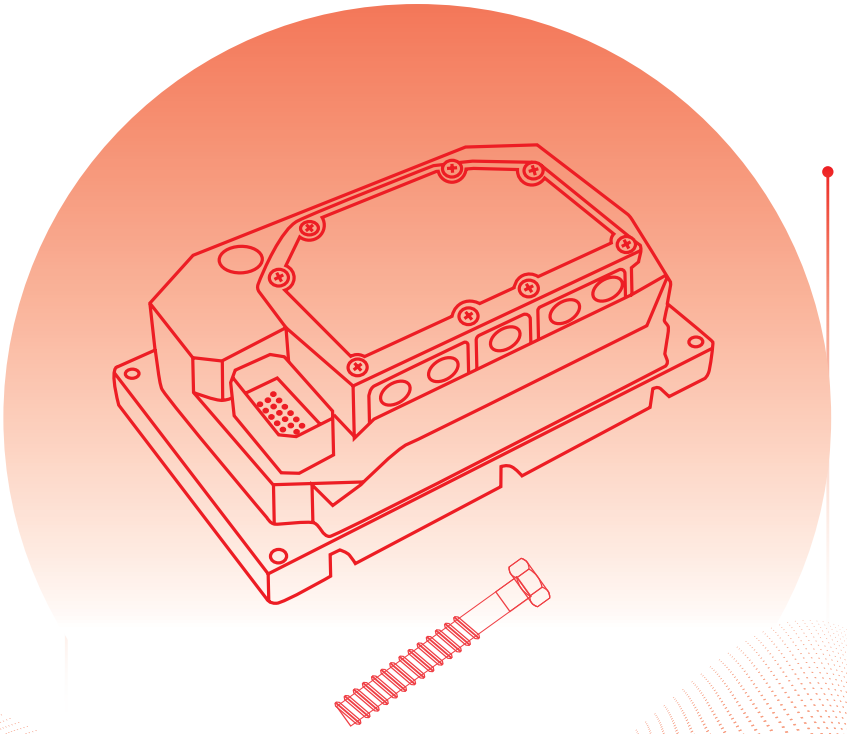
Driving Smart
Mobility

STERLING TOOLS LIMITED

Annual Report 2023-24




STERLING TOOLS LIMITED
STERLING TOOLS LIMITED



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https://stlfasteners.com/investors/

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Notice for the AGM

Investor Information

1,103 Cr.
Market Capitalisation as of 31 March, 2024

L29222DL1979PLC009668
CIN

530759
BSE Code

STERTOOLS
NSE Symbol

₹ 2 per share
Dividend Declared

13th September 2024
AGM Date

Disclaimer

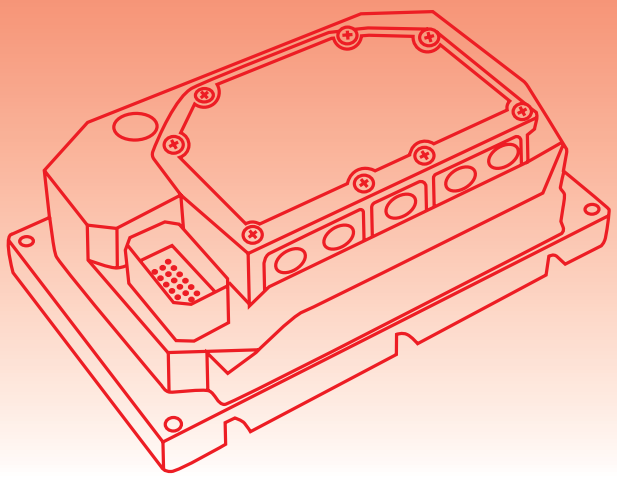
This document contains statements about expected future events and financials of Sterling Tools Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that 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.

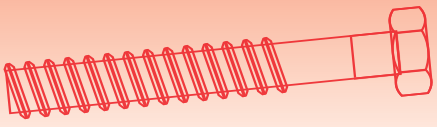
Driving Smart **Mobility**

We forge ahead in our journey to shape a smarter, greener, and more sustainable world, reinforcing our legacy of resilience, reinvigoration, and relentless innovation.

At Sterling Tools Limited, we blend innovation and tradition to drive the future of mobility. As India's second-largest fasteners manufacturer, our journey of over four decades is marked by resilience and a relentless pursuit of excellence. Our further expansion into diversified product of Motor Control Units (MCUs) is reflective of our commitment to provide e-mobility solutions.

Resilience is at the core of our STL Group. Navigating industry challenges with our strength, we adapt and excel, continuously pushing the boundaries. Our state-of-the-art manufacturing facilities and dedicated team of skilled professionals enable us to capture new Business Opportunities in the space of electric and green mobility solutions. This relentless drive fuels our pursuit of excellence, ensuring that we deliver superior value to our stakeholders while upholding the highest standards of quality, sustainability and adding new technologies.





Diversification through Innovation



STERLING TOOLS LIMITED (STL)

STL is a major automotive fastener manufacturer since last 45 years. In recent years, our commitment to excellence extended beyond traditional components, we are now at the forefront of the electric vehicle (EV) transformation, with Sterling Gtake E-Mobility Limited (SGEM), our wholly owned subsidiary, establishing us as a leading manufacturer of Motor Control Units (MCUs) in India.

What We Do

- We manufacture a comprehensive range of standard, chassis, and special engine fasteners for automotive industry.
- Through SGEM, we produce Motor Control Units (MCUs) for Electric Vehicles (EV).

How We Operate

- Our state-of-the-art R&D, industry experience and vertically integrated manufacturing facilities leverage the latest technology and stringent quality control processes.
- We supply our best-in-class automotive fasteners both in India and internationally, including aftermarket sector.
- We provide MCUs to leading Original Equipment Manufacturers (OEMs) in India.
- We are actively involved in the EV space, collaborating with industry leaders to develop innovative solutions for a sustainable future.

What's Next

- We are evolving from a traditional manufacturing company to a leading electric mobility solutions provider.
- Building on our success with MCUs, we are expanding into other e-mobility solutions, including E-powertrain and power electronics.
- We are positioning ourselves to bring together all the solutions required for the future of e-mobility.

45
Years of Legacy

2nd
Largest manufacturers of fasteners in India



Vision

- Be the most **trusted** brand for our customers.
- Maximise **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 technologies, entrepreneurial spirit, and passion of our people.

Our Philosophy

At STL, our philosophy embodies a comprehensive approach to manufacturing, quality control and human resource development. By focusing on the overall balance of all attributes, we strive for perfection and excellence in our output, ensuring customer satisfaction. This enables us to deliver superior products while fostering an environment where our people can thrive and contribute to our collective success.

4
Fastener manufacturing plants

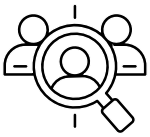
₹ 608 Cr.
Revenue

STERLING GTAKE E-MOBILITY LIMITED (SGEM)

SGEM is a leading Brand in India's electric vehicle (EV) industry, specialising in the development and production of Motor Control Units (MCUs) for two-wheelers, three-wheelers, and light commercial vehicles.

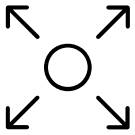
Our extensive MCU portfolio caters to a wide range of products, ensuring efficient and reliable solutions across various EV segments. We leverage our state-of-the-art manufacturing plant in Faridabad, Haryana, alongside two dedicated tech centres each in Faridabad and Bengaluru, to deliver solutions as per our Customers expectations.

With application expertise, SGEM is a trusted partner for EV manufacturers, empowering the future of sustainable mobility.



#1

Manufacturer of Motor Control units (MCUs) in India



~600K

MCUs Per Annum initiated Capacity expansion



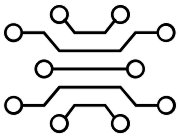
60

Personnel in Engineering



1

MCU manufacturing plant



2

Tech Centres

STERLING GTAKE E-MOBILITY

RELIABLE. SUSTAINABLE. TRANSFORMATIONAL

Motor Controller Units



1 to 6 KW LOCALIZED

10 to 132 KW



132 to 225 KW

The most extensive Motor Control Unit (MCU) portfolio in the country-backed by the best Application Support

Our Transformative Milestones

1979-1981

- Sterling Tools Incorporated
- First Plant - DLF (Faridabad - Haryana)

1982-1999

- Listed on BSE and NSE in 1995
- Started Supply to Major OEMs like Swaraj Tractors, Eicher Group, Escorts, Hero, HMSI, Ashok Leyland, Isuzu, Maruti, M&M, and Tata Motors

1999-2019

- Second Plant - Wire drawing unit at Ballabhgarh (Faridabad - Haryana)
- Third Plant - Prithla (Palwal - Haryana)
- Fourth Plant - Kolar (Bengaluru -Karnataka)

2020-2022

- Diversification into EV Components through 100% subsidiary Sterling Gtake E-Mobility Ltd. (SGEM)
- SGEM commissioned its first MCU manufacturing plant and Tech centre in Faridabad, Haryana

2023

- Became India's Largest MCU manufacturer for EVs.
- Established 2nd Tech Centre for MCUs in Bengaluru.

2024

- SGEM initiated capacity expansion at Faridabad Plant
- **Further diversification into Magnetics-** MoU sigend with Yongin Electronics Co Ltd., South Korea to manufacture magnetic components for automotive and electronic industries

Chairman's Message



Dear Shareholders,

I am honoured to greet you with the Annual Report of FY'24. This year, we have experienced remarkable and profitable growth, setting new records in our financial performance.

During FY24, our consolidated total income grew by 21 % to ₹ 938 crore on a YoY basis. The growth is higher as compared to domestic automobile industry growth of 13 % for the same period. The consolidated EBITDA in FY24 is higher by 16% as against FY23 while PAT growth is 15% YoY. Our profit before tax, excluding exceptional items, witnessed a 20% increase, soaring to ₹ 72 crore from ₹ 60 crore in FY '23. This growth is largely coming from our strong positioning in Electric Vehicle (EV) market and other growth strategies.

Our standalone revenue for the year amounted to ₹ 608 crore, with significant contributions from the sale to passenger vehicle segment at 27%, followed by the commercial vehicle segment at 22%, and the two-wheeler segment at 24%. Further SGEM, the EV component business, achieved an impressive 86% growth. Consequently, SGEM's contribution to our consolidated revenue increased to 35%, up from 23%. Last year, reflecting our better market penetration into the e-mobility sector.

In response to the rising demand of EVs in India, we initiated a capacity expansion of MCUs to 600,000 units per annum, focusing our commitment to technology/ innovation & sustainable future. Additionally, we are driving innovation by operating two Tech Centres in Faridabad and Bengaluru, respectively. Our focus is on developing more products for EV-powertrain components which helps us maintain a strong position with our customers.

