/B) (₹)	13.29	7.09

39 Employee benefits

i) Defined contribution plans

The Group makes fixed contribution towards provident fund and Employees' State Insurance (ESI) for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Group is required to contribute a specified percentage of payroll cost to fund the benefits. Similarly, the contribution is made in ESI at a specified percentage of payroll cost.

The Group recognised ₹ 237.57 Lacs (31 March, 2022: ₹ 221.72 Lacs) for provident fund contribution and ₹ 10.81 Lacs (31 March, 2022: ₹ 11.74 Lacs) for ESI contribution in the Consolidated Statement of Profit and Loss and included in note 33 - "Employee benefits expense". The contribution payable to these plans by the Group is at rates specified in the rules of the schemes.

ii) Defined benefit plans

Gratuity

Contribution to Gratuity funds- Life Insurance Corporation of India, Group Gratuity Scheme

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Holding Company makes contribution to recognised funds in India.

The unfunded gratuity obligation of directors of the Holding Company and employees of a subsidiary company is determined based on actuarial valuation using the Projected Unit Credit Method.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- A) Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the beginning of the year	42.48	41.31	679.60	645.54
Included in consolidated profit or loss:				
Current service cost	7.81	1.93	60.50	57.18
Interest cost	3.02	2.80	47.07	41.14
Total amount recognised in consolidated profit and loss	10.83	4.73	107.57	98.32
Included in other comprehensive income:				
Remeasurement loss/(gain) arising from:				
- demographic assumptions	1.39	1.35	(0.07)	-
- financial assumptions	1.11	1.16	(14.14)	(19.39)
- experience adjustment	(6.34)	(6.07)	18.51	30.90
Total amount recognised in other comprehensive income	(3.84)	(3.56)	4.30	11.51
Other	-	-	(3.69)	(4.07)
Less: Benefits paid	-	-	31.34	71.70
Present value of obligation at the end of year	49.47	42.48	756.44	679.60

Change in the fair value of plan assets

Particulars	Gratuity (funded portion)	
	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Fair value of plan asset at the beginning of the year	703.14	633.34
Included in profit and loss:		
Return on plan assets - interest income	53.55	45.94
Contributions paid	82.12	97.20
Benefits paid	31.34	71.70
Others	(3.69)	(4.07)
Included in other comprehensive income:		
Actuarial gain	(0.45)	(2.43)
Fair value of plan asset at the end of the year	804.23	703.14

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Major category of plan asset as a % of total plan assets

Category of assets (% allocation)	As at 31 March, 2023		As at 31 March, 2022	
	(%)	Amount	(%)	Amount
Insurance policies	100	804.23	100	703.14

Net defined benefit liability recognised in the consolidated balance sheet

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Present value of unfunded/funded obligation at the end of the year	49.47	42.48	756.44	679.60
Fair value of plan asset as at the end of the period	-	-	804.23	703.14
Net defined benefit liability	49.47	42.48	(47.79)	(23.54)

B) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Discount rate (per annum)	7.35% - 7.38%	7.11% - 7.21%	7.35%	7.11%
Salary growth rate (per annum)	6.00%	6.00%	6.00%	6.00%
Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Retirement age (years)	58	58	58	58
Withdrawal rate (%)	1%	1%	2% to 15%	2% to 10%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

C) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Gratuity (funded)			
	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(54.48)	62.31	(52.06)	59.77
Salary escalation rate (1% movement)	65.72	(58.72)	62.85	(55.58)

Particulars	Gratuity (unfunded)			
	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.85)	0.46	(1.76)	(0.83)
Salary escalation rate (1% movement)	0.52	(2.92)	(0.82)	(1.78)

Sensitivities due to mortality and withdrawals are not material. Hence, impact of change is not calculated above.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

D) Risk exposure

i) Changes in discount rate

A decrease in discount yield will increase plan liabilities.

ii) Mortality table

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

iii) Salary increase

Actual salary increase will increase the plan's liabilities. Increase in salary rate assumption in future valuation will also increase the valuation.

E) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flows)-funded

Particulars	31 March, 2023	31 March, 2022
Less than 1 year	69.63	51.64
Between 1-2 years	58.93	45.53
Between 2-5 years	228.20	181.81
Over 5 years	369.70	533.77
Total	726.46	812.75

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.04 years (31 March, 2022: 12.52 years).

Expected contribution to post-employment benefit plans in the next year is nil (31 March, 2022: ₹ Nil).

F) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flows)-unfunded

Particulars	31 March, 2023	31 March, 2022
Less than 1 year	40.65	40.00
Between 1-2 years	-	0.01
Between 2-5 years	0.35	0.09
Over 5 years	1.06	2.39
Total	42.06	42.49

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 1 to 23.34 years (31 March, 2022: 1 to 23.5 years).

Expected contribution to post-employment benefit plans in the next year is ₹ 24.74 Lacs (31 March, 2022: ₹ 20.56 Lacs).

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

G) Amount for the current and previous four years are as follows - gratuity (funded):

Particulars	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019
Defined benefit obligation	756.44	679.60	645.54	595.88	564.16
Experience gain/(loss) adjustments on liabilities	(18.51)	(30.90)	(2.99)	36.53	(9.99)

H) Amount for the current and previous four years are as follows - gratuity (unfunded):

Particulars	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019
Defined benefit obligation	49.47	42.48	41.31	36.98	54.69
Experience gain adjustments on liabilities	6.34	6.07	0.74	22.20	3.00

iii) Other long-term employee benefit plans

The Group provides for compensated absences to its employees. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, such benefit is classified as a other long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of ₹ 58.10 Lacs (31 March, 2022: ₹ 44.16 Lacs) for the year have been made on the basis of actuarial valuation as at the year end and debited to the Consolidated Statement of Profit and Loss. As at 31 March, 2023, provision for compensated absences amounts to ₹ 186.96 Lacs (31 March, 2022 - ₹ 141.46 Lacs) presented as provisions for employee benefit obligations in note 21 - Provisions.

40 Operating segments

In accordance with Ind AS 108 'Operating Segments', the Board of Directors of the Company, being the chief operating decision maker of the Company has determined "Automotive Components" as the only operating segment.

Further, in terms of paragraph 31 of Ind AS 108, entity wide disclosures have been presented below:

Entity wide disclosures

A. Information about products and services

The Group is engaged in the manufacturing and marketing of one product line i.e. "Automotive Components" primarily used in the automobile industry. Therefore, product wise revenue disclosure is not applicable.

B. Information about geographical area

The major sales of the Group are made to customers which are domiciled in India. Information concerning principal geographic areas is as follows

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Net sales to external customers by geographic area by location of customers		
a) India	75,140.93	45,200.26
a) Outside India	1,145.78	4,829.95
Total	76,286.71	50,030.21

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Non-current assets (other than non-current financial assets) by geographic areas		
a) India	29,368.49	29,142.01
a) Outside India	-	-
Total	29,368.49	29,142.01

C. Information about major customers

Revenues of ₹ 11,113.84 Lacs and ₹ 8,426.22 Lacs (31 March, 2022: ₹ 9,179.55 Lacs and ₹ 6,711.21 Lacs) are derived from two customers, who individually accounted for more than ten percent of the total revenue.

41 Contingent liabilities, contingent assets and commitments

A. Capital commitment:

- Estimated amount of contracts remaining to be executed on the capital account and not provided for in the books of account (net of capital advances) ₹ 231.60 Lacs (₹ 859.39 Lacs as at 31 March, 2022).
- The Holding Company vide memo no. 3278 dated 14 May, 2013 had paid certain amounts to Senior Town Planner, Faridabad Circle, Faridabad, for the "change in land use" of part of the land situated at its Prithla unit. As per the agreed terms, there would be certain external development charges, scrutiny fees, etc. which are payable at a future date, if any variation is carried out at this said unit. However, the quantum of such future liability is not quantified in the said letter.

