

STERLING TOOLS LIMITED

CIN : L29222DL1979PLC009668

WORKS : 5-A DLF Industrial Estate
Faridabad - 121 003 Haryana India
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E-mail : sterling@stlfasteners.com
website : stlfasteners.com



<u>By NEAPS</u>	<u>By Listing Centre</u>
National Stock Exchange of India Limited "Exchange Plaza", Plot No-C/1 G Block, Bandra-Kurla Complex, Bandra (E) Mumbai-400051	General Manager BSE Limited 1 st Floor, P. J. Towers Dalal Street, Fort Mumbai – 400001
Security Code No.: STERTOOLS	Security Code No.: 530759

Date: 30th October, 2023

Sub: Outcome of Meeting of the Board of Directors under Regulation 30, 33 and 42 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

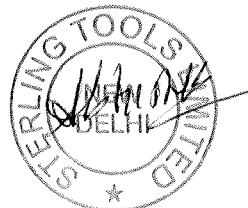
This is to inform you that Board of Directors in its meeting held on Monday, 30th October, 2023 started at 01:45 P.M. concluded at 04:10 P.M. has taken the following decisions:

- (i) **Approval of Unaudited Financial Results for the Second quarter and half year ended 30th September, 2023:-** Please note that as per the recommendation made by the Audit Committee, the Board of Directors of the Company at their duly convened meeting held on today i.e., 30th October, 2023 inter alia, has taken on record and approved the Standalone as well as Consolidated Unaudited Financial results for the Second quarter and half year ended 30th September, 2023 of the Company.

Further the Limited Review Report was placed before the Board on un-audited financial results (Standalone and Consolidated) issued by M/s Walker Chandiook & Co. LLP, Chartered Accountants, Statutory Auditors for the Second quarter ended 30th September, 2023.

A copy of the said Unaudited financial results along with Limited Review Report for the Second quarter and half year ended 30th September, 2023 is attached as per **Annexure-A**.

- (ii) **Introduction of 'Sterling Tools Limited – Employee Stock Option Plan 2023' ('ESOP Plan'/'Plan')**- Please note that pursuant to Regulation 30 read with clause 10 of Para B of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), please be informed that the Board of Directors of the Company at its meeting held today has, on the recommendation of the Nomination and Remuneration Committee, inter alia, considered and approved (a) introduction of 'STL-Employee Stock Option Plan 2023' ('ESOP Plan'/'Plan'), in accordance with Section 62(1)(b) of the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (b) Grant of ESOP option to the Employees of the subsidiaries under the ESOP Plan and (c) Grant of ESOP Options exceeding 1 % of the total issued share capital (excluding outstanding warrants and conversions if any) of the Company to Mr. Jaideep Wadhwa, Managing Director of Sterling Gtack E-mobility Limited (SGEM), Wholly owned subsidiary, and Non-executive Director of Sterling Tools limited under ESOP Plan during any 1 (one) year in accordance with the SEBI SBEB Regulations, subject to approval of the



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Jasola District Centre, New Delhi - 110025
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shareholders of the Company and such other regulatory / statutory approvals as may be necessary.

Approval of the shareholders of the Company shall be sought by way of a Postal Ballot.

The details of the ESOP Plan, pursuant to SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/ 123 dated July 13, 2023, is enclosed herewith as **Annexure -B**.

- (iii) **To re-constitute the Risk Management Committee of the Company:** The Risk Management Committee of the Company is re-constituted:

S. No.	Name of Committee Member	Position	Category
1	Mr. Anil Aggarwal	Chairman	Chairman cum Managing Director
2	Mr. Rakesh Batra	Member	Non-executive Independent Director
3	Mr. Atul Aggarwal	Member	Whole Time Director
4	Mr. Akhill Aggarwal	Member	Non-executive Non-Independent Director
5	Mr. Jaideep Wadhwa	Member	Non-executive Non-Independent Director
6	Mr. Pankaj Gupta	Member	Chief Financial Officer

Sincerely,

For Sterling Tools Limited


Abhishek Chawla
Company Secretary & Compliance Officer
A34399

Encl.: As above.