We also announced our Collaboration with South Korea's Yongin Electronics co. ltd to enter the electronic component sector as well. This Business will manufacture magnetic components for the automotive and electronics industries, with the revenue potential of ₹ 200 crore over the next five years. This partnership marks a significant milestone in our efforts to enhance our domestic production capabilities for electronic components and aligns with our goal of expending into electric and green mobility solutions.

To accelerate our progress toward our vision and upon my request, our Board of Directors has deliberated and accorded to separate the roles of Chairman and Managing Director. Mr. Atul Aggarwal has been elevated to Managing Director, where he will lead the company's diversification and growth in emerging verticals. I will continue to provide overall guidance and mentorship as Chairman. Our succession strategy is also in place, with the next generation of leaders taking on expanded responsibilities in the company. This approach ensures continuity while harnessing the fresh perspectives and innovative ideas of our emerging leaders.

The combination of our seasoned management team and a vibrant, youthful workforce positions us for success in new business areas, maintaining our competitive edge and nurturing a culture of innovation. Simultaneously, strengthening our fastener business enables us to allocate additional resources to new ventures, driving growth and innovation in the EV and green energy sectors.

As a responsible corporate citizen, we are dedicated to environmental responsibility, diversity and community engagement. Our social and diversity initiatives are deeply embedded in our corporate ethos and are integral to our operations. We are also placing significant emphasis on reducing our greenhouse gas (GHG) emissions to align with India's broader goals of lowering carbon footprints and enhancing energy conservation. Our initiatives include adopting advanced technologies and practices that minimize emissions across our operations, improving energy efficiency, and transitioning to sustainable energy sources. Also, by cultivating a culture of inclusion and Corporate Social Responsibility, we are dedicated to making a tangible impact on the communities in which we operate.

Looking ahead, we are confident and optimistic about our prospects. Our ambition is to develop a diversified portfolio of future technologies, including EV- powertrain and power electronic components, with healthy margins, enabling us to increase our market share in the automotive component space. To further amplify our growth prospects and market presence, we plan to form partnerships, capitalising on collaborative opportunities.

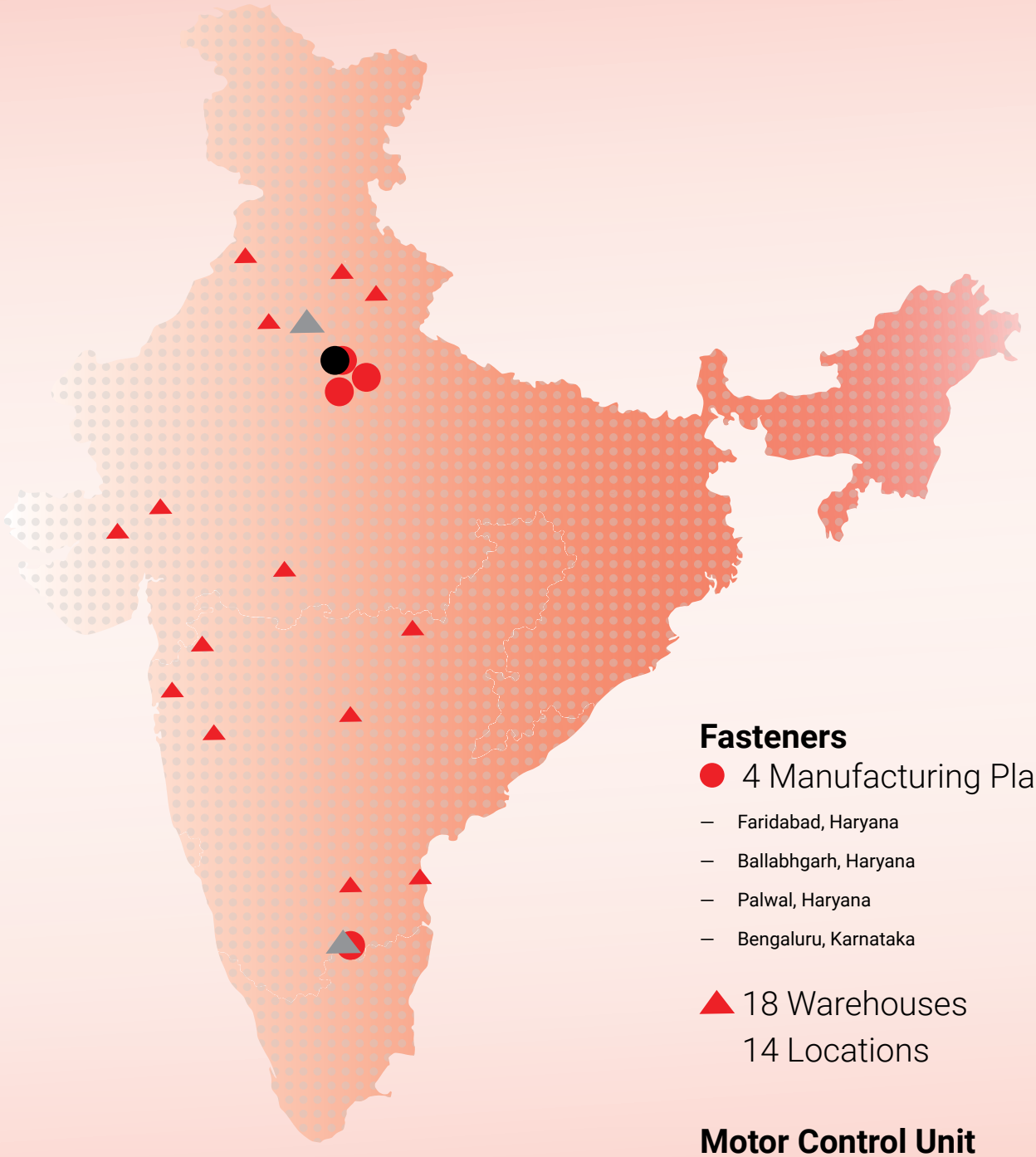
The progress we have made over the past year instils us with confidence in our growth prospects and our ability to generate value for our shareholders. Our consistent dividend payout highlights our focus on maintaining healthy financials and delivering long-term returns to our shareholders.

I extend my heartfelt gratitude to our employees and suppliers for their relentless efforts in ensuring the seamless and efficient operation of our business as well as our esteemed Board of Directors for their sage advice and strategic guidance. I also thank our customers for their continued trust and support, our shareholders for their patience and belief in our vision, the government machinery for their cooperation, and our business/technical partners for their unwavering collaboration.

Sincerely,

Anil Aggarwal
Chairman

Our Diverse Offerings



Fasteners

● 4 Manufacturing Plants

- Faridabad, Haryana
- Ballabhgarh, Haryana
- Palwal, Haryana
- Bengaluru, Karnataka

▲ 18 Warehouses
14 Locations

Motor Control Unit

● 1 MCU Manufacturing Plant

- Faridabad

▲ 2 Tech Centres

- Faridabad
- Bengaluru

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.

Innovating Mobility Solutions

Fasteners



Axle Bolts



Engine Bolts



Special Fasteners



Standard Bolts



Wheel Bolts



Sealant Parts

MCUs



2W & 3W Segment



LCV Segment



M & HCV Segment

Nurturing Our Workforce

At Sterling Tools Limited (STL), our employees are Pivot of our success. We believe that by nurturing talent, embracing diversity and promoting well-being, we create a thriving work environment that drives innovation and excellence. Our commitment to our people ensures that every team member feels valued, supported and empowered to achieve their full potential.

Comprehensive Training and Development

We offer a diverse array of training programs designed to equip our employees with the skills and knowledge they need to thrive. These programs cover various areas, including:

- Leadership and management training
- Behavioral development and communication skills
- Technical skills specific to each role
- Quality management principles
- Information technology literacy
- Health and safety procedures

Diversity and Inclusion

We are committed to building a workforce that reflects the diversity of our customers and the global marketplace. We believe that a diverse and inclusive environment sparks innovation, creativity, and problem-solving. Our initiatives include:

- Developing recruitment strategies to attract a wide range of qualified candidates
- Fostering an inclusive workplace culture that values and respects everyone
- Encouraging open communication and collaboration
- Providing professional development opportunities for all employees

Employee Well-being

We prioritise the health, safety, and well-being of our employees through various programs and initiatives that support a healthy work-life balance, including:

- Workplace safety protocols and ergonomic assessments
- Yoga and fitness programs
- Health insurance for employees and their families
- Regular health check-up camps

Quality Certifications

CERTIFIED IATF 16949:2016 COMPANY

CERTIFIED ISO 45001:2018 COMPANY

CERTIFIED ISO 45001:2018 COMPANY

CERTIFIED ISO 9001:2015 COMPANY

CERTIFIED ISO/IEC 17025:2017 COMPANY

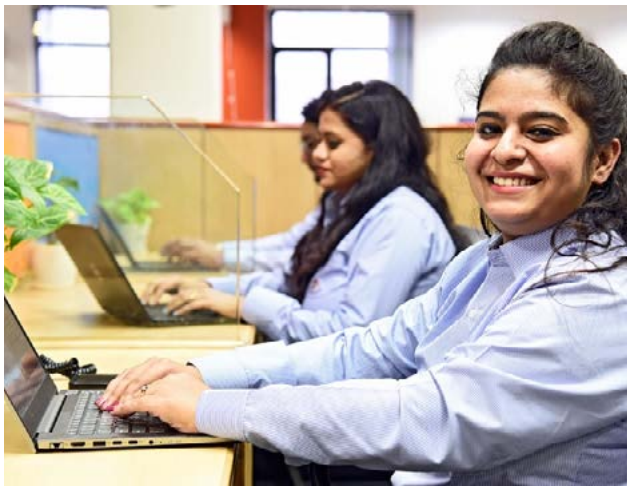
CERTIFIED ISO 27001:2022 COMPANY












Small
See





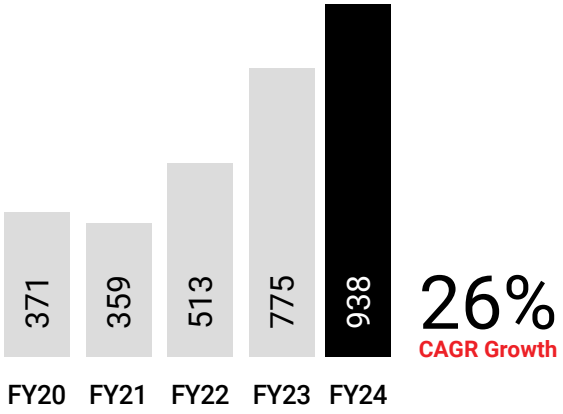
Financial Performance

(consolidated)