B. Contingent liabilities and other commitments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contingent liabilities		
I) Claims against the Group not acknowledged as debt:		
i) Disputed liability - Central Excise Act (refer note 'a' below)	114.30	287.44
ii) Interest on disputed liability - Central Excise Act (refer note 'b' below)	70.25	153.55
iii) Disputed liability - GST Act. (refer note 'c' below)	50.00	-
iv) Demand under Income-tax Act, 1961		
- Assessment year: 2013-14	0.62	0.62
- Assessment year: 2016-17	2.94	3.56
- Assessment year: 2018-19	51.78	51.78
- Assessment year: 2020-21	142.58	155.68
Other commitments		
i) Export Promotion Capital Goods (EPCG) - export obligation (refer note 'd' below)	4,361.44	13,997.16

*Export obligation under the EPCG scheme refers to the Company's obligation for export sales equivalent to six times of duties, taxes and cess saved on capital goods.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- a) Service tax demand amounting to ₹ 106.04 Lacs for the period April 2014 to June 2017 was due to disallowance of the Cenvat Credit on outward transportation of final product to the buyer's premises. Representation against the aforementioned demand were filed before the Joint Commissioner of Central Tax, Faridabad, Haryana. On 04 June, 2021, the Holding Company has received an unfavourable order from the Joint Commissioner. On 02 August, 2021, the Holding Company had filed an appeal against the aforesaid order with the Commissioner Appeals, however, the Holding Company has received an unfavourable order from the Commissioner Appeals vide order dated 25 February, 2022. The Holding Company had filed an appeal, on 26 May, 2022, against the said demand/order with Customs Excise and Service Tax Appellate Tribunal ('CESTAT') Chandigarh and remains confident of getting a relief against the said order.

Excise duty demand amounting to ₹ 181.40 Lacs for the period January 2013 to June 2017 under the Central Excise Act is owing to dispute regarding not adding the value of drawings/designs and specifications in the cost of moulds/dies. The Holding Company had submitted requisite responses before the Additional Director General (Adjn.), Director General of Goods and Services Tax Intelligence, New Delhi. During the current year, Additional Director General (Adjn.), vide order no 48-67/2022 CE dated 29 July, 2022, has dropped the demand to ₹ 8.26 Lacs. The Holding Company has filed an appeal, on 16 November, 2022, against the said order with Customs Excise and Service Tax Appellate Tribunal ('CESTAT') Delhi and remains confident of a favourable outcome on the above.

- b) Interest amounting to ₹ 70.25 Lacs (31 March, 2022 - ₹ 153.55 Lacs) on the demands raised by excise authorities has been calculated by the Group based on the demand cum show-cause notices pending adjudication.
- c) Demand under GST amounting to ₹ 50.00 Lacs raised during the year vide show cause notice reference no. ZD060922013840M dated 21 September, 2022, pertaining to mismatch of input tax credit in GSTR-3B and GSTR-2A/2B for the FY 2019-20. The Holding Company has submitted reply to the said show cause notice vide letter dated 27 October, 2022. The Holding Company is of the view that the issues raised by the revenue authorities do not have sufficient statutory backing and the Holding Company's stand is supported by various favourable judicial precedents. The Holding Company believes that it has a strong case to argue and remains confident of getting a relief against the said demand.

The Group has no other material contingent liabilities other than those disclosed above, which could devolve upon the Group.

It is not practicable for the Group to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required in respect of the above proceedings.

- d) The Holding Company, during the year, has filed for the redemption/fulfilment of the export obligations in respect of eight licenses under Export Promotion Capital Goods ('EPCG') scheme with the relevant authorities. Basis such filing, the Holding Company has fulfilled the export obligations in respect of the said eight licenses and the Export Obligation Discharge Certificate ('EODC') in respect of the same are awaited as at the date of approval of these consolidated financial statements.

Further, with respect to one license, the management has performed a detailed assessment and concluded that the Holding Company will be able to fulfil a part of the export obligation in respect of this license and proportionate duty on the un-fulfilled export obligation will be payable by the Holding Company to the authorities. The Holding Company has assessed that adequate liability for payment of the said duty in respect of the aforesaid license is existing in the books of accounts and estimated interest liability amounting to ₹ 329.23 Lacs on foreclosure of this licence has been recognised in the consolidated statement of profit and loss account (refer note 37).

Export obligation disclosed under other commitments [refer note 41(B)] as at the year end represents export obligation in respect of the one license where the export obligation is pending.

C. Contingent assets- Nil

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

42 Lease related disclosures as lessee

Lease liabilities are presented in consolidated balance sheet as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current	15.84	45.35
Non-current	5.05	15.54
Total	20.89	60.89

The following are amounts recognised in consolidated statement of profit and loss:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Amortisation on right-of-use assets	42.02	62.21
Interest expense on lease liabilities	2.57	6.78
Rent expense*	111.20	78.76
Total	155.79	147.75

*Rent expense for short-term leases and not included in the measurement of lease liabilities.

The Group has leases for its plant, offices and equipments. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner in the balance sheet separately from other assets.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on consolidated balance sheet:

Right-of-use asset	No. of right-of-use assets leased	"Range of remaining term (in years)"	No of leases with extension options/ No of leases with termination options
Plant, offices and equipments	21	1 - 5 years	21

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 45.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the financial statements.

The expense relating to payments not included in the measurement of the lease liability for short-term leases is ₹ 111.20 Lacs (31 March, 2022 - ₹ 78.76 Lacs).

At 31 March, 2023 and 31 March, 2022, the Group is not committed to any liability towards short-term leases.

Total cash outflow for leases for the year ended 31 March, 2023 was ₹ 158.40 Lacs (31 March, 2022 - ₹ 148.51 Lacs) [including ₹ 111.20 Lacs (31 March, 2022 - ₹ 78.76 Lacs) paid towards the aforementioned short-term leases].

Notes

to Consolidated financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

43 Related party disclosures

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:

I Name of the related parties and description of relationship:

Relationship	Name of related party
Key management personnel (KMP)	Mr. Anil Aggarwal – Chairman cum Managing Director
	Mr. Atul Aggarwal – Whole Time Director
	Mr. Akhill Aggarwal – Director
	Mr. Jaideep Wadhwa - Director
	Dr. Triloki Nath Kapoor - Independent director
	Ms. Malini Sud- Independent director
	Mr. Chhotu Ram Sharma - Independent director
	Mr. Shailendra Swarup- Independent director
	Mr. Rakesh Batra - Independent Director
	Mr. Rahoul Kabir Bhandari - Independent director (till 15 December, 2021)
Enterprise over which KMP exercise control and/or significant influence	Sterling Technologies Private Limited
	Sterling Automobiles Private Limited
	Sterling Tools Foundation
Relative of KMP with whom transactions have occurred	Late Shri Manohar Lal Aggarwal (Father of Mr. Anil Aggarwal)
	Mr. Anish Agarwal (Son of Mr. Anil Aggarwal)
	Mrs. Promila Aggarwal (Wife of Mr. Anil Aggarwal)
Joint venture company	Sterling Fabory India Private Limited (till 2 June 2022)

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

II Disclosure of related parties transactions (including material transactions):