Walker Chandiook & Co LLP

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Outer Circle,
New Delhi – 110 001
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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

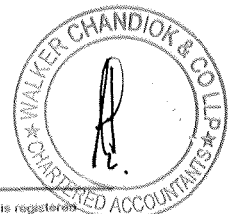
To the Board of Directors of Sterling Tools Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Sterling Tools Limited ('the Company') for the quarter ended 30 September 2023 and the year to date results for the period 1 April 2023 to 30 September 2023, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Chartered Accountants

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

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2065 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



Walker Chandiook & Co LLP

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

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Ashish Gera

Partner

Membership No. 508685

UDIN: 23508685BGYCVA2840



Place: Faridabad

Date: 30 October 2023



STERLING TOOLS LIMITED

Regd. Office: Office No 515, DLF Tower A, Jasola, NEW DELHI-110025

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

Part I

Statement of standalone unaudited financial results for the quarter and six months ended 30 September 2023

(₹ in lakhs, except per share data)

S. No.	Particulars	Three months ended 30 September 2023 (Unaudited)	Preceding three months ended 30 June 2023 (Unaudited)	Corresponding three months ended 30 September 2022 (Unaudited)	Year to date figures for current period ended 30 September 2023 (Unaudited)	Year to date figures for previous period ended 30 September 2022 (Unaudited)	Year ended 31 March 2023 (Audited)
1	Income						
	(a) Revenue from operations	15,410.36	14,756.77	15,391.35	30,167.13	29,121.85	59,765.44
	(b) Other income	125.00	107.16	77.54	232.16	180.77	588.39
	Total income	15,535.36	14,863.93	15,468.89	30,399.29	29,302.62	60,353.83
2	Expenses						
	(a) Cost of materials consumed	5,646.01	6,248.00	6,743.19	11,894.01	13,165.05	26,466.60
	(b) Changes in inventories of finished goods and work-in-progress	1,271.77	(176.29)	(735.11)	1,095.48	(1,571.75)	(1,029.24)
	(c) Employee benefits expense	1,208.67	1,280.49	1,107.83	2,489.16	2,262.65	4,540.59
	(d) Finance costs	203.67	222.10	205.98	425.77	385.61	812.48
	(e) Depreciation and amortisation expenses	786.52	769.03	782.67	1,555.55	1,558.70	3,087.32
	(f) Other expenses	5,139.44	5,408.87	5,770.79	10,548.31	10,706.49	21,148.43
	Total expenses	14,256.08	13,752.20	13,875.35	28,008.28	26,506.75	55,026.18
3	Profit before exceptional items and tax (1-2)	1,279.28	1,111.73	1,593.54	2,391.01	2,795.87	5,327.65
4	Exceptional items (refer note 5)	66.10	(20.39)	673.49	39.71	673.49	544.26
5	Profit before tax (3+4)	1,339.38	1,091.34	2,267.03	2,430.72	3,469.36	5,671.91
6	Tax expense						
	(a) Current tax (including earlier years)	390.26	322.49	418.00	712.75	769.20	1,427.62
	(b) Deferred tax	(46.53)	(40.46)	126.31	(86.99)	92.13	101.34
	Total tax expenses	343.73	282.03	544.31	625.76	861.33	1,528.96
7	Profit for the period (5-6)	995.65	809.31	1,722.72	1,804.96	2,608.03	4,142.95
8	Other comprehensive income						
	(A) (i) Items that will not be reclassified to the statement of profit and loss	(0.28)	(0.28)	(1.94)	(0.56)	(3.88)	67.26
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	0.07	0.07	0.49	0.14	0.98	(16.93)
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
	(ii) Income-tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive income	(0.21)	(0.21)	(1.45)	(0.42)	(2.90)	50.33
9	Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (7+8)	995.44	809.10	1,721.27	1,804.54	2,605.13	4,193.28
10	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48	720.48
11	Other equity						39,424.50
12	Earnings per share*						
	(a) Basic	2.76	2.25	4.78	5.01	7.24	11.50
	(b) Diluted	2.76	2.25	4.78	5.01	7.24	11.50