TOTAL INCOME

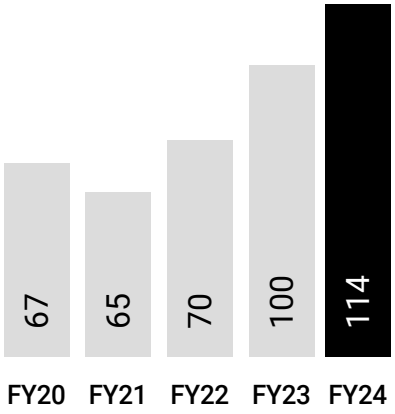
(₹ in Crore)



26%
CAGR Growth

EBITDA

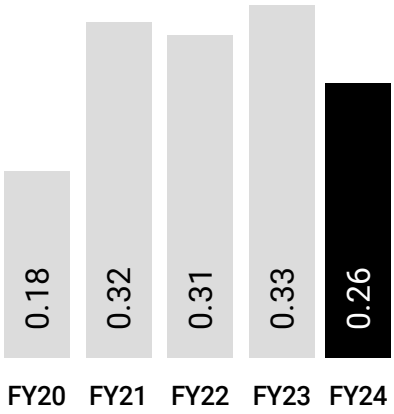
(₹ in Crore)



14%
CAGR Growth

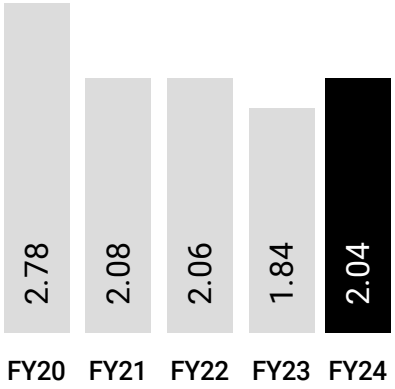
DEBT/EQUITY

(Times)



CURRENT RATIO

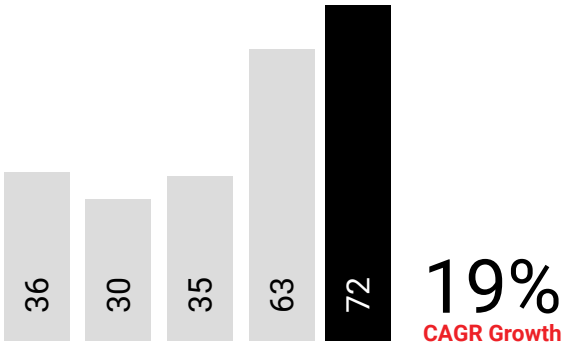
(Times)





PBT

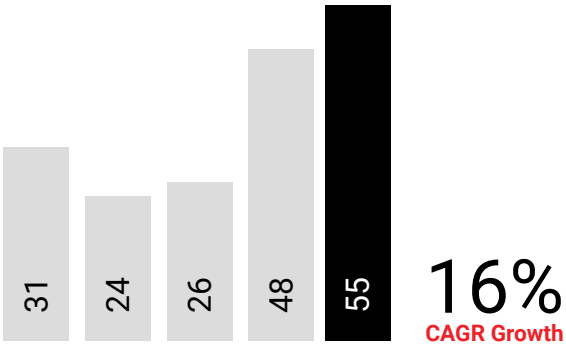
(₹ in Crore)



19%
CAGR Growth

PAT

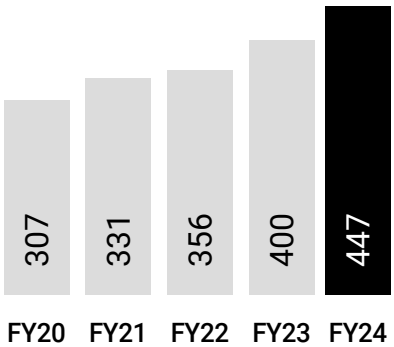
(₹ in Crore)



16%
CAGR Growth

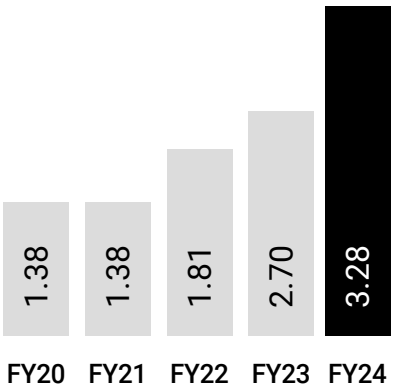
NET WORTH

(₹ in Crore)



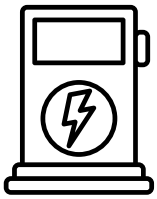
NET FIXED ASSET TURNOVER

(Times)



Our Strong Suits

At Sterling Tools Limited (STL), we blend our well established presence in the automotive industry with a relentless focus on innovation, securing a leading position in the evolving mobility landscape.



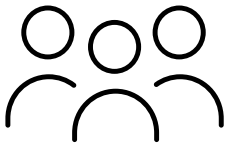
Early Mover Advantage in EV Components:

Sterling Gtake E-Mobility Limited (SGEM), our wholly owned subsidiary, is a frontrunner in developing Motor Control Units (MCUs) for a range of electric vehicles, including two-wheelers (2Ws), three-wheelers (3Ws), and electric light commercial vehicles (eLCVs). In the high-speed scooter segment, SGEM commands a significant market share of approximately 50%. Overall, SGEM captures roughly 26% of the MCU market, supported by a robust engineering team and a supportive ecosystem capable of handling high production volumes and customer expectations.



Leadership in Automotive Fasteners:

As India's second-largest manufacturer of automotive fasteners, our long-standing relationships with major auto OEMs position us well to further increase our market share and strengthen our industry leadership.



Experienced Team:

Our more than four decades of market experience have solidified our credibility with stakeholders. A strong leadership team, coupled with a talented and energetic workforce, equips us to excel in new business ventures and drive continuous growth.



Strategic Partnerships:

We actively seek collaborations and explore synergies with industry players to expand our capabilities and market share across internal combustion engine (ICE) vehicles, electric vehicles (EVs), and emerging green technologies in the auto component sector.



Sustainable Growth and Profitability:

We prioritise building a balanced product portfolio that includes premium-priced, value-added products with healthy profit margins. This focus ensures long-term financial stability, enabling us to reinvest in innovation and growth.




4KW
3KW
2KW
1KW

Sustainable Vision – Our Environmental, Social and Governance Journey

At Sterling Tools Limited (STL), we recognise our responsibility to operate in a way that benefits not only our business but also society and the environment. Integrating sustainability principles throughout our operations, we strive contribute to a more sustainable future for all. Guided by the principle of meeting current needs without compromising future generations, we continue to expand our sustainability efforts and engage our employees through comprehensive training programs. These programs help raise awareness and encourage participation in building a more sustainable future.



Environment

At Sterling Tools Limited (STL), we are committed to minimising our environmental impact and contributing to a sustainable future. Here are some key highlights of our environmental initiatives

Renewable Energy and Energy Efficiency

We are actively transitioning towards green energy sources. Our solar power plants in Bengaluru (900 kW) and Prithla (700 kW) generate clean electricity, reducing our reliance on conventional energy sources. We use 100% LED lighting throughout our facilities and employed energy-efficient manufacturing processes.

Water Conservation

Responsible water management is a priority. Our water filtration system that allows us to reuse 1,000 kilolitres of rainwater annually within our plants. We are also exploring additional water conservation measures.

Emission Reduction

We are dedicated to reducing our Carbon emissions footprint. We retrofit our generators with dual fuel capability, reducing exhaust emissions. Additionally, we plant trees around our facilities to enhance air quality.

Transparency and Reporting

We are committed to transparency in our sustainability efforts. We utilise a strong reporting system along with a dedicated monitoring team to ensure data accuracy.

Sustainability Initiatives

We take a comprehensive approach to sustainability. This year, we initiated several key programs, including:

- Conducting ESG due diligence across all our plants.
- Publishing our Business Responsibility and Sustainability Report (BRSR).
- Establishing an internal Mechanism to oversee sustainability efforts.
- Calculating our carbon footprint in accordance with National Green Building Rating System (NGBRC) principles (Scope 1 & 2 emissions).



Social

We are committed to supporting the overall well-being of the communities where we operate. We undertake various initiatives aimed at improving infrastructure and quality of life.

Education and Skill Development

We support schools in underprivileged communities, enhancing educational opportunities for children. This year, we provided donations to orphanages and special-needs schools to support their educational programs, maintenance of school assets and providing laptops, Computers, tables and musical instruments for schools. Additionally, we address the issue of women's empowerment by providing them with skill development training.





Sports

We believe that sports play a vital role in promoting physical and mental well-being, particularly among youth. We support various sports programs though Caddies Welfare Trust and Delhi Golf society in our communities.



Health and Wellness

We sponsor Cochlear Implant of 4 children with hearing impairment, heart disease treatments, providing appropriate Paediatrics therapy free of cost to needed patients and contribute to the development of healthcare infrastructure for underprivileged communities.







Governance

We have established a strong governance framework to ensure transparency, accountability, and responsible decision-making.



Code of Conduct and Ethics Policy

We maintain a clear and comprehensive Code of Conduct that defines behaviours for all employees. This policy is effectively communicated throughout the organisation.

Monitoring and Enforcement

We employ a multi-layered approach to monitoring and enforcing our ethical standards. This includes:

- Monthly monitoring and reporting procedures
- Regular internal audits

Ethical Recruitment

We seek candidates who demonstrate strong ethical behaviour and integrity throughout the recruitment process. This is assessed through interviews, reference checks, thorough background checks, and a comprehensive behavioural questionnaire.

Board Oversight

Our Board of Directors plays a critical role in overseeing key governance practices. They review and approve processes related to:

- Preventing insider trading
- Risk Management
- Reviewing Financial Policies
- Senior Management Performance review



Board of Directors



Mr. Anil Aggarwal
Chairman



Mr. Atul Aggarwal
Managing Director



Ms. Rashmi Urdhwareshe
Independent Director



Mr. Jaideep Wadhwa
Director



Mr. Shailendra Swarup
Independent Director



Mr. Rakesh Batra
Independent Director



Mr. Sanjiv Garg
Independent Director



Mr. Vijay Madhav Paradkar
Independent Director



Mr. Akhill Aggarwal
Whole Time Director



Mr. Anish Agarwal
Director



Corporate Information

Registered Office

DJ-1210, 12th Floor, DLF Tower-B, Jasola District Centre, New Delhi – 110025

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 Gtake 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 Ltd.

Board of Directors

Mr. Anil Aggarwal
Chairman

Mr. Atul Aggarwal
Managing Director

Mr. Jaideep Wadhwa
Non-Executive Director

Mr. Shailendra Swarup
Independent Director

Mr. Rakesh Batra
Independent Director

Ms. Rashmi Urdhwareshe
Independent Director

Mr. Vijay Paradkar
Independent Director

Mr. Sanjiv Garg
Independent Director

Mr. Akhill Aggarwal
Whole Time Director

Mr. Anish Agarwal
Non-Executive Director

Chief Financial Officer

Mr. Pankaj Gupta

Company Secretary & Compliance Officer

Mr. Abhishek Chawla

Auditors

Statutory auditors

Walker Chandiok & 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

Profaids Consulting

OMS COURT, Level 3, No:1,
Nathamuni Street, Off G N Chetty Road,
T. Nagar, Chennai - 600 017.