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
i) Transaction with enterprises over which KMP has control and/or significant influence		
a) Expenses paid- repairs and maintenance		
Sterling Automobiles Private Limited	2.87	1.79
	2.87	1.79
b) Expenses paid- Insurance/warranty		
Sterling Automobiles Private Limited	2.97	2.87
	2.97	2.87
c) Rent paid		
Sterling Technologies Private Limited	73.92	83.92
	73.92	83.92
d) Purchase of asset		
Sterling Automobiles Private Limited	5.55	20.19
	5.55	20.19
e) Corporate social responsibility expenses paid		
Sterling Tools Foundation	50.17	93.25
	50.17	93.25
f) Refund received of Security Deposit		
Sterling Technologies Private Limited	24.00	-
	24.00	-
ii) Transaction with joint venture company		
Disposal of investment in joint venture (including loss on disposal of investment)	115.19	-
	115.19	-
iii) Transaction with KMP and their relatives		
Remuneration paid (A)		
Mr. Anil Aggarwal	211.04	184.10
Mr. Atul Aggarwal	205.16	180.58
Mr. Anish Agarwal	-	34.37
Mr. Jaideep Wadhwa	15.67	-
	431.87	399.05
Commission paid (B)		
Mr. Anil Aggarwal	50.00	32.00
Mr. Atul Aggarwal	50.00	32.00
	100.00	64.00
Compensation to KMP * [(A)+(B)]		
- Short-term employee benefits	489.64	391.96
- Defined contribution plans	42.23	36.72
	531.87	428.68

* Does not include provisions/ contributions towards gratuity and compensated absences for all directors, as such provisions/ contributions are for the group as a whole.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Dividend paid		
Late Shri Manohar Lal Aggarwal	38.55	38.55
Mr. Anil Aggarwal	61.11	81.11
Mr. Atul Aggarwal	96.65	96.65
Mrs. Promila Aggarwal	7.01	7.01
Mr. Akhill Aggarwal	16.60	6.60
Mr. Anish Agarwal	17.01	7.01
Mr. Jaideep Wadhwa	0.14	0.14
	237.07	237.07
Director sitting fees		
Dr. Triloki Nath Kapoor	2.50	3.50
Ms. Malini Sud	2.50	3.50
Mr. Chhotu Ram Sharma	6.00	6.00
Mr. Shailendra Swarup	5.50	5.00
Mr. Rakesh Batra	6.00	6.50
Mr. Rahoul Kabir Bhandari	-	1.00
	22.50	25.50
Legal and professional charges		
Mr. Jaideep Wadhwa	75.00	70.00
	75.00	70.00
Reimbursement of expenses		
Mr. Jaideep Wadhwa	24.22	3.27
	24.22	3.27
Particulars	As at 31 March, 2023	As at 31 March, 2022
iii) Closing balances		
Remuneration payable		
Mr. Anil Aggarwal	-	0.29
Mr. Atul Aggarwal	-	0.46
Total	-	0.75
Commission payable		
Mr. Anil Aggarwal	39.98	26.31
Mr. Atul Aggarwal	38.89	23.15
	78.87	49.46
Legal and professional charges payables		
Mr. Jaideep Wadhwa	5.63	-
	5.63	-
Outstanding payables		
Sterling Automobiles Private Limited	0.29	2.79
	0.29	2.79
Security deposits		
Sterling Technologies Private Limited	-	24.00
	-	24.00
Investments		
Sterling Fabory India Private Limited	-	115.19
	-	115.19

III Terms and conditions

All transactions were made in the normal course of the business.

All outstanding balances are unsecured and are repayable in cash.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

44 Corporate social responsibility

The Holding Company's CSR programs/projects focusses on sectors and issues as mentioned in in Schedule VII read with section 135 of the Act. The CSR committee has been formed by the Holding Company as per the Act.

a) Details of CSR expenditure of the Holding Company are as under:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Gross amount required to be spent (i.e. 2% of average net profits under section 198 of Companies Act, 2013 of last three years) (A)	75.13	93.58
Shortfall of the previous year (B)	-	-
Total (A+B)	75.13	93.58
Amount spent during the year [refer note (b) below]	50.17	93.58
Shortfall/(surplus) for the year	24.96	-

The shortfall in the amount required to be spent during the year is on account of the fact that the Holding Company has certain on-going projects on which such unspent amounts were identified to be spent. The Holding Company has transferred the unspent amount of ₹ 24.96 Lacs to a separate bank account on 28 April 2023 in accordance with the requirements of section 135 of the Act.

b) Details of CSR expenses incurred:

Amount spent during the year ended 31 March, 2023:

S. No.	Purpose for which expenditure incurred	Amount in cash/ cheque	Remarks	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	50.17	Others	50.17

Amount spent during the year ending 31 March, 2022:

S. No.	Purpose for which expenditure incurred	Amount in cash/ cheque	Remarks	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	93.58	Others	93.58

The aforesaid CSR expenditure amounting to ₹ 50.17 Lacs (31 March, 2022 - ₹ 93.25 Lacs) pertains to contribution to Sterling Tools Foundation (entity over which KMP exercise control), with the main objective of working in areas focused on health, education, empowering under-privileged section of the society and to support the destitute

c) During the year, the Holding Company has made provision of ₹ 24.96 Lacs (previous year- nil) for corporate social responsibility expenses.

Movement in the provision for corporate social responsibility

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Balance at the beginning of the year	-	-
Add: provision made during the year	24.96	-
Less: amounts adjusted/utilised during the year	-	-
Balance at the end of the year	24.96	-

d) The Holding Company does not have any excess amount spent during the current and the previous year and accordingly, there is no amount to be carried forward.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- e) The Holding Company have ongoing projects as at 31 March, 2023. However, there were no on-going projects as at 31 March, 2022.

Details of on-going projects are as follows:

Particulars	With the Company	In separate CSR unspent account
Balance as on 01 April, 2021	-	-
Amount required to be spent during the year	93.58	-
Amount spent during the year	(93.58)	-
Balance as on 31 March, 2022	-	-
Amount required to be spent during the year	75.13	-
Amount spent during the year	(50.17)	-
Transferred to separate CSR unspent account	(24.96)	24.96
Balance as on 31 March, 2023	-	24.96

45 Fair value measurements

I Financial instruments

(a) Financial instruments by category

Derivative financial instruments and investment in mutual funds are measured at fair value through profit or loss. Investment in equity instruments (except investments in joint venture company) are measured at fair value through other comprehensive income. Other than the aforementioned, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost.

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its consolidated financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

As at 31 March, 2023

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments	1,531.86	-	-	-	1,531.86	-	-	1,531.86	1,531.86
Current investments	-	500.08	-	-	500.08	500.08	-	-	500.08
Other forward exchange contracts	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Non-current investments	-	-	-	-	-	-	-	-	-
Loans	-	-	25.60	-	25.60	-	-	-	-
Other financial assets	-	-	621.70	-	621.70	-	-	-	-
Trade receivables	-	-	8,136.50	-	8,136.50	-	-	-	-
Cash and cash equivalents	-	-	460.24	-	460.24	-	-	-	-
Other bank balance	-	-	5,026.96	-	5,026.96	-	-	-	-
	1,531.86	500.08	14,271.00	-	16,302.94				
Financial liabilities not measured at fair value									
Borrowings	-	-	-	13,256.97	13,256.97	-	-	-	-
Lease liabilities	-	-	-	20.89	20.89	-	-	-	-
Trade payables	-	-	-	5,835.70	5,835.70	-	-	-	-
Other financial liabilities	-	-	-	849.58	849.58	-	-	-	-
	-	-	-	19,963.14	19,963.14				

As at 31 March, 2022

Particulars	Carrying amount					Fair value			
	FVOCI	FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments	1,463.59	-	-	-	1,463.59	-	-	1,463.59	1,463.59
Current investments	-	769.72	-	-	769.72	769.72	-	-	769.72
Financial assets not measured at fair value									
Non-current investments	-	-	115.19	-	115.19	-	-	-	-
Loans	-	-	10.43	-	10.43	-	-	-	-
Other financial assets	-	-	705.63	-	705.63	-	-	-	-
Trade receivables	-	-	6,273.54	-	6,273.54	-	-	-	-
Cash and cash equivalents	-	-	82.40	-	82.40	-	-	-	-
Other bank balance	-	-	2,342.26	-	2,342.26	-	-	-	-
	1,463.59	769.72	9,529.45	-	11,762.76				
Financial liabilities not measured at fair value									
Borrowings	-	-	-	12,575.19	12,575.19	-	-	-	-
Lease liabilities	-	-	-	60.89	60.89	-	-	-	-
Trade payables	-	-	-	3,184.87	3,184.87	-	-	-	-
Other financial liabilities	-	-	-	589.36	589.36	-	-	-	-
	-	-	-	16,410.31	16,410.31				

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

The Group has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the respective board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Holding Company's board of directors.