* not annualised except for the year ended 31 March 2023

See accompanying notes to the standalone financial results

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STERLING TOOLS LIMITED

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

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

Part II Statement of standalone assets and liabilities (₹ in lakhs)

Particulars	As at	As at
	30 September 2023 (Unaudited)	31 March 2023 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	25,935.31	25,641.78
(b) Capital work-in-progress	436.28	1,112.23
(c) Other intangible assets	37.74	50.52
(d) Financial assets		
(i) Investments	5,575.96	5,575.96
(ii) Other financial assets	488.79	466.53
(e) Income-tax assets (net)	155.34	63.44
(f) Other non-current assets	542.78	515.70
Total non current assets	33,172.20	33,426.16
Current assets		
(a) Inventories	10,859.88	12,442.57
(b) Financial assets		
(i) Investments	-	500.08
(ii) Trade receivables	7,034.16	6,524.25
(iii) Cash and cash equivalents	372.07	443.84
(iv) Bank balances other than (iii) above	6,537.74	4,195.62
(v) Loans	34.85	23.53
(vi) Other financial assets	105.03	149.98
(c) Other current assets	2,512.61	3,175.08
Total current assets	27,456.34	27,454.95
Assets held-for-sale	6.36	-
TOTAL ASSETS	60,634.90	60,881.11
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	40,508.58	39,424.50
Total equity	41,229.06	40,144.98
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,584.62	3,664.48
(ia) Lease liabilities	4.72	5.05
(ii) Other financial liabilities [other than those specified in item (b)]	42.29	19.32
(b) Provisions	156.24	137.28
(c) Deferred tax liabilities (net)	1,667.92	1,755.05
(d) Other non-current liabilities	823.75	884.30
Total non current liabilities	5,279.54	6,465.48
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	9,248.00	8,714.40
(ia) Lease liabilities	20.58	15.84
(ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	771.74	964.62
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,876.21	1,897.99
(iii) Other financial liabilities [other than those specified in item (c)]	409.57	717.32
(b) Other current liabilities	1,713.36	1,877.27
(c) Provisions	86.84	83.21
Total current liabilities	14,126.30	14,270.65
Total liabilities	19,405.84	20,736.13
TOTAL EQUITY AND LIABILITIES	60,634.90	60,881.11

See accompanying notes to the standalone financial results

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Part III

Standalone statement of cash flows for the six months period ended 30 September 2023

(₹ in lakhs)

Particulars	Period ended	Period ended
	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited)
A Cash flow from operating activities		
Net profit before tax	2,430.72	3,469.36
Adjustments for:		
Depreciation and amortisation expenses	1,555.55	1,558.70
Unrealised foreign exchange loss/(gain)	2.85	(1.98)
Profit on disposal of property, plant and equipment (net)	(9.78)	-
Finance costs	435.38	384.22
Gain on termination of lease liability	(0.06)	-
Interest income	(183.13)	(110.58)
Amortisation of grant income	(82.76)	(88.15)
Gain on sale of mutual fund	(17.88)	-
Gain on fair value of financial assets at fair value through profit or loss	-	(36.44)
Loss on fair value of forward contracts	-	15.27
Bad debts written off	4.35	0.22
Operating profit before working capital changes	4,135.24	5,190.62
(Increase) in financial assets	(559.36)	(566.82)
Decrease in other assets	677.75	195.18
(Decrease)/increase in financial liabilities	(405.57)	605.44
Decrease/(increase) in inventories	1,582.70	(3,165.82)
(Decrease)/increase in other liabilities	(162.08)	0.61
Increase in provisions	22.04	8.25
Net cash generated from operations	5,290.72	2,267.46
Income-tax paid (net of refunds)	(804.79)	(762.35)
Net cash from operating activities (A)	4,485.93	1,505.11
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in progress and capital advances)	(1,294.78)	(1,189.49)
Proceeds from disposal of property, plant and equipment	22.49	-
Loan repayment from subsidiary	-	2,000.00
Investment in fixed deposits	(3,750.00)	(1,582.97)
Maturity of fixed deposits	1,539.00	1,481.76
Investment in mutual funds	(3,050.00)	(8.32)
Redemption of mutual funds	3,567.96	-
Interest received	107.22	110.78
Investment in subsidiary company	-	(2,000.00)
Net cash used in investing activities (B)	(2,858.11)	(1,188.24)
C Cash flows from financing activities		
Proceeds from non-current borrowings	-	404.00
Repayment of non-current borrowings	(1,161.31)	(1,094.11)
Final dividend paid	(720.48)	(311.32)
Proceeds from current borrowings (net)	604.80	1,276.70
Repayment of lease liabilities	(19.17)	(25.57)
Interest paid	(403.43)	(421.87)
Net cash used in financing activities (C)	(1,699.59)	(172.17)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(71.77)	144.70
Cash and cash equivalents at the beginning of the period	443.84	76.31
Cash and cash equivalents at the end of the period	372.07	221.01