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 45th Annual Report on the business and operations of Sterling Tools limited ('the Company') and Audited Financial Statements (Standalone and Consolidated) for financial year ended 31st March, 2024.

Financial Summary & Highlights

The Company's financial performance for the year under review along with previous year's figures are given hereunder :

(Amount in ₹ Lacs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	60813.75	59765.44	93197.17	77197.80
Other Income	556.04	588.39	653.94	290.01
Total Revenue	**61369.79**	**60353.83**	**93851.11**	**77487.81**
Total Expenditure (excluding Depreciation and Finance Cost)	52309.25	51126.38	82419.76	67444.21
Profit before interest, depreciation, taxes and exceptional Items	9060.54	9227.45	11431.35	10043.60
Less: Interest	761.88	812.48	946.23	883.69
Depreciation	3123.97	3087.32	3305.10	3171.59
Add/(Less): Exceptional items	39.71	344.26	39.71	344.26
Profit Before Tax	**5214.40**	**5671.91**	**7219.73**	**6332.58**
Less: Current Tax	1469.09	1427.62	1958.85	1590.02
Deferred Tax	(139.22)	101.34	(275.62)	(45.24)
Profit for the Year	**3884.53**	**4142.95**	**5536.50**	**4787.80**
Add/(Less): Other Comprehensive Income	(346.22)	50.33	(347.62)	51.15
Total Comprehensive Income for the Year	**3538.31**	**4193.28**	**5188.88**	**4838.95**

Note – PBT & PAT includes exceptional items of ₹ 3.4 Crs. in FY 23 and ₹ 0.4 Crs. in FY24

Company's performance and outlook

- **STANDALONE**

  For FY 2023-24, the standalone performance demonstrated a modest improvement. Revenue from operations rose to ₹608 Crs., and the company sustained a robust profit after tax of ₹38 Crs. for the year. The overall financial health remains stable, highlighting resilience and consistent performance.

- **CONSOLIDATED**

  The consolidated results for the FY 2023-24 were notably strong. Revenue from operations shows a substantial increase of 21% to ₹ 931 Cr., with Sterling Gtake E-mobility Limited (SGEM) contributing significantly. Profit before tax increased by 14 % to ₹ 72 Cr., and profit for the year increased by 16% to ₹ 55 Cr, underscoring the Company's robust financial performance and successful strategic initiatives.

  On a consolidated basis, the Company demonstrates strong performance in FY 2023-24 and is well-positioned for continued growth. SGEM shows remarkable financial and operational success, driven by strategic initiatives in innovation and sustainability. With a solid market position and forward-looking growth strategies. SGEM is poised for continued success in the rapidly evolving electric vehicle industry.

The Company is dedicated to increasing its market share by expanding its product portfolio and securing new business in ICE, EV, green energy and industrial segments. Drawing on over 45 years of expertise and robust financial stability, the Company is ideally positioned to seize new opportunities and diversify its portfolio by introducing innovative products through new ventures. The commitment is to deliver best-in-class products to both existing and potential customers, ensuring sustained performance and growth.

Management views the future with confidence and anticipates continued improvement in the coming years. The Company's outlook, along with that of the Automobile Industry, is detailed in the Management Discussion and Analysis Report, which forms part of this Report.

Consolidated Financial Statements

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 India is enclosed and forms part of this report.

The Consolidated Profit and Loss Account for the period ended 31st March, 2024, includes the Profit and Loss Account for the subsidiaries i.e. Sterling Gtake E-Mobility Limited, Haryana Ispat Private Limited and Sterling Advanced Electric Machines Private Limited for the Financial Year ended 31st March, 2024.

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 Shareholders Meetings section at https://stlfasteners.com/investors/shareholders-meetings.

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 strong track record of rewarding its shareholders with substantial dividend payouts. Given the robust operational and financial performance during the year under review, the Board of Directors are pleased to recommend a final dividend of ₹ 2/- (Rupees Two only) per equity share for the FY 2023-24, subject to approval of shareholders in the ensuing Annual General Meeting. This dividend payout will be in accordance with the Company's Dividend Distribution Policy, which is available on the Company's website: https://stlfasteners.com/assets/upload/investors/20240111111425-dividend-distribution-policy-496676593880.pdf

In accordance with 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. Consequently, the Company will make the final dividend payment after deducting the tax at source. For detailed information on the procedure for the declaration and payment of the dividend, shareholders are requested to refer to the Notice of the 45th Annual General Meeting.

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' shares are compulsorily tradable in electronic form. As on 31st March 2024, 99.78% of the Company's total paid-up Capital representing 3,59,46,180 equity shares are in dematerialized 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 dematerialization from of the Depositories.

Capital Structure and Listing

As of 31st March, 2024, the Company has an Authorized Share Capital of ₹10,00,00,000 and a Paid-Up Share Capital of ₹7,20,48,422, with the Promoters and persons acting in concert with them holding 65.77% of the Company's share capital. The Company's equity shares are listed on the National Stock Exchange of India Limited and BSE Limited, with listing fees paid to both exchanges for FY 2024-25.

During the year under review, the Company implemented the STL Employee Stock Option Plan, 2023, in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. A certificate from M/s. Dhananjay Shukla & Associates, Secretarial Auditors, regarding this plan will be available for inspection on the Company's website under the "Investors" section on the date of the Annual General Meeting. A statement providing complete details as of 31st March, 2024, pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is also available on the Company's website. The web link for this information is https://stlfasteners.com/investors/shareholders-meetings.

Further, there is no change in share capital structure during the year.

Subsidiaries, Joint Ventures, and Associate Companies: Changes During the Year

As on 31st March 2024, the Company has three wholly owned subsidiaries and one Joint venture company which got liquidated during the year. During the year, the Company has following subsidiary Company/Joint Ventures/Associates, the status of which is mention thereto:

S. No	Name of the Entity	Nature of Relationship	Remarks
1	Sterling Gtake E-Mobility Limited	Wholly owned Subsidiary	Fully operational
2	Haryana Ispat Pvt. Ltd	Wholly owned Subsidiary	Under Amalgamation with the Company
3	Sterling Advanced Electric Machines Pvt Ltd	Wholly owned Subsidiary	New Subsidiary
4	Sterling Fabory India Private Limited	Joint Venture	Liquidated w.e.f. 1st July, 2023

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements as on 31st March, 2024 is presented by way of Form AOC–1 as an **Annexure -I**. Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at https://stlfasteners.com/investors.

Key business developments during the year under review

1. **Update on the Scheme of amalgamation of Haryana Ispat Private Limited with and into Sterling Tools Limited.**

   The Board of Directors of the Company at its Meeting held on 1st February 2024, accorded its consent for the Scheme of Amalgamation of Haryana Ispat Private Limited ("Transferor Company"), Wholly Owned Subsidiary, with and into Sterling Tools Limited ("Transferee Company") and their respective shareholders and creditors, subject to necessary approvals of authorities and the Hon'ble National Company Law Tribunal, New Delhi (Hon'ble NCLT).

   The Companies have filed a joint first motion application with Hon'ble NCLT on 29th February 2024. The Hon'ble NCLT vide its Order pronounced on 18th April 2024 has allowed the dispensation of the meetings of the shareholders and creditors of the Companies. The Companies have filed a second motion application with Hon'ble NCLT on 29th April 2024.

   This matter is pending for approval of the scheme by the Hon'ble NCLT. The aforesaid Scheme of Arrangement is available on the website of the Company at https://stlfasteners.com/investors/corporate-governance.

2. **Update on Incorporation of a wholly owned subsidiary of the Company**

   Upon approval of the Board of Directors of the Company at its meeting held on 30th October 2023, the Company has incorporated a wholly owned subsidiary (WOS) in the name of Sterling Advanced Electric Machines Private limited.

3. **Update on Voluntary Liquidation of Sterling Fabory India Private Limited**

   The Board of Directors approved the liquidation of the JV Company on 11th August 2021, and an application was filed with the NCLT, New Delhi. The final application for voluntary liquidation was submitted on 23rd March 2023. At the first hearing on 8th June 2023 NCLT reserved the order and on 1st July 2023, the Company received dissolution status from the Registrar of Companies, completing the process.

4. **Issuance of Employee stock option Plan**

   STL-Employee Stock Option Plan-2023 was introduced to offer employees of the Company and its subsidiary companies, an additional incentive tied to productivity and performance. This initiative aims to motivate employees and contribute to the overall corporate growth and profitability of the Company. In accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, a total of 900,605 (Nine Lakh Six Hundred and Five) ESOP options were approved under the ESOP Plan.

Material changes and commitments

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

Change in the nature of business, if any.

There is no change in the nature of business of the Company during the F.Y. 2023-24.

Directors and Key Managerial Personnel

As on 31st March 2024, there were Twelve (12) Directors on the Board of the Company, consisting of Seven (7) Independent Directors, Three (3) Non-Executive Director, One (1) Executive Director and One (1) Chairman & Managing Director (CMD).

Changes in the Board of Directors and KMP during the year under review are as follows:

- 8th May 2023: Mr. Abhishek Chawla appointed as Company Secretary.
- 1st February 2024: Ms. Rashmi Urdhwareshe (DIN: 08668140) appointed as a Non-executive Independent Director and Mr. Anish Agarwal (DIN: 07056465) as a Non-Executive Non-Independent Director.
- 25th March 2024: Mr. Vijay Madhav Paradkar (DIN: 00149410) appointed as a Non-Executive Independent Director.
- 31st March 2024: Mr. Chottu Ram Sharma (DIN: 00522678), Dr. Triloki Nath Kapoor (DIN: 00017692), and Ms. Malini Sud (DIN: 01297943) completed their second term as Independent Directors and ceased to be the Directors of the Company.

Key Managerial Personnel (KMP) as of 31st March, 2024 were:

- Mr. Anil Aggarwal DIN: 00027214, Chairman & Managing Director.
- Mr. Pankaj Gupta, Chief Financial Officer; and
- Mr. Abhishek Chawla, Company Secretary.

After the closure of FY 2023-24, the following changes happened in the Directorship of the Company:

- Mr. Sanjiv Garg (DIN: 00428757) appointed as a Non-Executive Independent Director w.e.f. 10th May 2024.
- Change in Designation of Mr. Anil Aggarwal from Chairman & Managing Director to Chairman and Whole Time Director of the Company effective from 11th May 2024
- Change in Designation of Mr. Atul Aggarwal from Whole Time Director to Managing Director and KMP of the Company effective from 11th May 2024.
- Appointment of Mr. Akhill Aggarwal as Whole Time Director effective from 10th May 2024.