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers within the levels for the year ended 31 March, 2023 and 31 March, 2022.

Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value
Forward exchange contracts	The fair value of forward exchange contracts is determined using forward exchange rates as at the balance sheet date.	Not applicable	Not applicable
Investment in quoted mutual funds measured at fair value through profit or loss	The fair value of investment in mutual funds is determined using quoted NAV as at the balance sheet date.	Not applicable	Not applicable
Investment in quoted equity instruments measured at fair value through profit or loss	The fair value of investment in equity instruments is determined using quoted prices as at the balance sheet date.	Not applicable	Not applicable
Investment in unquoted equity instruments measured at fair value through other comprehensive income	The fair value of investment in equity instruments is determined on the basis of independent valuation using the Discounted Cash Flow (DCF) method.	Long-term growth rate and discount rates	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none">- the long-term growth rate would be higher (lower);- the discount rate were lower (higher).

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are measured at fair value, the carrying amounts are considered equal to their respective fair values.

II. Financial risk management

The Group's principal financial liabilities comprise borrowings, derivatives, trade payables and other payables. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derives directly from its operations.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk; an
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, derivative financial instruments, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Group primarily sells high tensile cold forged fasteners to bulk customers comprising mainly automotive manufacturers operating in India and outside India. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Further details of concentration of revenue are included in note 40(C).

Cash and cash equivalents and deposits with banks

Cash and cash equivalents and other bank balances of the Group are held with banks which have high external rating. The Group considers that its cash and cash equivalents and other bank balances have low credit risk based on the external credit ratings of the counterparties.

Loans to employees, security deposits and other financial assets

The Group provides loans to its employees and furnish security deposit to various parties for electricity, communication, etc.. The Group considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Other financial assets majorly includes receivables from scrap sales wherein the Group monitors the credit risk of the respective customer/dealers on the basis of the individual characteristics of the customer/dealer and any default risk or increased credit risk in the past.

Investments

The Holding Company has invested in unquoted equity instruments in a joint venture company and other company. The management actively monitors the operation of the joint venture which affects investments. The Holding Company does not expect the counterparty to fail to meet its obligations.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	31 March, 2023	31 March, 2022
Financial assets for which loss allowance is measured using 12 months expected credit loss model:		
Non-current investments	1,531.86	1,578.78
Other non-current financial assets	469.42	428.09
Current investments	500.08	769.72
Cash and cash equivalents	460.24	82.40
Other bank balances	5,026.96	2,342.26
Current loans	25.60	10.43
Other current financial assets	152.28	277.54
	8,166.44	5,489.22
Financial assets for which loss allowance is measured using life time expected credit loss:		
Trade receivables	8,136.50	6,273.54
	8,136.50	6,273.54

Notes

to Consolidated financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Provision for expected credit loss

(a) Financial assets for which loss allowance is measured using 12 month expected credit loss

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting periods in respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit loss

The Group has customers with strong capacity to meet the obligations and therefore the risk of default is negligible in respect of outstanding from customers. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full. Hence, no impairment loss has been recognised during the year and the previous year in respect of trade receivables.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	Less than 90 days	90-180 days	180-270 days	270-360 days	More than 360 days	Total
Gross carrying amount as 31 March, 2023	7,829.74	255.80	38.82	1.15	158.28	8,283.79
Gross carrying amount as 31 March, 2022	6,212.32	46.41	16.43	85.11	52.76	6,413.03

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its capital requirements. Accordingly, no liquidity risk is perceived.

As at 31 March, 2023, the Group has a working capital of ₹ 15,695.72 Lacs (31 March, 2022 - ₹ 12,342.91 Lacs) including cash and cash equivalents of ₹ 460.24 Lacs (31 March, 2022 - ₹ 82.40 Lacs).

(i) Financing arrangements

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non- derivative financial liabilities		
Floating-rate borrowings		
- Expiring within one year	7,694.12	9,687.79
- Expiring beyond one year	-	-

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(ii) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March, 2023

Contractual maturities of financial liabilities	Contractual cash flows					Total
	Less than 90 days	90-180 days	180-270 days	270-360 days	More than 360 days	
Non-derivative financial liabilities						
Non current borrowings	707.72	694.90	682.08	669.25	4,026.77	6,780.72
Lease liabilities	4.44	4.24	4.14	3.98	5.33	22.13
Other non-current financial liabilities		-				
- Security deposits	-		-	-	19.32	19.32
Current borrowings		-				
- Working capital loans	7,278.19	-	-	-	-	7,278.19
Trade payables	5,835.70	-	-	-	-	5,835.70
Creditors for capital goods	246.19	-	-	-	-	246.19
Interest accrued but not due	33.16	-	-	-	-	33.16
Employee related payables	564.71	-	-	-	-	564.71
Unclaimed dividend	19.36	-	-	-	-	19.36
Total	14,689.47	699.14	686.22	673.23	4,051.42	20,799.48

31 March, 2022

Contractual maturities of financial liabilities	Contractual cash flows					Total
	Less than 90 days	90-180 days	180-270 days	270-360 days	More than 360 days	
Non-derivative financial liabilities						
Non current borrowings	593.13	584.71	576.29	567.86	4,633.56	6,955.55
Lease liabilities	12.79	12.79	10.57	9.47	15.79	61.41
Other non-current financial liabilities		-				
- Security deposits	-		-	-	33.26	33.26
Current borrowings		-				
- Working capital loans	6,263.25	-	-	-	-	6,263.25
Trade payables	3,184.87	-	-	-	-	3,184.87
Creditors for capital goods	175.75	-	-	-	-	175.75
Interest accrued but not due	92.36	-	-	-	-	92.36
Employee related payables	359.36	-	-	-	-	359.36
Unclaimed dividend	20.99	-	-	-	-	20.99
Total	10,702.50	597.50	586.86	577.33	4,682.61	17,146.80

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of directors is responsible for setting up of policies and procedures to manage market risks of the Group. The Group is carrying out imports of certain raw materials and capital goods and exports finished goods which are denominated in the currency other than the functional currency of the Group which exposes it to foreign currency risk. In order to minimise the risk, the Group executes forwards contract with respect to purchases and sale made in currency other than its functional currency, the foreign exchange exposure of the Group is ascertained on the basis of the progress billings and purchase orders issued.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(i) Currency risk

The Group is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial assets and financial liabilities are as below:

Particulars	As at 31 March, 2023			
	EURO	JPY	USD	CNY
Financial assets				
Trade receivables	133.82	-	-	-
Derivatives assets (₹ in Lacs)	-	-	-	-
Financial liabilities				
Trade payables	1.25	0.22	38.26	206.32
Net exposure to foreign currency risk - assets / (liabilities)	132.57	(0.22)	(38.26)	(206.32)