Components of cash and cash equivalents:

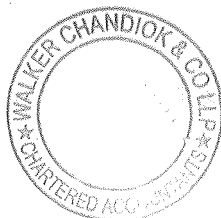
Balances with scheduled banks in current accounts	368.76	217.73
Cash on hand	3.31	3.28
	372.07	221.01

Note:

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

See accompanying notes to the standalone financial results

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STERLING TOOLS LIMITED

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

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

Notes:

1. The standalone financial results of Sterling Tools Limited (the 'Company') for the quarter and six months ended 30 September 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30 October 2023. The statutory auditors of the Company have expressed an unmodified review conclusion on these standalone financial results.
2. The above results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as specified under section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended).
3. The Company is primarily in the business of manufacturing of fasteners (i.e. automotive components) which falls within a single business segment in terms of the Indian Accounting Standard 108, 'Operating Segments' and hence no additional disclosures have been furnished.
4. The shareholders of the Company in its Annual General Meeting held on 18 September 2023 have approved final dividend of Rs. 2 per share (face value of Rs. 2 per share) for the financial year 2022-23
5. Exceptional items includes:

Particulars	Three months ended 30 September 2023	Preceding three months ended 30 June 2023	Corresponding three months ended 30 September 2022	Year to date figures for current period ended 30 September 2023	Year to date figures for previous period ended 30 September 2022	Year ended 31 March 2023
(a) Insurance claim	60.10	-	673.49	60.10	673.49	673.49
(b) Interest	-	(20.39)	-	(20.39)	-	(329.23)
Total	60.10	(20.39)	673.49	39.71	673.49	344.26

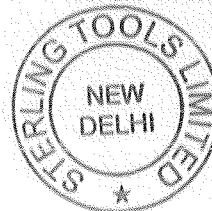
a. pertains to insurance claim received from an insurance company on account of a fire incident in an earlier year at one of the Company's manufacturing facility.

b. pertains to estimated interest liability recognised by the Company on proposed foreclosure of authorisation license under Export Promotion Capital Goods ('EPCG') scheme.

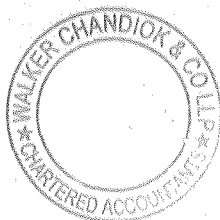
Place: Faridabad

Date: 30 October 2023

For and on behalf of the Board of Directors



Anil Aggarwal
Managing Director
DIN: 00027214



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Walker Chandiook & Co LLP

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

To the Board of Directors of Sterling Tools Limited

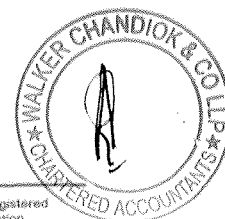
1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Sterling Tools Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 September 2023 and the consolidated year to date results for the period 1 April 2023 to 30 September 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Chartered Accountants