In accordance with the provisions of the Companies Act, 2013, and in terms of Articles of Association of the Company, Mr. Atul Aggarwal, Managing Director is liable to retire by rotation and being eligible, offer himself for re-appointment. The details of Mr. Atul Aggarwal being recommended for re-appointment are included in the notice of the ensuing Annual General Meeting of the Company.

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 and there has been no change in the circumstances which may affect their status as independent director during the year.

In the opinion of the Board of Directors, all the Independent Directors, including those appointed during the year are persons of high repute, integrity and possess the relevant proficiency, expertise and experience in their respective fields.

Number of meetings of the Board and attendance of the Directors

The Board met four (4) times during the F.Y. 2023-24, in respect of which notices were given and the proceedings were properly recorded. The intervening gap between two consecutive meetings was not exceeding the period prescribed under the Companies Act, 2013. For details of the meetings of the Board and attendance of the Directors, please refer Clause 2 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 place on the Website of the Company at https://stlfasteners.com/assets/upload/investors/20240111111425-nomination-and-remuneration-policy-board-795595043113.pdf.

Policy on Board Diversity

The Company recognizes and embraces the importance of a diverse Board in its success. The Company believes 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 Nomination & Remuneration Policy explains Board Diversity 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. The committee also oversees the conduct of the annual review of board effectiveness.

Board Evaluation

The annual performance evaluation of the Board, including assessments of board committees and individual directors, is carried out in accordance with the Companies Act, 2013, and SEBI Listing Regulations. Following the SEBI guidance note on Board Evaluation from 5th January 2017, a structured questionnaire is developed, focusing on various aspects such as board functioning, composition, culture, execution of duties, and governance.

In a separate meeting of independent directors held on 27th January, 2024, the Independent Directors evaluated the Chairman's performance, incorporating feedback from Executive Directors, Non-Executive Directors, Non-Independent Directors, and the Board as a whole. Additionally, the information flow between Management and the Board was assessed for quality, quantity, and timeliness.

Thereafter, the Nomination and Remuneration Committee in its meeting held on 30th January, 2024 reviewed the performance of the Board, Independent Directors, Key Managerial Personnel, and Senior Management, considering criteria such as preparedness, meaningful contributions, and key result areas.

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.

All related party transactions that were approved by the Audit Committee were periodically reported to Audit Committee. None of the Contracts, Arrangements and transactions with related parties required approval of the Board/Shareholders under Section 188(1) of the Act and 23(4) of SEBI Listing Regulations. Further, during the year under review, there were no material related party transactions in terms of Regulation 23 of SEBI Listing Regulations. The Company has also adopted the Policy on Related Party Transactions and the same is available on the website of the Company at https://stlfasteners.com/investors/corporate-policies.

Committees Of The Board

The Company has the following Board committees, which have been established as a part of the corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Share Transfer Committee
- Management Committee
- Investment Committee

The details with respect to the compositions, powers, roles, terms of reference and number of meetings held during the year of relevant committees are given in detail in the Corporate Governance Report of the Company, which forms part of this Board's Report.

Auditors

I) Statutory Auditors

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

Statutory Auditors' Report

There has been no qualification, reservation or adverse observation reported by the Statutory Auditors in its reports on standalone and consolidated financial statements of the Company for the year ended 31st March, 2024 forming part of this report.

II) Secretarial Auditors

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 ended 31st March, 2024.

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-IV**. There are no qualifications, reservations or adverse qualification made by Secretarial Auditors in their Report for the year ended 31st March, 2024.

Further as per the requirement of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit report of the material subsidiary namely, Sterling Gtake E-Mobility Limited is also attached as **Annexure V**.

Annual Secretarial Compliance Report

Annual Secretarial Compliance Report for the financial year ended 31st March, 2024 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from Mr. Santosh Kumar Pradhan, Practicing Company Secretaries. The Annual Secretarial Compliance Report doesn't contain any qualification, reservation, or adverse remarks and the same is available at https://stlfasteners.com/investors/corporate-governance.

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 ended 31st March, 2024.

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 Chandiok & 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 maintains a robust Management Information System, integral to its control mechanism. Policies and procedures have been adopted to enhance transparency and accountability in the design and implementation of internal controls. As of 31st March, 2024, management assessed the effectiveness of these controls over financial reporting, as defined in Clause 18(3) of SEBI Listing Regulations, and found no material weaknesses or significant deficiencies. Recognizing the inherent limitations of any internal control framework, the Company conducts regular audits and reviews to continuously improve these systems.

M/s Walker Chandiok & Co., LL.P., 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).

Further, the Company has a well-established Internal Audit function, performing risk-based audits across all business areas. Internal audits for North-based manufacturing plants were conducted by M/s S.R. Dinodia & Co., LLP, and for Kolar Plant by M/s Protiviti India Member Pvt Ltd and M/s Profaids Consulting. The Audit Committee approves the Internal Audit Plan and Scope at the beginning of the year and receives quarterly updates. Significant findings and corrective actions are reported to the Audit Committee, ensuring ongoing improvement and compliance.

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), the audit committee of the Company has concluded that, as of 31st March, 2024, the internal financial controls were adequate and operating effectively in the Company. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

Risk Management System

The Company has constituted a Risk management committee and formulated a Risk Management policy to identify, assess and

mitigate various risks to the business, which is covered in detail in the Management Discussion and Analysis Report.

The Risk Management Committee identifies the high and medium risks for the Company, develops and implements the risk mitigation plan, reviews and monitors the risks and corresponding mitigation plans on a regular basis and prioritises the risks, if required, depending upon the impact on the business/reputation. 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 continuing 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' website https://stlfasteners.com/assets/upload/investors/20240111111425-stl-policy-whistle-blower-47947225169.pdf.

Human Resources Management

The employees are the Company's most important assets. The Company is committed to hiring and retaining the best talent. To achieve this, the Company focuses on promoting a collaborative, transparent, and participative organizational culture, and rewarding merit and sustained high performance. The Company's human resource management culture emphasize enabling employees to develop their skills, grow in their careers, and navigate their their personal development for future leadership responsibility.

The Company's 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 614 permanent employees as on 31st March, 2024.

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.

Details CSR policy and implemented by the company on CSR initiatives taken during the year

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–VII** 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/investors/corporate-policies.

Sexual Harassment

The Company has in place 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.

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.

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.

Capital Expenditure

As on 31st March 2024, the Gross Fixed Assets including intangible assets stood at ₹52,015.62 Lacs and Net Fixed Assets stood at ₹25,283.48 Lacs. Additions during the year amounted to ₹2786.61 Lacs.

Cash Flow Analysis

In compliance with the provisions of Regulation 34 of the Listing Regulations, 2015, the Cash Flow Statement for the year ended 31st March, 2024 is part of this Annual Report.

Transfer of amounts to Investor Education and Protection Fund (IEPF)

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.

S. No	Particulars	Details
1	Amount of unclaimed/ unpaid dividend	₹ 4.61 Lacs
2	Underlying shares transferred to IEPF	3360 Shares

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.

Name of Nodal Officer: Mr. Pankaj Gupta , Chief Financial Officer. Details of Nodal Officer are mentioned on the website of the Company at https://stlfasteners.com/investors/investor-contact

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 financial year ended 31st March 2024, 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 financial year ended 31st March 2024 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.

Corporate Governance and Management Discussion & Analysis Report

The Company is committed to maintain good corporate governance standards by applying the best management practices, compliance with the law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders.

Parameters of statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Company Secretary in Practice confirming compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") forms part of the Annual 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 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.

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 31st March, 2024 is available on the Company's website at www.stlfasteners.com/investors/.

Business Responsibility and Sustainability Report (BRSR)

The Company takes pride in presenting its second BRSR for the F.Y. 2023-24. This report adheres to the format outlined in the amendment to Regulation 34(2)(f) of the SEBI Listing Regulations as specified in Gazette Notification No. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and is included within our Annual Report. Aligned with the nine principles of the National Guidelines on Responsible Business Conduct issued by the Ministry of Corporate Affairs, Government of India, the BRSR for the F.Y. 2023-24 has been developed and forms part of this report. the Company has bolstered its existing robust reporting structure and mechanisms to ensure the accurate and reliable capture of data for BRSR disclosures.

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-VIII** to this Report.

Safety, Health and Environment (SHE) Measures

Protection of the environment is the prime concern of the Company. The Company complies with the relevant laws and regulations as well as take any additional measures considered

necessary to prevent pollution, maximize recycle, reduce waste, discharges and emissions. The Company conserve natural resources by their responsible and efficient use in all its operations and aims to reduce carbon emission in upcoming years.

Quality Management System

STL has implemented robust Quality, Environment management, Data Security 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
ISO 27001:2022	Information Security Management Systems (ISMS)

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

The Company has neither filed an application during the year under review nor are any proceedings pending under the Insolvency and Bankruptcy Code, 2016 as on 31st March, 2024.

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

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

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 programmes for Independent Directors etc. as per the requirement of law or otherwise on following the link: https://stlfasteners.com/investors/.

Acknowledgements

The Directors express deep gratitude to our customers for their sustained support and feedback, which have helped Sterling meet evolving needs and diversify its product portfolio for sustainable business growth. We thank our dedicated employees for their commitment to our growth and success. We also appreciate our supply chain partners, whose partnership has been key to our industry leadership.

Our sincere thanks go to the regulatory authorities, bankers, financial institutions, rating agencies, stock exchanges, depositories, auditors, legal advisors, consultants, Technology partners and other stakeholders. Your commitment to good governance, transparency, ethics, and accountability has been crucial to our success.