Particulars	As at 31 March, 2022			
	EURO	JPY	USD	GBP
Financial assets				
Trade receivables	679.72	-	12.10	9.47
Derivatives assets (₹ in Lacs)	15.27	-	-	-
Financial liabilities				
Trade payables	4.95	0.08	59.70	-
Net exposure to foreign currency risk - assets / (liabilities)	690.04	(0.08)	(47.60)	9.47

Sensitivity analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against foreign currency as at the year end would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

5% movement	Profit and loss (before tax)	
	Strengthening	Weakening
31 March, 2023		
INR/EUR	6.63	(6.63)
INR/USD	(1.91)	1.91
INR/CNY	(10.32)	10.32
INR/JPY	(0.01)	0.01

5% movement	Profit and loss (before tax)	
	Strengthening	Weakening
31 March, 2022		
INR/EUR	34.50	(34.50)
INR/USD	(2.38)	2.38
INR/GBP	0.47	(0.47)
INR/JPY	(0.01)	0.01

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(ii) Interest rate risk

The Group is exposed to interest rate risk arising mainly from non-current and current borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

Particulars	31 March, 2023	31 March, 2022
Financial assets:		
Fixed rate instruments		
- Fixed deposits	4,933.02	2,198.35
Total	4,933.02	2,198.35
Variable-rate instruments		
- Rupee term loans	5,945.62	6,219.58
- Working capital facilities	5,605.88	4,722.70
- Bill discounting facility from banks	1,672.31	1,540.55
Total	13,223.81	12,482.83

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate instruments are carried at amortised cost. They are, therefore, not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

Particulars	Profit or loss (before tax)	
	100 bp increase	100 bp decrease
31 March, 2023		
Rupee term loans	(55.21)	55.21
Working capital facility	(56.89)	56.89
Cash flow sensitivity (net)	(112.10)	112.10

Particulars	Profit or loss (before tax)	
	100 bp increase	100 bp decrease
31 March, 2022		
Rupee term loans	(70.71)	70.71
Working capital facility	(58.84)	58.84
Cash flow sensitivity (net)	(129.55)	129.55

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(iii) Price risk

The Group is mainly exposed to the price risk mainly due to its investment in mutual funds and equity instruments, which are measured at fair value through profit or loss. The price risk arises due to uncertainties about the future market values (quoted prices or NAV) of these instruments. To manage the price risk arising from investments in mutual funds and equity instruments, the group diversifies its portfolio. Further, the management reviews the investment portfolio and the movement in the market to manage the risk.

The Group's investment in the mutual funds and equity instruments are publicly traded.

Sensitivity analysis

To provide a meaningful assessment of the price risk associated with the Group's investment portfolio, the Group performed the sensitivity analysis to determine the impact of change in prices of the mutual funds and equity instruments that would have on the value of investment portfolio, assuming a 1% changes in the prices of mutual funds and equity instruments.

Particulars	Profit or loss (before tax)				Value of investment			
	For the year ended 31 March, 2023		For the year ended 31 March, 2022		As at 31 March, 2023		As at 31 March, 2022	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Investment in mutual funds and equity instruments	11.03	(11.03)	12.74	(12.74)	5.00	(5.00)	7.70	(7.70)

46 Capital management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an appropriate capital structure of debt and equity.

The management assesses the capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group is not subject to externally imposed capital requirements.

The Group monitors capital on the basis of its gearing ratio which is net debt divided by total equity. Net debt comprises of non-current and current borrowings less cash and cash equivalents. Equity includes equity share capital and other equity that are managed as capital. The gearing ratio at the end of the reporting year and previous year are as follows:

Particulars	31 March, 2023	31 March, 2022
Total borrowings	13,256.97	12,575.19
Less: Cash and cash equivalents	460.24	82.40
Net debt	12,796.73	12,492.79
Total equity	40,042.74	35,578.34
Net debt to equity ratio	0.32	0.35

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

47 Interests in other entities

(a) Subsidiaries

Name of entity	Principal place of business	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	
Haryana Ispat Private Limited	India	100.00%	100.00%	-	-	Leasing of immovable property
Sterling Gtack E-Mobility Limited	India	100.00%	100.00%	-	-	Manufacturing and trading of motor control unit (MCU) used in automobile industry

(b) Joint venture

During the previous year, the group had a 50% interest in a joint venture i.e. Sterling Fabry India Private Limited which was incorporated in March 2010 with M/s Fabry Masters in Fasteners Group B.V., Netherlands. The joint venture was engaged in the business of sale of fasteners. The principal place of business of the joint venture was in India. The equity investment in joint venture has been disposed off on 02 June, 2022.

Name of entity	% of ownership interest	Quoted fair value*		Carrying amount		Accounting method
		31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	
Sterling Fabry India Private Limited	-	-	-	-	115.19	Equity method in accordance with Ind AS 28 'Investments in Associates and Joint Ventures'

* Since the entity is not listed, quoted value is not available.

(i) Summarised financial information for joint venture

Summarised balance sheet

Particulars	As at 31 March, 2022
Current assets	
- Cash and cash equivalents	12.66
- Other assets	216.30
Total current assets	228.96
Total non-current assets	2.18
Current liabilities	
- Trade payables	1.93
- Other liabilities	2.44
Total current liabilities	4.37
Total non-current liabilities	-
Net assets	226.77

Notes to Consolidated financial statements for the year ended 31 March, 2023
(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Summarised statement of profit and loss

Particulars	For the year ended 31 March, 2022
Revenue from operations	158.93
Loss before tax	(97.14)
Tax expenses	26.19
Profit/(Loss) after tax	(123.33)
Other comprehensive income	-
Total comprehensive income	(123.33)

Reconciliation of carrying amounts

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening net assets	226.77	350.10
Profit/(loss) for the year	-	(123.33)
Other comprehensive income	(226.77)	-
Closing net assets	-	226.77
	-	-
Group's share in %		50%
Group's share		115.19
Carrying amount of investment in joint venture		115.19

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

48 Restatement of consolidated financial statements

Balance sheet:

Particulars	Note	As at 31 March, 2022 (Reported)	Adjustments	As at 31 March, 2022 (Restated)
Non-current assets				
Financial assets				
Other financial assets	(b)	413.78	14.31	428.09
Deferred-tax assets (net)	(c)	-	131.81	131.81
Total non-current assets		31,002.76	146.12	31,148.88
Current assets				
Financial assets				
Trade receivables	(a)	4,732.99	1,540.55	6,273.54
Loans	(b)	24.74	(14.31)	10.43
Total current assets		23,989.15	1,526.24	25,515.39
Total assets		54,991.91	1,672.36	56,664.27
Non-current liabilities				
Financial liabilities				
Borrowings	(b)	4,261.29	31.85	4,293.14
Deferred tax liabilities (net)	(c)	1,648.54	131.81	1,780.35
Total non-current liabilities		7,749.79	163.66	7,913.45
Current liabilities				
Financial liabilities				
Borrowings	(a) and (b)	6,680.99	1,601.06	8,282.05
Other financial liabilities	(b)	648.46	(92.36)	556.10
Total current liabilities		11,663.78	1,508.70	13,172.48
Total liabilities		19,413.57	1,672.36	21,085.93
Total equity and liabilities		54,991.91	1,672.36	56,664.27

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

Statement of cash flows:

Particulars		For the year ended 31 March, 2022 (Reported)	Adjustments	For the year ended 31 March, 2022 (Restated)
Cash flow from operating activities				
Increase in financial assets	(a)	(699.43)	(1,540.55)	(2,239.98)
Net cash generated from operations		5,101.77	(1,540.55)	3,561.22
Net cash from operating activities		4,022.84	(1,540.55)	2,482.29
Cash flow from financing activities				
(Repayment of)/Proceeds from current borrowings (net)	(a)	(382.82)	1,540.55	1,157.73
Net cash (used in)/from financing activities		(531.81)	1,540.55	1,008.74
Net decrease in cash and cash equivalents		(430.23)	-	(430.23)

Notes:

- As at 31 March, 2022, the Holding Company's bill discounting facility from its bank aggregating to ₹ 1,540.55 Lacs was netted off from trade receivable as the payment against these bills were regular from the customers. In the current year, the management has reassessed the accounting for the arrangement as per principles of Ind AS 109, Financial Instruments, and concluded that since the Bank has a recourse to the Holding Company under the arrangement, aforesaid balances should be presented on gross basis. Accordingly, current borrowings and trade receivables as at 31 March, 2022 have been restated by ₹ 1,540.55 Lacs in accordance with Ind AS – 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' with no impact on the consolidated net cash flows, the consolidated statement of profit and loss and consolidated total comprehensive income for the year ended 31 March, 2022.
- This pertains to the reclassification of the interest accrued on financial assets and financial liabilities alongwith the relevant carrying amounts of such financial assets and financial liabilities. There is no impact of these reclassification on the consolidated statement of profit and loss or the consolidated statement of cash flows for the year ended 31 March, 2022.
- This pertains to the reclassification of the deferred tax assets (net) relating to the subsidiary company, which was netted off against the deferred tax liabilities of the Holding Company as at 31 March, 2022. There is no impact of these reclassification on the consolidated statement of profit and loss or the consolidated statement of cash flows for the year ended 31 March, 2022.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

49 Disclosures pursuant to Ind AS 115, Revenue from Contracts with Customers, are as follows:

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography, type and timing of recognition.

Description	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue by geography		
Domestic	75,140.93	45,200.26
Export	1,145.78	4,829.95
	76,286.71	50,030.21
Customer wise		
Related party	-	-
Non-related party	76,286.71	50,030.21
	76,286.71	50,030.21
Revenue by time		
Revenue recognised at point in time	76,286.71	50,030.21
	76,286.71	50,030.21

(b) Revenue recognised in relation to contract liabilities

Ind AS 115 requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended 31 March, 2023	Year ended 31 March, 2022
Amounts included in contract liabilities at the beginning of the year	236.69	193.78
Performance obligations satisfied in previous years	-	-
	236.69	193.78

(c) Assets and liabilities related to contracts with customers

Description	As at 31 March, 2023		As at 31 March, 2022	
	Non-current	Current	Non-current	Current
Contract liabilities - Advance from customers	-	211.51	-	236.69
Contract liabilities - Security deposit	19.32	-	33.26	-

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

(d) Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

Description	31 March, 2023	31 March, 2022
Opening balance of contract liabilities	269.95	221.83
Amount of revenue recognised against opening contract liabilities	(236.69)	(193.78)
Addition in balance of contract liabilities for current year	197.57	241.90
Closing balance of contract liabilities	230.83	269.95

There has been no significant changes in contract assets/liabilities during the year.

(e) Reconciliation of revenue recognised in Consolidated Statement of Profit and Loss with contract price

Description	Year ended 31 March, 2023	Year end eWd 31 March, 2022
Contract price	77,792.96	51,307.41
Less: Discounts and freight	1,506.25	1,277.20
Revenue from operations as per Consolidated Statement of Profit and Loss	76,286.71	50,030.21

(f) Satisfaction of performance obligations

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

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Group's operations, generally the criteria to recognise revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Group has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

Variable considerations associated with such sales

Periodically, the Group enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Group only recognises revenue for the amounts it ultimately expects to realize from the customer. The Group estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

50. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Act:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income (net of tax)		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss
Holding Company								
Sterling Tools Limited	37,088.75	92.62%	4,034.31	84.27%	50.33	98.40%	4,084.63	84.41%
Subsidiaries (Indian)								
Haryana Ispat Private Limited	16.01	0.04%	5.46	0.11%	-	-	5.46	0.11%
Sterling Gtake E-Mobility Limited	2,937.98	7.34%	748.04	15.62%	0.82	1.60%	748.86	15.48%
Non-controlling interests in subsidiary	-	-	-	-	-	-	-	-
Joint venture (Indian)								
Sterling Fabory (India) Private Limited	-	-	-	-	-	-	-	-
Total	40,042.74	100%	4,787.80	100%	51.15	100%	4,838.95	100%

51 The Board of Directors of the Holding Company have recommended a final dividend of ₹ 2 per share (face value of ₹ 2 per share) for the FY 2022-23, which is subject to the approval of the members at the ensuing Annual General Meeting.

52 Other statutory information

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Group has not been declared wilful defaulter by any bank or financial institutions or other lenders.
- The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- The Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Notes to Consolidated financial statements for the year ended 31 March, 2023

(All amounts in Lacs of Indian Rupees, unless otherwise stated)

- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the current and preceding year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (viii) The Group has not traded or invested in crypto currency or virtual currency during the current and the preceding financial year.

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

Ashish Gera
Partner
Membership no. 508685

Place: Faridabad
Date: 08 May, 2023

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

Anil Aggarwal
Managing Director
DIN no. 00027214

Pankaj Gupta
Chief Financial Officer

Atul Aggarwal
Director
DIN no. 00125825

Abhishek Chawla
Company Secretary
Membership no. 34399



STERLING TOOLS LIMITED

CIN: L29222DL1979PLC009668

Regd. Office: Unit No. 515, DLF Tower A, Jasola District Centre, New Delhi-110025

Corporate Office: Plot No. 4, D L F Industrial Estate, Faridabad-121003

E-mail: csec@stlfasteners.com, Website: www.stlfasteners.com

Tel: +91 129 2270621-25 / Fax : +91 129 2277359

NOTICE for the Annual General Meeting

Notice is hereby given that the Forty-Fourth Annual General Meeting of the Members of **Sterling Tools Limited** will be held on Monday, 18 September, 2023 at 10:00 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business(s):

Ordinary Business

1. Adoption of Accounts

To receive, consider and adopt the audited Standalone & Consolidated Financial Statements containing the Balance Sheet as at 31 March, 2023 and the Profit and Loss Account for the financial year ended on that date along with the Cash Flow Statements, Notes & Schedules appended thereto together with the Auditors' Report and Directors' Report thereon and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolutions as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 134 of the Companies Act, 2013, the audited standalone & consolidated financial statement of the Company for the financial year ended 31 March, 2023 containing the Balance Sheet as at 31 March, 2023 and the Profit and Loss Account for the financial year ended on that date along with the Cash Flow Statements, Notes & Schedules appended thereto together with the Auditors' Report and Directors' Report thereon, as circulated to the members, be and are hereby adopted"

2. Declaration of Dividend for FY 2022-23

To declare dividend on equity shares for the financial year ended 31 March, 2023, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** dividend at the rate of ₹ 2/- (Two rupees) per equity share of face value of ₹ 2/- (Two

rupees) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared as final dividend for the financial year ended 31 March, 2023 and the same be paid out of the profits of the Company."