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

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



Walker Chandiook & Co LLP

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

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial information of one subsidiary included in the Statement, whose financial information reflects total assets of ₹ 9,843.67 lakh as at 30 September 2023, and total revenues of ₹ 5,606.97 lakh and ₹ 12,910.44 lakh, total net profit after tax of ₹ 251.41 lakh and ₹ 757.40 lakh, total comprehensive income of ₹ 251.62 lakh and ₹ 757.81 lakh, for the quarter and six month ended on 30 September 2023, respectively, and cash flows (net) of ₹ 3.52 lakh for the period ended 30 September 2023, as considered in the Statement. This interim financial information have been reviewed by other auditor whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the review report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditor.

6. The Statement includes the interim financial information of one subsidiary, which has not been reviewed by its auditor, whose interim financial information reflects total assets of ₹ 15.24 lakh as at 30 September 2023, and total revenues of nil, net loss after tax of ₹ 0.79 lakh and ₹ 0.90 lakh, total comprehensive loss of ₹ 0.79 lakh and ₹ 0.90 lakh for the quarter and six month period ended 30 September 2023 respectively, cash flow (net) of ₹ (3.57) lakh for the period ended 30 September 2023 as considered in the Statement, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

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

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


Ashish Gera
Partner

Membership No.: 508685
UDIN: 23508685BGYCVB6076

Place: Faridabad
Date: 30 October 2023



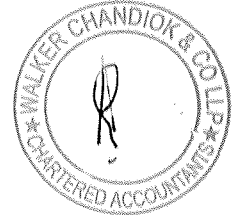
Walker Chandiook & Co LLP

Annexure 1 to the Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of Sterling Tools Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Annexure 1

List of entities included in the Statement

1. Sterling Gtack E-mobility Limited, subsidiary; and
2. Haryana Ispat Private Limited, subsidiary.



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STERLING TOOLS LIMITED

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

Statement of consolidated unaudited financial results for the quarter and six months ended 30 September 2023

Part I

(₹ in lakhs, except per share data)

S. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended	Year to date figures for current period ended	Year to date figures for previous period ended	Year ended
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	21,017.34	22,060.23	17,859.66	43,077.57	35,247.35	77,197.80
	(b) Other income	135.83	222.07	53.19	357.90	128.02	290.01
	Total income	21,153.17	22,282.30	17,912.85	43,435.47	35,375.37	77,487.81
2	Expenses						
	(a) Cost of materials consumed	9,654.19	12,885.62	9,027.87	22,539.81	18,441.19	40,036.50
	(b) Changes in inventories of finished goods and work-in-progress	1,292.54	(1,205.04)	(980.44)	87.50	(1,726.35)	(1,172.53)
	(c) Employee benefits expense	1,531.87	1,562.58	1,249.45	3,094.45	2,520.66	5,211.28
	(d) Finance costs	258.51	246.32	236.09	504.83	426.04	883.69
	(e) Depreciation and amortisation expenses	834.10	805.55	800.71	1,639.65	1,591.97	3,171.59
	(f) Other expenses	6,000.61	6,272.61	6,059.13	12,273.22	11,308.80	23,368.96
	Total expenses	19,571.82	20,567.64	16,392.81	40,139.46	32,562.31	71,499.49
3	Profit before exceptional items and tax (1-2)	1,581.35	1,714.66	1,520.04	3,296.01	2,813.06	5,988.32
4	Exceptional items (refer note 5)	60.10	(20.39)	673.49	39.71	673.49	344.26
5	Profit before tax (3+4)	1,641.45	1,694.27	2,193.53	3,335.72	3,486.55	6,332.58
6	Tax expense						
	(a) Current tax (including earlier years)	473.13	433.97	419.48	907.10	772.30	1,590.02
	(b) Deferred tax	(77.98)	(46.47)	113.87	(124.45)	96.04	(45.24)
	Total tax expenses	395.15	387.50	533.35	782.65	868.34	1,544.78
7	Profit for the period (5-6)	1,246.30	1,306.77	1,660.18	2,553.07	2,618.21	4,787.80
8	Other comprehensive income						
	(A) (i) Items that will not be reclassified to the statement of profit and loss	(0.04)	(0.03)	(1.94)	(0.07)	(3.88)	68.25
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	0.03	0.03	0.49	0.06	0.98	(17.10)
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
	(ii) Income-tax relating to items that will be reclassified to the statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive income	(0.01)	-	(1.45)	(0.01)	(2.90)	51.15
9	Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (7+8)	1,246.29	1,306.77	1,658.73	2,553.06	2,615.31	4,838.95
10	Profit for the period attributable to						
	(a) Owners of the Holding Company	1,246.30	1,306.77	1,660.18	2,553.07	2,618.21	4,787.80
	(b) Non controlling interests	-	-	-	-	-	-
11	Other comprehensive (loss)/income attributable to						
	(a) Owners of the Holding Company	(0.01)	-	(1.45)	(0.01)	(2.90)	51.15
	(b) Non controlling interests	-	-	-	-	-	-
12	Total comprehensive income attributable to						
	(a) Owners of the Holding Company	1,246.29	1,306.77	1,658.73	2,553.06	2,615.31	4,838.95
	(b) Non controlling interests	-	-	-	-	-	-
13	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	720.48	720.48	720.48	720.48
14	Other equity	-	-	-	-	-	39,322.26
15	Earnings per share*						
	(a) Basic	3.46	3.63	4.61	7.09	7.27	13.29
	(b) Diluted	3.46	3.63	4.61	7.09	7.27	13.29