For and on behalf Board of Directors
Sterling Tools Limited

Atul Aggarwal
Managing Director
DIN:00125825

Date:- 13th August, 2024
Place:- Faridabad

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	25th November, 2016
4.	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31st March, 2024
5.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	N.A.
6.	Share Capital	10.00
7.	Reserves & Surplus	2.09
8.	Total Assets	12.58
9.	Total Liabilities	0.49
10.	Investments	NIL
11.	Turnover/Other Income	0.02
12.	Profit before taxation	(1.75)
13.	Provision for taxation	2.17
14.	Profit after taxation	(3.92)
15.	Proposed Dividend	NIL
16.	Extent of Shareholding (in %)	100%

Sterling Gtake 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 Gtake E-Mobility Limited
3.	Date since when the subsidiary was acquired	12th March, 2020
4.	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31st March, 2024
5.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.
6.	Share Capital	2,845.60
7.	Reserves & Surplus	1,955.30
8.	Total Assets	12,891.09
9.	Total Liabilities	8,090.19
10.	Investments	NIL
11.	Turnover/ Other Income	32,506.89
12.	Profit before taxation	2,015.82
13.	Provision for taxation	351.20
14.	Profit after taxation	1,664.62
15.	Proposed Dividend	NIL
16.	Extent of Shareholding (in %)	100%

Sterling Advanced Electric Machines Private Limited

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

1	Sl. No.	3
2.	Name of the Subsidiary	Sterling Advanced Electric Machines Private Limited
3.	Date since when the subsidiary was acquired	08th December 2023
4.	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31st March, 2024
5.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.
6.	Share Capital	1.00
7.	Reserves & Surplus	(0.28)
8.	Total Assets	1.00
9.	Total Liabilities	0.28
10.	Investments	NIL
11.	Turnover	NIL
12.	Profit before taxation	(0.28)
13.	Provision for taxation	NIL
14.	Profit after taxation	(0.28)
15.	Proposed Dividend	NIL
16.	Extent of Shareholding (in %)	100%

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

1. Names of subsidiaries which are yet to Commence during the year : Sterling Advanced Electric Machines Private Limited.
2. Names of subsidiaries which have been liquidated or sold during the year : Sterling Fabory India Private limited.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

There is no Associate or Joint Venture of the Company during the year under review.

For and on behalf Board of Directors

Anil Aggarwal
Chairman & Whole time Director
DIN-00027214

Atul Aggarwal
Managing Director
DIN- 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
M. No. : A34399

Date:- 13th August, 2024
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 Personnal 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 therender as amended from time to time.
- "Board":-Board means Board of Directors of the Company.
- "Director":-Director means a Director 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. or 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 —

(i) 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;

(A) 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; of-

(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

STL-Employee Stock Option Plan-2023

21st December 2023

9,00,605 (Nine Lacs Six Hundred and Five) Employee Stock Options ('ESOP Options')

Options granted under the Plan shall vest not earlier than one year but not later than a maximum of five years from the date of grant of such Options, at the discretion of and in the manner prescribed by the NRC and set out in the Grant Letter.

The exercise price shall not be less than the face value and shall not be more than the Market Price ('MP') of the equity share of the Company at the time of grant of options.

Any time after the Vesting Date and within 10 (Ten) years from the date of vesting of such Options.

Primary

No Variation/modification held.

Fair Value Method for valuation of Options

Not applicable

Sl. No.	Details
A.	Disclosures in terms of the accounting standards issued by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance notes on accounting for employee share based payments' issued in that regard from time to time.	Refer Notes to Accounts – Note no. <<>> to the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2023-24. (Disclosures are provided as per Ind AS 102, Share-based payment)
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	₹ 10.77
C.	Details related to ESOPs	
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including	
a)	Date of shareholders' approval	21st December 2023
b)	Total number of options approved under ESOS	9,00,605 (Nine Lacs Six Hundred and Five) Employee Stock Options ('ESOP Options')
c)	Vesting requirements	Options granted under the Plan shall vest not earlier than one year but not later than a maximum of five years from the date of grant of such Options, at the discretion of and in the manner prescribed by the NRC and set out in the Grant Letter.
d)	Exercise Price or pricing formula	The exercise price shall not be less than the face value and shall not be more than the Market Price ('MP') of the equity share of the Company at the time of grant of options.
e)	Maximum term of options granted	Any time after the Vesting Date and within 10 (Ten) years from the date of vesting of such Options.
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of options	No Variation/modification held.
(ii)	Method used to account for ESOS	Fair Value Method for valuation of Options
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on	Not applicable
(iv)	Option movement during the year	
b)	Number of options granted during the year	Nil
c)	Number of options forfeited / lapsed during the year	Nil
d)	Number of options vested during the year	Nil
e)	Number of options exercised during the year	Nil
f)	Number of shares arising as a result of exercise of options	N.A.
g)	Money realized by exercise of options (₹), if scheme is implemented directly by the company	N.A.
h)	Loan repaid by the Trust during the year from exercise price received	260174 Options
i)	Number of options outstanding at the end of the year	Nil
j)	Number of options exercisable at the end of the year	
(V)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	- Weighted-average exercise prices for options granted during the year: ₹ 2/- - Weighted-average fair values for options granted during the year: ₹ 363.5/-
-	Weighted-average fair values for options granted during the year: INR 363.5/-	
(Vi)	Employee wise details of options granted to	
a)	senior managerial personnel;	None

Sl. No.	Particulars	Details
b)	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Mr. Jaideep Wadhwa, Director and Managing Director of Sterling Gtake E-mobility Limited (subsidiary company), has been granted 6,40,431 options that can be converted to a maximum of 6,40,431 equity shares of face value of ₹ 2/- (Rupees Two only) of the Company under ESOP Plan.
c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Not Applicable
(Vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
a	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Weighted-average values of Share Price – ₹ 378.6/- Exercise price – ₹ 2/- Expected volatility – 48.1% Expected option life – 1 to 10 years Expected dividend yield – 0.5% Risk-free interest rate – 7.3%
b	the method used and the assumptions made to incorporate the effects of expected early exercise;	Black Scholes Model
c	an explanation of the extent to which expected volatility was based on historical volatility; and	Expected volatility during the expected term of the options is based on historical volatility (Exclusive)
d	Details related to ESPS	Not Applicable
E	Details related to SAR	Not Applicable
F	Details related to GEBS / RBS	Not Applicable
G	Details related to Trust	Not Applicable

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 organization 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 qualifications as may be prescribed under the applicable statutory provisions/ regulations

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.

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 and Mr. Atul Aggarwal shall be severally authorized to finalize 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 years. 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.

2. 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.

3. 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.

4. 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.

5. 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:

1. 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.

2. 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.

3. 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:

1. 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.

2. 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.

3. 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
Sterling Tools Limited

(Atul Aggarwal)
Managing Director
DIN: 00125825

Annexure-III to Board's Report

Form 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:

S. 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 F.Y. 2023-24.

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

a

S. 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	1st April, 2023 to 31st March, 2026
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The Company can 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	01st February 2023
f)	Amount paid as advances, if any	N.A.

b

S. 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	01st January, 2023 to 30th November, 2023 and renewed from 1st December 2023 to 30th October, 2024
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	30 October, 2023
f)	Amount paid as advances, if any	N.A.

c	S. No	Particulars	Details
	a)	Name (s) of the related party & nature of the relationship	Sterling Gtake E-mobility Private Limited
	b)	Nature of contracts / arrangements / transaction	Purchase of Material and Sale of Assets
	c)	Duration of the contracts / arrangements / transaction	1st September 2023 Till 31st March, 2024
	d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The transaction for Purchase of MCU from the wholly owned Subsidiary which was approved for up to ₹30 lakhs. However, the total amount transacted during the year up to March 31, 2024, was ₹6.48 lakhs. The transaction for sale fo assets amounting to ₹ 39.14 happened with the approval of Audit committee and the Board.
	e)	Date of approval by the Board	30 October, 2023
	f)	Amount paid as advances, if any	N.A.

c	S. No	Particulars	Details
	a)	Name (s) of the related party & nature of the relationship	Swarup & Company
	b)	Nature of contracts / arrangements / transaction	Legal & Advisory Services
	c)	Duration of the contracts / arrangements / transaction	1st September 2023 Till 31st March, 2024
	d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The transaction for legal services obtained from the Independent Director was approved for up to ₹30 lakhs. However, the total amount transacted during the year up to March 31, 2024, was ₹3.43 lakhs.
	e)	Date of approval by the Board	30 October, 2023
	f)	Amount paid as advances, if any	N.A.

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
Sterling Tools Limited

(Atul Aggarwal)
Managing Director
DIN: 00125825

Date:- 13th August, 2024
Place:- Faridabad

Annexure-IV to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2024

[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 authorized 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 31st March 2024 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 31st March 2024 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;

   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 Management 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 generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

Further during the Financial Year 2022-23, the company was having unspent amount of ₹ 25 Lakhs, which the company had transferred within one month of the closure of the financial year 2022-23 to an unspent Corporate Social Responsibility ("CSR") account. During the Financial year 2023-24, the company has spent the above said ₹ 25 Lakhs towards its ongoing projects through "Karm Trust" and "Network for quality education" respectively, per the records produced before us.

Further, during the F.Y 2023-24, the CSR Obligation of the company was ₹ 88.54 lakhs and the company has spent the entire amount during the F.Y 2023-24 as per its CSR Policy, as per the records produced before us.

We further report that:-

The company had received clarification letters/communication from stock exchanges 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, the second term of Five years was completed on 31st March 2024 for three Independent Directors namely Mr. C.R. Sharma, Mr. T.N. Kapoor and Ms. Malini Sud. Further, the company has appointed three new Directors namely Ms. Rashmi Urdhwareshe, as a Non-Executive Independent Director and Mr. Anish Agarwal as a Non-Executive Non-Independent Director, both with effect from 1st February 2024 and Mr. Vijay Madhav Paradkar, as Non-Executive Independent Director with effect from 25th March 2024. The company has further appointed Mr. Sanjiv Garg as Non-executive Independent Director on 10th May 2024.

Further during the review period, Mr. Abhishek Chawla was appointed as Company Secretary Cum Compliance officer of the company with effect from 8th May 2023 pursuant to the Regulation 6 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and pursuant to Section 203 of the Companies Act,2013.

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 installed and maintained by the company and on the basis of the quarterly compliance certificate(s) given by the Chief Financial Officer(CFO)/ Company Secretary 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. The company has incorporated, Sterling Advanced Electric Machine Private Limited, as the wholly owned subsidiary company with an investment of ₹ 1 Lacs, pursuant to Section 179 to be reads with Section 186 of the Companies Act, 2013.
2. The Company has provided a corporate guarantee in favour of its wholly owned subsidiary, Sterling Gtake E-mobility Limited for a total amount of ₹ 125 crores.
3. Pursuant to the provision of Section 62(1)(b) of the Companies Act, 2013, the company has introduced and implemented a scheme of STL-Employee Stock Option Plan 2023 for its employees. The scheme was approved by the Board on 30th October 2023 and received the consent of its Members through passing of the postal ballot dated 21st December 2023. Through the same Postal Ballot, the Members of the company has approved the STL - Employee Stock Option Plan 2023, to grant ESOP options to employees of subsidiary (ies) company(ies) as well. Further, pursuant to STL-Employee Stock Option Plan 2023, the company has granted 6,40,431 ESOP options exceeding one percent of the issued capital to Mr. Jaideep Wadhwa, being Managing Director of Sterling GTake e-mobility Ltd. , wholly owned subsidiary, which exceeds 50% of the total remuneration payable to non-executive directors of the Sterling Tools Limited pursuant to Regulation 17(6)(ca) of the SEBI LODR .
4. The Board of the Directors of the company has passed a resolution dated 1st February 2024 for amalgamation of the Haryana Ispat Private Limited, a wholly owned subsidiary, with and into the company, pursuant to Section 230-232 of the Companies Act, 2013 and matter is pending with Hon'ble National Company Law Tribunal ("NCLT"), Delhi Bench for approval.
5. The company has declared the dividend of Rupees 2 (Two) per equity share on the face value of ₹ 2 per share in its Annual General Meeting held on 18th September 2023.

