

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
L-41 Connaught Circus
New Delhi 110001
India

T +91 11 4278 7070
F +91 11 4278 7071

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

To the Board of Directors of Sterling Tools Limited

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



Chartered Accountants

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

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

Walker Chandiok & Co LLP

- 4 The review of unaudited financial results for the three months period ended 30 June 2017 and comparative information for the three months period and six months period ended 30 September 2016 included in the Statement was carried out and reported by S R Dinodia & Co LLP *vide* their unmodified review report dated 7 September 2017 and 5 November 2016 respectively. Our review report is not modified in respect of this matter.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No 001076N/N1500013

Anamitra Das

per **Anamitra Das**
Partner
Membership No 062191



Place: Faridabad
Date: 13 November 2017



STERLING TOOLS LIMITED

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

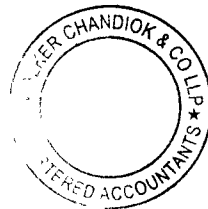
Website stfasteners.com, E-mail:sterling@stfasteners.com, CIN L29222DL1979PLC009668

Statement of unaudited financial results for the quarter and half year ended 30 September 2017

₹ in lakhs

S No	Particulars	Quarter ended			Half year ended	
		30 September 2017 (Unaudited)	30 June 2017 (Unaudited)	30 September 2016 (Unaudited)	30 September 2017 (Unaudited)	30 September 2016 (Unaudited)
1	Revenue					
	(a) Revenue from operations	11,578.79	11,030.62	10,705.73	22,609.41	21,280.56
	(b) Other income	143.41	32.43	33.27	175.84	75.32
	Total	11,722.20	11,063.05	10,739.00	22,785.25	21,355.88
2	Expenses					
	a Cost of materials consumed	4,412.23	3,496.16	3,710.08	7,908.39	7,329.69
	b Changes in inventories of finished goods and work-in-progress	(284.77)	317.52	(400.93)	32.75	(577.53)
	c Excise duty	-	1,158.34	1,160.89	1,158.34	2,301.52
	d Employee benefits expense	802.15	877.80	701.14	1,679.95	1,554.94
	e Finance cost	92.59	104.41	130.78	197.00	290.65
	f Depreciation and amortization expense	434.88	430.86	388.46	865.74	782.23
	g Power and fuel	887.22	756.72	754.97	1,643.94	1,527.99
	h Other expenses	3,071.78	2,414.93	2,857.01	5,486.71	5,239.21
	Total expenses	9,416.08	9,556.74	9,302.40	18,972.82	18,448.70
3	Profit before tax (1-2)	2,306.12	1,506.31	1,436.60	3,812.43	2,907.18
4	Tax expense					
	a Current tax	856.21	549.87	491.03	1,406.08	986.27
	b Deferred tax	(19.71)	(2.90)	36.43	(22.61)	56.33
	Total tax expenses	836.50	546.97	527.46	1,383.47	1,042.60
5	Profit for the period (3-4)	1,469.62	959.34	909.14	2,428.96	1,864.58
6	Other comprehensive income					
	(A) (i) Items that will not be reclassified to the statement of profit and loss	(3.60)	(3.59)	(3.59)	(7.19)	(7.18)
	(ii) Tax benefit/(expense) on items that will not be reclassified to the statement of profit and loss	1.25	1.24	1.25	2.49	2.49
	(B) (i) Items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	(ii) Tax benefit/(expense) on items that will be reclassified to the statement of profit and loss	-	-	-	-	-
	Total other comprehensive income	(2.35)	(2.35)	(2.34)	(4.70)	(4.69)
7	Total comprehensive income for the period (5+6)	1,467.27	956.99	906.80	2,424.26	1,859.89
8	Paid-up equity share capital (face value of ₹ 2 each)	720.48	720.48	684.46	720.48	684.46
9	Earnings per share*					
	a) Basic	4.27	2.79	2.64	7.06	5.45
	b) Diluted	4.27	2.79	2.64	7.06	5.45

* not annualised



Statement of assets and liabilities

₹ in lakhs

Particulars	As at
	30 September 2017 (Unaudited)
ASSETS	
Non-current asset	
a) Property plant and equipment	15 012 64
b) Capital work-in-progress	43 53
c) Other intangible assets	21 27
d) Financial assets	
(i) Investments	1 886 75
(ii) Others	89 66
e) Other non-current assets	123 10
Total non current assets	17,176 95
Current asset	
a) Inventories	4 006 66
b) Financial assets	
(i) investments	5 696 37
(ii) Trade receivables	4 542 71
(iii) Cash and cash equivalents	61 12
(iv) Bank balances other than (iii) above	253 50
(v) Loans	16 69
(vi) Others	15 17
c) Other current assets	1,787 38
Total current assets	16,379 60
TOTAL ASSETS	33,556.55
EQUITY AND LIABILITIES	
Equity	
a) Equity share capital	720 48
b) Other equity	22,131 07
Total equity	22,851 55
Non current liabilities	
a) Financial liabilities	
(i) Borrowings	2,125 39
(ii) Other financial liabilities [other than those specified in item (b)]	54 01
b) Provisions	131 58
c) Deferred tax liabilities (net)	1,547 74
d) Other non-current liabilities	1,208 73
Total non current liabilities	5,067 45
Current liabilities	
a) Financial liabilities	
(i) Trade payables	3,447 27
(ii) Other financial liabilities [other than those specified in item (c)]	1,028 28
b) Other current liabilities	564 22
c) Provisions	135 07
d) Current tax liabilities (net)	462 71
Total current liabilities	5,637.55
TOTAL EQUITY AND LIABILITIES	33,556.55



Notes

- 1 Results for the quarter and six months ended 30 September 2017 have been prepared in compliance with the recognition and measurement principles of the India Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs. Consequently results for the quarter and six months ended 30 September 2016 have been restated to comply with Ind AS to make them comparable.
- 2 The Audit Committee has reviewed these results and the Board of Directors have approved the above results and its release at their respective meetings held on 13 November 2017. The statutory auditors of the Company have carried out the limited review of the results for the quarter and six months ended 30 September 2017. The Ind AS compliant financial results pertaining to the corresponding quarter and six months ended 30 September 2016 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- 3 The Company's business falls within a single business segment in terms of the Indian Accounting Standard 108 'Operating Segments' and hence no additional disclosures are required in this regard.
- 4 Reconciliation between financial results as previously reported under Indian GAAP and Ind AS for the quarter and six months ended 30 September 2016

₹ in lakhs

Particulars	Quarter ended	Half year ended
	30 September 2016	30 September 2016
Net profit after tax as per previous India GAAP	905.40	1,842.54
Impact of fair valuation of derivative contracts	5.18	31.78
Impact on actuarial loss on defined benefit plans	3.60	7.18
Others	(3.05)	(5.25)
Impact of deferred tax liability (net) on account of the above adjustments	(1.99)	(11.67)
Net profit after tax as per Ind AS	909.14	1,864.58

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

Place: Fardabad

Date: 13 November 2017



For and on behalf of the Board of Directors

(Anil Aggarwal)
Managing Director