* not annualised except for the year ended 31 March 2023

See accompanying notes to the consolidated financial results

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STERLING TOOLS LIMITED

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

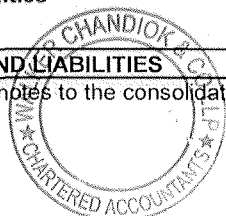
Website: stlfasteners.com, E-mail: csec@stlfasteners.com, CIN: L29222DL1979PLC009668

Part II

Statement of consolidated assets and liabilities

Particulars	As at	As at
	30 September 2023 (Unaudited)	31 March 2023 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	27,985.11	27,385.16
(b) Capital work-in-progress	493.30	1,117.72
(c) Other intangible assets	119.02	130.03
(d) Financial assets		
(i) Investments	1,531.86	1,531.86
(ii) Other financial assets	507.24	469.42
(e) Deferred-tax assets (net)	172.10	134.65
(f) Income-tax assets (net)	158.21	64.60
(g) Other non-current assets	626.12	536.32
Total non current assets	31,592.96	31,369.76
Current assets		
(a) Inventories	17,116.37	16,341.63
(b) Financial assets		
(i) Investments	-	500.08
(ii) Trade receivables	8,029.62	8,136.50
(iii) Cash and cash equivalents	388.43	460.24
(iv) Bank balances other than (iii) above	7,318.57	5,026.96
(v) Loans	34.85	25.60
(vi) Other financial assets	113.32	152.28
(c) Other current assets	2,810.30	3,679.57
Total current assets	35,811.46	34,322.86
Assets held-for-sale	6.36	-
TOTAL ASSETS	67,410.78	65,692.62
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	720.48	720.48
(b) Other equity	41,154.86	39,322.26
Total equity attributable to owners of the Holding Company	41,875.34	40,042.74
Non controlling interest		
Total equity	41,875.34	40,042.74
Liabilities		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,966.91	3,664.48
(iia) Lease liabilities	103.72	5.05
(iib) Other financial liabilities [other than those specified in item (b)]	42.29	19.32
(b) Provisions	870.20	694.54
(c) Deferred tax liabilities (net)	1,667.92	1,755.05
(d) Other non-current liabilities	823.75	884.30
Total non current liabilities	6,474.79	7,022.74
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	10,487.87	9,592.49
(iia) Lease liabilities	20.58	15.84
(iib) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	771.74	964.62
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,963.17	4,871.08
(iii) Other financial liabilities [other than those specified in item (c)]	567.51	830.26
(b) Other current liabilities	1,784.04	1,925.60
(c) Provisions	430.23	355.67
(d) Current tax liabilities (net)	35.51	71.58
Total current liabilities	19,060.65	18,627.14
Total liabilities	25,535.44	25,649.88
TOTAL EQUITY AND LIABILITIES	67,410.78	65,692.62