For Dhananjay Shukla & Associates
Company Secretaries

Dhananjay Shukla
Proprietor
FCS-5886, CP No. 8271
Peer Review No. No.2057/2022
UDIN: F005886F000938697

Date: 13th August, 2024
Place: Gurugram

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.

'Annexure-A'

To,
The Members,
M/s Sterling Tools Limited
(CIN: L29222DL1979PLC009668)
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: F005886F000938697

Date: 13th August, 2024
Place: Gurugram

Annexure-V to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Sterling Gtake E-Mobility Limited
CIN: U31909DL2020PLC360123

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sterling Gtake E-Mobility 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 for the financial year ended on March 31st, 2024 ("**Audit Period**"). The Company engaged in the business of designing, manufacturing, and promoting Motor Control Units (with and without integrated Power Electronics), Motors, and associated E-Powertrain components for Electric and Hybrid vehicles.

Limitation of the Auditors

(i) Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and

(ii) Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors Responsibility

(i) Our responsibility is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit ("**Guidance Note**") and Auditing Standards issued by the Institute of Company Secretaries of India ("**ICSI**"). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and that we plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

(ii) Due to the inherent limitations of an audit including internal, financials and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

(iii) Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanism exist in the Company to assess any material weakness and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor's judgement, including assessment of the risk of material non-compliance whether due to error or fraud.

(iv) 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 Board processes and compliance mechanism.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the Audit Period, 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; (**Not Applicable**)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (**Not Applicable**)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; (**Not Applicable**)

(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; (**Not Applicable**)

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not Applicable**)

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable**)

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable**)

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable**)

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (**Not Applicable**)

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not Applicable**)

h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; (**Not Applicable**) and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'); (**Not Applicable**)

It is further reported that with respect to the compliance of other applicable laws, we have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc.) and as informed to us, there are no laws which are specifically applicable to the Company.

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

(i) Secretarial Standards issued by the ICSI wherein the Company is generally complying with the standards; and

(ii) The Listing Agreements entered by the Company with the Stock Exchange(s) and Listing Regulations. (**Not Applicable**)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned hereinabove.

We further report that:

(i) The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors during the Audit Period. There were following changes in the composition of the Board of Directors of the Company during the Audit Period:

a. Mr. Rakesh Batra (DIN:06511494) was appointed as an Additional Non-Executive Independent Director of the Company with effect from August 1, 2023 and was further regularized as Non-Executive Independent Director in the Annual General Meeting held on September 15, 2023.

(ii) Further, the composition of all statutory committees was also in compliance with the Act and applicable Rules and Regulations.

(iii) Adequate notice was given to all directors to schedule the Board Meetings, Statutory Committee Meetings. Agenda, and detailed notes on agenda were sent at least seven days in advance, except few Board Meetings and Committee Meetings which were held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iv) Majority decisions were carried through and there were no instances where any director expressed any dissenting views.

We further report that in our opinion, the Company has, in all material respects, adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period the Company had no event or action having major bearing on the Company's affairs:

For PI & Associates Company Secretaries

Ankit Singhi
(Partner)
FCS No.: 11685, CP No.: 16274
Peer Review No.: 1498/2021
UDIN: F011685F000895381

Date: 05.08.2024
Place: New Delhi

Disclaimer

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

'Annexure-A'

To,
The Members
Sterling Gtake E-Mobility Limited
CIN: U31909DL2020PLC360123

Our Secretarial Audit Report of even date is to be read along with this letter:

(i) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.

(ii) 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. The verification was done on a sampling basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

(iii) We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

(iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

(v) The compliance of the provisions of corporate and other sector specific laws applicable on the Company, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on sampling basis.

(vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PI & Associates Company Secretaries

Ankit Singhi
(Partner)
FCS No.: 11685, CP No.: 16274
Peer Review No.: 1498/2021
UDIN: F011685F000895381

Date: 05.08.2024
Place: New Delhi

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 cum Managing Director	51
Mr. Atul Aggarwal	Whole Time Director	49

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 & MD	15%
Mr. Atul Aggarwal, Whole Time Director	15%
Mr. Pankaj Gupta, Chief Financial Officer	5.5%
Mr. Abhishek Chawla, Company Secretary	8.13%

c. The Percenztage increase in the median remuneration of employees in the financial year: 8.9%.

d. The number of permanent employees on the rolls of Company: 614

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 8.9%.

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	2,80,55,709	Otherwise	B.Com. and 47 Years	30.09.1994	66	N.A.	16.96	Yes
2	Mr. Atul Aggarwal	Whole Time Director	2,75,45,546	Otherwise	M.B.A. and 34 Years	30.09.1994	60	N.A	26.83	Yes

* Note: Disgnation of Mr. Anil Aggarwal and Mr. Atul Aggarwal changed to Whole time Director and Managing Director w.e.f. 11th May, 2024.

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
Sterling Tools Limited

(Atul Aggarwal)
Managing Director
DIN: 00125825

Date:- 13th August, 2024
Place:- Faridabad

Annexure-VII to Board's Report

Annual Report on CSR Activities for F.Y. 2023-24

1. Brief outline on CSR Policy of the Company:

Sterling Tools Limited believes that while everyone is born with equal potential, not everyone is born with equal opportunity. The company's vision is to emphasize sustainable business practices that encompass economic, environmental, and social priorities, benefiting both the business and the surrounding communities.

STL's CSR philosophy is about giving back to society by addressing the needs of local communities through socially beneficial programs aimed at their transformation and sustainable development.

STL executes its CSR initiatives primarily through its social development arm, the Manohar Lal Aggarwal Foundation (formerly Sterling Tools Foundation), established in 2016. The foundation focuses on various areas, including healthcare, sanitation, education (via scholarships, smart classrooms, and improved infrastructure in government schools), rehabilitation of the destitute, and educating the needy about government schemes and plans.

A comprehensive CSR policy, approved by the CSR Committee and the Board of Directors on 5th November 2014, outlines the following areas:

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

The projects undertaken align with the broad framework of Schedule VII of the Companies Act, 2013. The detailed CSR policy is available on the company's website.

2. Composition of CSR Committee:

S. 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 and Managing Director	1	1
2	Mr. Jaideep Wadhwa	Non-Executive Non Independent Director	1	1
3	Mr. C.R. Sharma*	Non-executive Independent Director	1	1

* The above composition was as on 31st March 2024, from 9th May 2024, Ms. Rashmi Urdhwareshe was appointed as new Member in place of Mr. C R Sharma

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/assets/upload/investors/20240111111425-stl-csr-policy-100113962537.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)	4426.51
	b) Two percent of average net profit of the Company as per section 135(5)	88.54
	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)	88.54

(₹ in Lacs)

6	a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	88.41
	b) Amount spent in Administrative Overheads	0.13
	c) Amount spent on Impact Assessment, if applicable	Nil
	d) Total amount spent for the Financial Year (a+b+c)	88.54

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.
Not Applicable					

f) Excess amount for set off, if any

Sl. No.	Particular	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:

(₹ in Lacs)

S. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount Spent in the Financial Year	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 pent in succeeding Finanscial Years (in Rs)	Deficiency, if any
					Amount	Date of Transfer		
1	2022-23	24.96	Nil	24.96	Nil	Nil	Nil	NA

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).
Not Applicable

For and on behalf of Board of Directors
Sterling Tools Limited

(Atul Aggarwal)
Managing Director
DIN: 00125825

Date:- 13th August, 2024
Place:- Faridabad

Annexure-VIII 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	1. A 700 kWp rooftop solar plant has been installed at the Prithla Plant, generating 5.97 lakh units of electricity annually. This contributes approximately 3% of the total grid power consumption. 2. Compressed air system revamped, and it resulted in reduction of specific power consumption in the compressor. 3. Diesel Generator set converted into Dual Fuel (Diesel + PNG) to reduce carbon foot print 4. Lowered the operating temperature of the Hot water generator thereby reduced fuel consumption 5. Change of Annealing system thereby reduced the power consumption
2	The steps taken by the Company for utilizing alternate sources of energy	Additional solar installation planned in DLF plant and in Wire Drawing Unit. Once the approval is received the installation work will start.
3	The capital investment in energy conservation equipment's	The capital investment done in 1. Furnace relining done to prevent heat loss 2. Multiple waste heat recovery projects being implemented to reduce energy consumption. 3. Dual fuel kit installed

(B) Technology absorption-

1	the efforts made towards technology absorption	1. New Zinc alloy plating process being installed to supply niche product to our customers. 2. STL has a taken quantum leap in automated product inspection machine. The completely integrated machine with Dimensional and eddy current in installed successfully
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.
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 expenses incurred for R&D activities

(C) Foreign exchange earnings and Outgo-

1	The Foreign Exchange earned in terms of actual inflows during the year	₹ 932.07 Lacs
2	The Foreign Exchange outgo during the year in terms of actual outflows	₹ 1479.99 Lacs

For and on behalf of Board of Directors
Sterling Tools Limited

Atul Aggarwal
Managing Director
DIN: 00125825

Date:- 13th August, 2024
Place:- Faridabad

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Sterling Tools Limited ("STL" or "the Company") prides itself on its commitment to maintaining the highest standards of corporate governance, a cornerstone of its operations for over four decades. The Company's strict code of corporate governance, combined with a zero-tolerance policy towards non-compliance and a commitment to transparency, has played a crucial role in building enduring trust among its stakeholders.

At the core of STL's corporate philosophy is a firm belief in adhering to ethical as well as best governance practices at all levels. A professional team works with experienced Leadership to ensure that affairs are managed with integrity, fairness, and transparency. By adhering to defined Standard Operating Procedures (SOPs), governmental guidelines, and drawing upon the insights of its management, the Company strives not only to meet but to exceed the regulatory requirements outlined in the Companies Act, 2013, SEBI Listing Regulations, and other applicable statutes.

During the FY 2023-24, the Company engaged with its members, seeking their feedback through Postal Ballots on several matters to ensure the informed decision making in the best possible compliance manner and to maintain transparency.

The Company acknowledges that sound governance practices are not only crucial for its sustained success but also essential for fostering enduring trust and confidence among its stakeholders. Furthermore, STL endeavours to align its operational practices with the highest ethical standards, demonstrating its unwavering commitment to corporate responsibility and excellence.