3. Reappointment of Retiring Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Anil Aggarwal (DIN 00027214), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Special Businesses:

4. To ratify the remuneration of the Cost Auditors for FY 2023-24:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of the Cost Auditors viz. M/s Jitender, Navneet & Co., Cost Accountants (Firm Registration No. 000119) who have been appointed by the Board of Directors of the Company on the recommendations of the Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year ending 31 March, 2024, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
For **Sterling Tools Limited**

Date: 02 August, 2023

Place: Faridabad

Registered Office:

Unit No. 515, DLF Tower A

Jasola District Centre, New Delhi-110025

(**Abhishek Chawla**)
Company Secretary
Membership No. A34399
House No. 004, Tower B 12A,
RPS Savana, Sec-88
Faridabad-121003

NOTES:

1. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022 dated 08 April, 2020, 13 April, 2020, 05 May, 2020, 13 January, 2021, 08 December, 2021, 14 December, 2021, 05 May, 2022 and 28 December, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79, SEBI/HO/CFD/CMD2/ CIR/P/2021/11, SEBI/HODDHS/P/CIR/2022/0063 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 12 May, 2020, 15 January, 2021, 13 May, 2022 and 05 January, 2023 respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the 44th AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. The venue of the meeting shall be deemed to be the Registered Office of the Company at Unit No. 515, DLF Tower A, Jasola District Centre, New Delhi-110025.
3. A statement giving relevant details of the directors seeking appointment/ reappointment under Item No. 3 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith as **Annexure-I**.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Business, i.e., Item No. 4, to be transacted at AGM is annexed hereto.
5. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for this AGM and, hence, the Proxy Form, Attendance Slip and route map are not annexed to this Notice. The Board of Directors has appointed Mr. Santosh Kumar Pradhan, Practicing Company Secretary (FCS No. 6973, CP No. 7647) as the Scrutiniser to scrutinise the voting and remote e-voting process in a fair and transparent manner.
6. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy of its Board or governing body resolution/ authorisation etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation be sent to the Scrutiniser by email through its registered email address to santosh@kritiadvosory.com with a copy marked to evoting@nsdl.co.in.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Members can login and join the AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first- served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
9. In case of joint holders attending the Meeting, only such joint holder who is first in the order of names will be entitled to vote.
10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

11. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/ comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at csec@stlfasteners.com the same will be replied by the Company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

12. The Registers of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 12 September, 2023 to Monday, 18 September, 2023** (both days inclusive) for the purpose of annual closure of books.

13. Dividend on Company's Equity Shares for the year ended 31 March, 2023, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made as under:

- (i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on **Monday, 11 September, 2023**.
- (ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on **Monday, 11 September, 2023**.

The Dividend, if approved, will be payable on or after **Tuesday, 26 September, 2023**.

14. In accordance with SEBI LODR (Listing Obligations and Disclosure Requirements) (4th amendment) Regulations, 2018 notified on June 07, 2018 and further notification dated November 30, 2018 any request for physical transfer of shares shall not be processed w.e.f. April 01, 2019.

Further, in compliance with SEBI vide its circular-SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialisation form only:-

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the MAS Services Limited, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

Members holding shares in physical form are requested to dematerialise their holdings at the earliest.

15. The Securities and Exchange Board of India ('SEBI') vide its circular dated 03 November, 2021 read with circular dated December 14, 2021 and Circular dated 16 March, 2023 has made it mandatory for the Members holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from 01 January, 2022, Registrar will not process, any service requests or complaints received from the member until unless above KYC and nomination will not be completed by Member and such Members holding will be freezed by RTA on or after 01 October, 2023.

The Members holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such Members shall be frozen on or after 01 October, 2023 by the RTA. In view of the above, Members of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Confirmation of signature of Securities holder by the Banker. (using ISR-2)
- iii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out of Nomination' in Form ISR-3;
- iv. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- v. Bank Account details including Bank name and branch, Bank account number, IFS code;

Notice (Contd.)

Cancelled cheque Any cancellation or variation in nomination shall be provided in Form No.SH-14

All of the above required documents/details to be sent at the address of registered office of the RTA at T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020. The Members can download the forms mentioned in SEBI circular from the website of the RTA website i.e. www.masserv.com.

A separate communication has already been sent to the respective Members.

16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company Secretary or Mas Services Limited, Company's Registrar and Share Transfer Agents ("RTA") (Tel. No. 011 26387281/82/83) for assistance in this regard.
17. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
18. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the Company/RTA if the shares are held by them in physical form.
19. For receiving all future correspondence (including Annual Report) from the Company electronically—
In case you have not registered your email ID with the Company/Depository, please follow below instructions to register your email ID for obtaining Annual Report for FY 2022-23 and login details for e-voting.

Physical Holding

Send a signed request letter to Registrar and Transfer Agents of the Company, MAS Services Limited at investor@masserv.com providing Folio Number,

Name of the Shareholder, scanned copy of the Share Certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) with subject line (Register E-mail ID Folio No (Mention Folio No) of Sterling Tools Limited.

Demat Holding

Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

20. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Notice of the AGM and Annual Report may temporarily get themselves registered with RTA by emailing for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communications through e-mail going forward.

Members may note that the Notice of 44th AGM and Annual Report 2022-23 will also be available on the Company's website www.stlfasteners.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com> (the Authorised agency for providing voting through electronic means and AGM through VC/ OAVM).

Physical copies of the Notice of 44th AGM along with Annual report 2022-23 shall only be sent to those Members who request for the same.

21. In case a person has become a member of the Company after dispatch of the AGM Notice, but on or before the cut-off date for e-voting i.e **Monday, 11 September, 2023**, such person may obtain the User ID and Password from RTA by e-mail request on investor@masserv.com.
22. With a view to helping us to serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

23. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the Members of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Members desirous of availing this facility may submit the requisite nomination form.
24. Members of the Company are informed that pursuant to the provisions of the Companies Act, 2013 and the relevant rules the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the 'Investor Education & Protection Fund (IEPF)' constituted by the Central Govt. Accordingly the amount of dividend which remained unpaid/unclaimed for a period of 7 years for the year 2015-16 has already been transferred to IEPF. Members who have not encashed their dividend warrant(s), for the years 2016-17 to 2021-22 are requested to make claim with the Registrar & Share Transfer Agent of the Company immediately.

Further, pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to the IEPF as notified by the Ministry of Corporate Affairs.

In accordance with the IEPF Rules, the Company has sent notices to all the Members whose shares are due for transfer to the IEPF and has also published the details thereof in notices published in newspapers.

The Members whose dividend/shares are transferred to the IEPF may claim the dividend/shares by making an application to the IEPF by following the procedure as detailed in the IEPF Rules and as enumerated on the website of IEPF at <http://www.iepf.gov.in/IEPF/refund.html>.

Accordingly, the unpaid / unclaimed dividends that are due for transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Dividend Year	Date of declaration of dividend	Last Date for claim
2016-2017 Interim	08/08/2016	15/09/2023
2016-2017 Interim	11/02/2017	18/03/2024
2017-2018 Interim	07/09/2017	14/10/2024
2017-2018 Interim	13/02/2018	20/03/2025
2018-2019 Interim	11/08/2018	18/09/2025
2019-2020 Interim	02/08/2019	09/09/2026
2020-2021 Final	21/09/2021	28/10/2028
2021-2022 Final	22/09/2022	29/10/2029

Those members who have not so far claimed their dividend are requested to make their claims to the Company for obtaining payments thereof at least 30 days before they are due for transfer to the said fund.

25. In terms of SEBI Circular dated 9 December, 2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders at least 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.
26. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/NEFT etc. In the absence of ECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.

In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to the RTA, MAS Services Limited/Company to update their bank account details and all the eligible Members holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

Members holding shares in physical form may communicate these details to the RTA viz. MAS Services Limited having address at RTA i.e. MAS Services Limited, having address at T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020, by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc.

The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

27. Members may note that as per the Income Tax Act, 1961, as amended by Finance Act, 2020, dividend income will be taxable at the hands of shareholders rs w.e.f. 01 April, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereto. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual Member if the total dividend to be received during FY 2022-23 does not exceed ₹ 5,000/-.