See accompanying notes to the consolidated financial results



Signature

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Part III

Consolidated statement of cash flows for the six months period ended 30 September 2023

(₹ in lakhs)

Particulars	Period ended	Period ended
	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited)
A Cash flow from operating activities		
Net profit before tax	3,335.72	3,486.55
Adjustments for:		
Depreciation and amortisation expenses	1,639.65	1,591.97
Unrealised foreign exchange (gain)/loss	(102.69)	4.36
Profit on disposal of property, plant and equipment (net)	(1.39)	-
Finance costs	496.19	424.65
Gain on termination of lease liability	(0.06)	-
Interest income	(199.38)	(55.09)
Amortisation of grant income	(82.76)	(88.15)
Gain on sale of mutual fund	(17.88)	-
Gain on fair value of financial assets at fair value through profit or loss	-	(36.44)
Loss on fair value of forward contracts	-	15.27
Bad debts written off	4.35	0.22
Provision for warranty	208.41	-
Operating profit before working capital changes	5,280.16	5,343.34
Decrease/(increase) in financial assets	25.00	(505.33)
Decrease in other assets	881.09	251.48
(Decrease)/increase in financial liabilities	(161.66)	1,185.44
Increase in inventories	(774.76)	(3,767.72)
Decrease in other liabilities	(139.70)	(24.80)
Increase in provisions	41.66	196.41
Net cash generated from operations	5,151.79	2,678.82
Income-tax paid (net of refunds)	(1,035.93)	(766.63)
Net cash from operating activities (A)	4,115.86	1,912.19
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in progress and capital advances)	(1,651.89)	(1,330.63)
Proceeds from disposal of property, plant and equipment	4.13	-
Investment in fixed deposits	(3,750.00)	(3,482.90)
Maturity of fixed deposits	1,578.23	3,262.74
Investment in mutual fund	(3,050.00)	(8.32)
Redemption of mutual funds	3,567.96	-
Interest received	127.27	55.29
Net cash used in investing activities (B)	(3,174.30)	(1,503.82)
C Cash flows from financing activities		
Proceeds from non-current borrowings	382.30	404.00
Repayment of non-current borrowings	(1,161.31)	(1,094.11)
Final dividend paid	(720.48)	(311.32)
Proceeds from current borrowings (net)	966.60	1,116.49
Repayment of lease liabilities	(19.17)	(25.57)
Interest paid	(461.32)	(349.07)
Net cash used in financing activities (C)	(1,013.38)	(259.58)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(71.82)	148.79
Cash and cash equivalents at the beginning of the period	460.25	340.55
Cash and cash equivalents at the end of the period	388.43	489.34

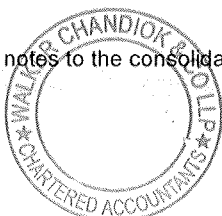
Components of cash and cash equivalents:

Balances with scheduled banks in current accounts	380.91	231.06
Cash on hand	7.52	4.24
Balances with banks in deposit accounts with original maturity upto three months	-	254.04
	388.43	489.34

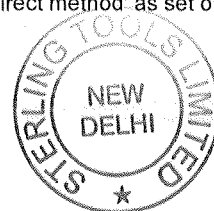
Note:

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

See accompanying notes to the consolidated financial results



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

Notes:

1. The consolidated financial results of Sterling Tools Limited (the 'Holding Company') for the quarter and six months ended 30 September 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30 October 2023. The statutory auditors of the Holding Company have expressed an unmodified review conclusion on these consolidated
2. The above results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as specified under section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as
3. The Group is primarily in the business of manufacturing of automotive components which falls within a single business segment in terms of the Indian Accounting Standard 108, 'Operating Segments' and hence no additional disclosures have been furnished.
4. The shareholders of the Holding Company in its Annual General Meeting held on 18 September 2023 have approved final dividend of Rs.2 per share (face value of Rs.2 per share) for the financial year 2022-23
5. Exceptional items includes:

Particulars	Three months ended 30 September 2023	Preceding three months ended 30 June 2023	Corresponding three months ended 30 September 2022	Year to date figures for current period ended 30 September 2023	Year to date figures for previous period ended 30 September 2022	Year ended 31 March 2023
(a) Insurance claim	60.10	-	673.49	60.10	673.49	673.49
(b) Interest	-	(20.39)	-	(20.39)	-	(329.23)
Total	60.10	(20.39)	673.49	39.71	673.49	344.26

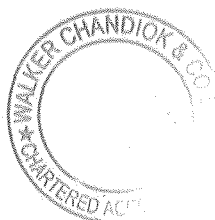
- a. pertains to insurance claim received from an insurance company on account of a fire incident in an earlier year at one of the Holding Company's manufacturing facility.
- b. pertains to estimated interest liability recognised by the Holding Company on proposed foreclosure of authorisation license under Export Promotion Capital Goods ('EPCG') scheme.

For and on behalf of the Board of Directors



Anil Aggarwal
Managing Director
DIN: 00027214

Place: Faridabad
Date: 30 October 2023

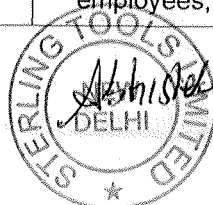


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Annexure-B

Details with respect to introduction of 'Sterling Tools Limited - Employee Stock Option Plan 2023' ('ESOP Plan'/'Plan')

a) Brief details of Options granted	<p>9,00,605 [Nine Lakh Six Hundred and Five] employee stock options ("Options") to be granted to the Grantee as determined by the Nomination and Remuneration Committee ('NRC' or 'Committee').</p> <p>Further, maximum number of shares that may be issued pursuant to options granted to an eligible employee in a year may exceed 1% of the total issued capital of the company at the time of granting of an option as decided by the Committee and/or the Board of Directors of the Company, within the overall ceiling i.e. not exceeding 9,00,605 [Nine Lakh Six Hundred and Five] employee stock options under "ESOP Plan"/"Plan" and for the same, the company shall take prior approval of the members by way of a special resolution.</p>
b) Whether the scheme is in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (if applicable)	Yes, the scheme is in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
c) Total number of shares covered by these options	9,00,605 [Nine Lakh Six Hundred and Five] equity shares of face value of INR 2/- (Indian Rupees Two Only) each fully paid-up.
d) Pricing formula	The exercise price shall not be less than the face value of an equity share and shall not be more than the fair market value ('FMV') of an equity share of the Company at the time of grant of option as determined by the NRC from time to time and shall be in the conformity with the applicable accounting policies/standards, if any
e) Options vested	Not Applicable
f) Time within which Options may be exercised	The vested Options shall be exercisable at any time after the Vesting Date and within 10 (Ten) years from the date of vesting of Options.
g) Options exercised	Not Applicable
h) Money realized by exercise of Options	Not Applicable
i) The total number of shares arising as a result of exercise of Option	Not Applicable
j) Options lapsed	Not Applicable
k) Variation of terms of Options	Not Applicable
l) Brief details of significant terms	<ul style="list-style-type: none">• The ESOP Plan is being introduced with a view to provide employees, of the Company and its subsidiary companies,



	<p>with an additional incentive based on productivity and performance and thereby motivate them to contribute to the overall corporate growth and profitability.</p> <ul style="list-style-type: none"> • The Plan shall be administered by the Nomination and Remuneration Committee ('NRC'). • The aforesaid Options shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the Grant Date.
m) Subsequent changes or cancellation or exercise of such Options	As per the ESOP Plan and as decided by the Nomination and Remuneration Committee
n) Diluted earnings per share pursuant to issue of equity shares on exercise of Options	Options are yet to be exercised