A resident individual Member with PAN who is not liable to pay income tax submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax at Company's RTA at investor@masserv.com. In case of non-resident Member, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act at the rates in force. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

The Company is not obligated to apply the beneficial Double Taxation Avoidance Agreements (DTAA) rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident Member.

28. The documents referred in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours (9:00 A.M. to 5:00 P.M. IST) on any working day except Saturdays, upto the date of meeting.
29. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsd.com>.

30. Instructions for e-voting and joining the AGM are as follows:

In terms of the provisions of section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice 44th Annual General Meeting (AGM) through electronic voting system, to members holding shares as on **Monday, 11 September, 2023** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, 15 September, 2023 at 9:00 A.M. (IST) and ends on Sunday, 17 September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e Monday, 11 September, 2023, may cast their vote electronically. The voting right of shareholders/ Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 11 September, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 09 December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

[Login method for Individual shareholders holding securities in demat mode is given below:](#)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="453 365 1460 712">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nSDL.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="453 712 1460 824">2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="453 824 1460 1171">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li data-bbox="453 1193 1460 1328">1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. <li data-bbox="453 1328 1460 1440">2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. <li data-bbox="453 1440 1460 1507">3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li data-bbox="453 1529 1460 1709">4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile No. & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. <p data-bbox="453 1720 1460 1951">You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl. co.in or call at toll free no.: 1800 1020 990 and 1800 224430
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company, for example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to santosh@kritiadvisory.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in.

Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical made, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@masserv.com or csec@stlfasteners.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@masserv.com or csec@stlfasteners.com. If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at step 1 i.e. **Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode.**
3. Alternatively Shareholder/members may send a request to evoting@nsdl.co.in for procuring user

id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated 9 December, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholder holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM/ is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at csec@stlfasteners.com or abhishek@stlfasteners.com. The same will be replied by the company suitably.

General Instructions

- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- ii. Mr. Santosh Kumar Pradhan, Practicing Company Secretary (FCS No. 6973, CP No. 7647), has been appointed as the Scrutiniser for providing facility to the members of the Company to scrutinise the voting and remote e-voting process in a fair and transparent manner.
- iii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, for all those members who are present VC / OAVM at the AGM but have not casted their votes by availing the remote e-voting facility.
- iv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least three witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- v. The Results declared alongwith the report of the Scrutiniser shall be placed on the website of the Company www.stlfasteners.com and on the website of NSDL immediately after the declaration of result

- by the Chairman or a person authorised by him in writing and communicated to the BSE Limited and National Stock Exchange of India Limited.
- vi. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the meeting, i.e. Monday, 18 September, 2023.
- vii. Based on the terms of appointment, all Executive Directors, including the Managing Director & Whole-time Director, and the Non-Executive and Non-Independent Directors of the Company are subject to retirement by rotation at every AGM. Accordingly, the following director are liable to retire by rotation at the ensuing AGM:
Mr. Anil Aggarwal (DIN 00027214).

"Annexure- I"

Details of Directors seeking appointment / re-appointment in the Annual General Meeting scheduled on Monday, 18 September, 2023 (Pursuant to Regulation 36(3) of the SEBI (LODR) regulations, 2015 and Secretarial Standards are as follows:

Particulars	Mr. Anil Aggarwal
Date of Birth	May 07, 1958
Expertise in Specific Functional Areas	Manufacturing and Operations
Qualification	B. Com.
Board Membership of other Public Limited Companies as on 31 March, 2023	NIL
Chairman / member of the Committee of the Board of Directors as on 31 March, 2023	Audit Committee – Member Share Transfer Committee – Member CSR Committee – Chairperson Risk management Committee - Chairman
Chairman / member of the Committee of Directors of the other Companies in which he is a Director as on 31 March, 2023. a. Audit Committee b. Stakeholders Relationship Committee c. Other Committees	Nil
Number of Shares held of Sterling Tools Limited	6110583 Equity Shares
Experience	47 years
Term and Conditions of appointment / reappointment and details of remuneration sought to be paid	Basic Salary ₹ 162 Lacs p.a., Perquisite & Allowances ₹ 6.5 Lacs p.a., Commission 1% of profit., Other terms and conditions as approved by Members vide their special resolution dated 25 September, 2020
Relationship with other Directors / members and other KMP	Brother of Whole Time Director – Atul Aggarwal Father of Non-Executive Director – Akhill Aggarwal

By Order of the Board
For **Sterling Tools Limited**

Date: 02 August, 2023

Place: Faridabad

Registered Office:

Unit No. 515, DLF Tower A

Jasola District Centre, New Delhi-110025

(Abhishek Chawla)
Company Secretary
Membership No. A34399
House No. 004, Tower B 12A,
RPS Savana, Sec-88
Faridabad-121003

Notice (Contd.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory statement sets out all material facts relating to the Special Business as mentioned in the accompanying Notice:

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors- M/s Jitender, Navneet & Co., Cost Accountants to conduct the audit of the cost records of the Company for the Financial Year ending 31 March, 2024 at an Annual Fee of ₹ 1.60 Lacs plus applicable Taxes.

In accordance with the provisions of Section 148 of the Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors for the Financial Year ending 31 March, 2024.

None of the Directors or Key Managerial Personnel and their relatives, is concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution as set out at Item no. 4 for the approval of Members.

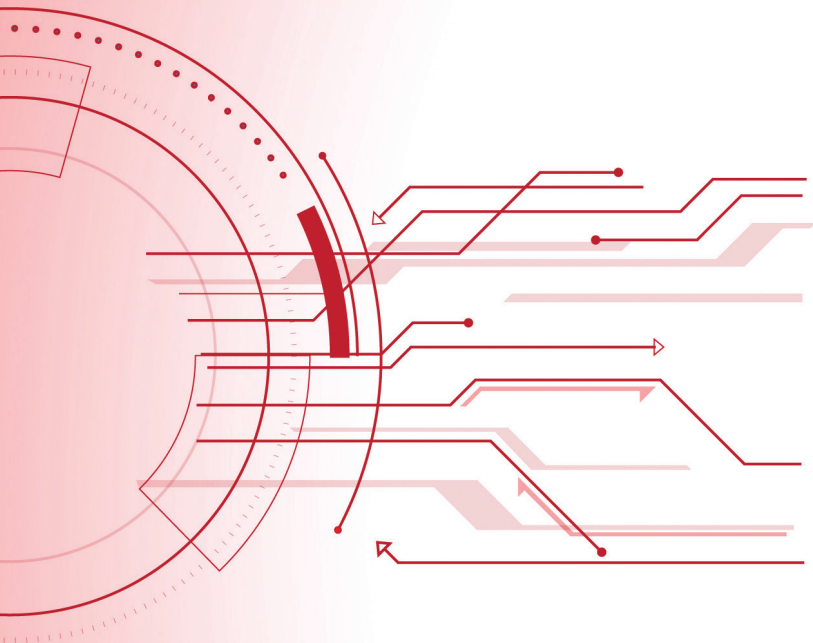
By Order of the Board
For **Sterling Tools Limited**

(Abhishek Chawla)
Company Secretary
Membership No. A34399
House No. 004, Tower B 12A,
RPS Savana, Sec-88
Faridabad-121003

Date: 02 August, 2023
Place: Faridabad

Registered Office:
Unit No. 515, DLF Tower A
Jasola District Centre, New Delhi-110025

NOTICE



Sterling Tools Limited
5A, DLF Industrial Estate
Faridabad - 121003, Haryana, India
Email : sterling@stlfasteners.com
Fax: 0129-2277359
Tel: 0129-2270621/22/23/24/25
Website : www.stlfasteners.com