2. BOARD OF DIRECTORS

2.1 Composition of Board of Directors:

During the FY 2023-24, the Company bid farewell to three longstanding Independent Directors, each of whom had contributed significantly over a decade-long tenure. While their departure were necessitated by the completion of their respective second terms, it also opened the way for the induction of equally qualified, highly esteemed professionals to the Board of the Company. This transition showcasesd the new board's wealth of expertise, diversity, and governance and will preserve and enhance the reputation of the Company.

Further, the company has inducted Mr. Anish Agarwal, the second-generation entrepreneur, into the board, exemplifying its commitment to nurturing new leadership talent from within, ensuring continued momentum and strategic direction. Additionally, the appointment of Mr. Atul Aggarwal as Managing Director and Mr. Akhill Aggarwal as Whole Time Director reflects the company's consistent focus on innovation growth, new age mobility and excellence across operations and management, particularly in its fasteners and EV business.

With the completion of second term for Mr. Chottu Ram Sharma, Dr. Triloki Nath Kapoor, and Ms. Malini Sood, as Independent Directors on 31st March 2024, the Company welcomed three new Independent Directors i.e. Mr. Vijay Madhav Paradkar, Ms. Rashmi Urdhwareshe, and Mr. Sanjiv Garg to the Boards of the Company. Their appointments ensure a further strengthening of the Board and an alignment with the growth strategies, as they offer exemplary qualifications and competencies, thus contributing to the board with relevant knowledge and domain expertise in the industry.

The details of each member of the Board as on 31st March 2024, along with the number of Directorship(s) / Committee Membership(s) / Chairmanship(s) are provided herein below:

Name of the Directors & DIN of Director	Category	No. of other Directorships (Other than STL)	No. of Board Committees (other than STL) In which Chairman/Member	
			Chairman	Member
Mr. Anil Aggarwal[1] (DIN 00027214)	Executive-Chairman & Managing Director (Promoter)	Nil	Nil	Nil
Mr. Atul Aggarwal[1] (DIN 00125825)	Executive-Whole Time Director (Promoter)	4	Nil	Nil
Mr. Jaideep Wadhwa (DIN 00410019)	Non-Executive Non-Independent	2	Nil	Nil
Mr. Akhill Aggarwal (DIN 01681666)	Non-Executive Non-Independent (Promoter)	3	Nil	Nil
Mr. Anish Agarwal[2] (DIN 07056465)	Non-Executive Non-Independent (Promoter)	4	Nil	Nil
Dr. Triloki Nath Kapoor [3] (DIN 00017692)	Non-Executive Independent	Nil	Nil	Nil
Mr. Chottu Ram Sharma[3] (DIN 00522678)	Non-Executive Independent	Nil	Nil	Nil

Name of the Directors & DIN of Director	Category	No. of other Directorships (Other than STL)	No. of Board Committees (other than STL) In which Chairman/Member	
			Chairman	Member
Ms. Malini Sud[3] (DIN 01297943)	Non-Executive Independent	1	Nil	Nil
Mr. Shailendra Swarup (DIN 00167799)	Non-Executive Independent	5	1	5
Mr. Rakesh Batra (DIN 06511494)	Non-Executive Independent	2	Nil	3
Ms. Rashmi Urdhwareshe[4] (DIN 08668140)	Non-Executive Independent	8	2	5
Mr. Vijay Madhav Paradkar[4] (DIN : 00149410)	Non-Executive Independent	Nil	Nil	Nil

[1] From 10th May, 2024, Mr. Anil Aggarwal has been re-designated as Chairman and Whole Time Director, and Mr. Atul Aggarwal as Managing Director.

[2] Mr. Anish Agarwal was appointed as Additional Director on 1st February and regularized as Director by the approval of Shareholders on 26th April, 2024.

[3] Dr. Triloki Nath Kapoor, Mr. Chhotu Ram Sharma, and Ms. Malini Sud's second term as independent Directors completed on 31st March, 2024.

[4] Ms. Rashmi Urdhwareshe and Mr. Vijay Madhav Paradkar were appointed as Additional Directors by the board on 1st February and 25th March, 2024, respectively. However, their appointment as Independent Directors was approved by shareholders on 26th April 2024.

Notes :

A. In FY 2024-25, Mr. Sanjiv Garg, a Non-Executive Independent Director, was appointed as an Additional Director on 10th May 2024, and regularized as an Independent Director by shareholders on 28th June 2024.

B. Taking into account the aforementioned changes, as of the date of this report, the Company retains half of its board composition as independent directors, with one Woman Independent Director.

C. Only Public Limited Companies (both listed and unlisted) have been considered for directorship.

D. The calculation of Chairmanship/Membership of Committees includes only the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies.

E. No director on the board holds directorships in more than ten public companies.

F. None of the Independent Directors serves as an Independent Director in more than seven listed entities.

G. Mr. Anil Aggarwal, Mr. Atul Aggarwal, Mr. Akhill Aggarwal, and Mr. Anish Agarwal are related to each other as per the definition of "relative" under the Companies Act, 2013. None of the other directors are related to each other.

2.2 Directorships in Equity Listed Entities:

Details of other listed entities where the Directors of the Company are Directors, as on 31st March 2024, are as under:

Name of the Director	Name of other Listed entities in which the concerned Director is a director	Category of Directorship
Mr. Anil Aggarwal	Sterling Tools Limited	Executive-Chairman & Managing Director
Mr. Atul Aggarwal	Sterling Tools Limited	Executive-Whole Time Director
	Delton Cables Limited	Non-Executive Independent
	Ester Industries Limited	Non-Executive Independent
Mr. Jaideep Wadhwa	Sterling Tools Limited	Non-Executive Non-Independent
Mr. Akhill Aggarwal	Sterling Tools Limited	Non-Executive Non-Independent
Mr. Anish Agarwal	Sterling Tools Limited	Non-Executive Non-Independent
Dr. Triloki Nath Kapoor	Sterling Tools Limited	Non-Executive Independent
Mr. Chottu Ram Sharma	Sterling Tools Limited	Non-Executive Independent
Ms. Malini Sud	Sterling Tools Limited	Non-Executive Independent
	The Hi-Tech Gears Limited	Non-Executive Independent
Mr. Rakesh Batra	Sterling Tools Limited	Non-Executive Independent
	UNO Minda Limited	Non-Executive Independent

Name of the Director	Name of other Listed entities in which the concerned Director is a director	Category of Directorship
Mr. Shailendra Swarup[1]	Sterling Tools Limited	Non-Executive Independent
	Jagran Prakashan Limited	Non-Executive Independent
	Gujarat Fluorochemicals Limited	Non-Executive Independent
	Bengal & Assam Company Limited	Non-Executive Independent
	Subros Limited	Non-Executive Independent
Ms. Rashmi Urdhwareshe	Sterling Tools Limited	Non-Executive Independent
	UNO Minda Limited	Non-Executive Independent
	ZF Commercial Vehicle Control Systems India Limited	Non-Executive Independent
	Bimetal Bearings Limited	Non-Executive Independent
Mr. Vijay Madhav Paradkar	Sterling Tools Limited	Non-Executive Independent

Notes:

[1] Mr. Shailendra Swarup's term completed with Subros Limited on 31st March 2024.

2.3 Certificate from Practicing Company Secretary

The Company has received a certificate from Mr. 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, Practicing 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 2023-24, the Board met 4 times on 8th May 2023, 2nd August, 2023, 30th October, 2023 and 1st February, 2024. The attendance of all the directors at Board Meetings held during the year and attendance in the last Annual General Meeting (AGM) held on 18th September 2023 are detailed below:

Name of the Director	No. of Board Meeting required to attend in FY 2024	No. of Board Meeting attended in FY 2024	Whether attended last AGM held on 18th September, 2023
Mr. Anil Aggarwal	4	4	Yes
Mr. Atul Aggarwal	4	4	Yes
Mr. Jaideep Wadhwa	4	4	Yes
Mr. Akhill Aggarwal	4	4	Yes
Mr. Anish Agarwal	1	1	Not Applicable
Dr. Triloki Nath Kapoor	4	4	Yes
Mr. Chottu Ram Sharma	4	4	Yes
Ms. Malini Sud	4	4	Yes
Mr. Rakesh Batra	4	4	Yes
Mr. Shailendra Swarup	4	4	No
Ms. Rashmi Urdhwareshe	1	1	Not Applicable
Mr. Vijay Madhav Paradkar	Nil	Nil	Not Applicable

NOTE : Mr. Anish Agarwal, Ms. Rashmi Urdhwareshe & Mr. Vijay Madhav Paradkar were not on board at the time of AGM.

2.5 Board Meetings and Procedures thereof:

At Sterling Tools Limited, Board Meetings serve as open forums for members to deliberate on the Company's growth and development plans. The Company Secretary bears the responsibility of preparing and disseminating notices, agendas, and other necessary information to all Board members, playing a pivotal role in streamlining the decision-making process to ensure that discussions are both informed and efficient.

The internal guidelines for Board/Committee meetings followed by the Company are outlined below:

- The Company holds a minimum of four Board and Audit Committee meetings annually, with a maximum interval of 120 days between sessions. All other Meetings are conducted at regular intervals as per the requirements of the Companies Act, 2013, read with SEBI regulations.

- Regular scheduling of Board meetings covers Financial Performance, Business performance, strategies, and other relevant matters.
- Meeting notices and agenda papers are circulated well in advance for informed and focused discussions and to ensure 100% participation from Directors either physically or through Video Conferencing (VC).
- Resolutions for urgent matters are passed by circulation and noted in the subsequent Board meeting.
- Decisions from meetings are promptly communicated to relevant departments, with action taken reports presented for Board acknowledgment.
- Draft Minutes of each Board/Committee meeting are circulated within 15 days of the Meeting for comments from Members.
- Final Minutes are signed by the Chairman in the following meeting for accurate documentation.

During the year, the Board accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board. Hence, the Company is in compliance of condition of clause 10(j) of Schedule V of the SEBI Listing Regulations.

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 various functional, operational, statutory compliances and financial highlights etc of the Company. These presentations, inter alia includes the following:

(i) Annual operating plans, budgets and updates thereto.

(ii) Quarterly and periodic Financial Results of the Company.

(iii) Capital Expenditure Vs. Budget of each Plant as well as Company as a whole.

(iv) Minutes of preceding Board meeting and Committee meetings of the Company and its subsidiary companies.

(v) Information relating to the Appointment of Key managerial personal and Senior management including Functional Heads.

(vi) Compliance certificates given by the all Plant Heads, Admin, Chief Financial Officer and Compliance Officer. Heads detailing compliances with the various provisions of Factories Act, Safety, Health, and Environmental norms etc.

(vii) Details of any Joint Venture, Collaboration etc.

(viii) Non-compliance of any statutory, regulatory, or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

(ix) 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 31st March, 2024 are given as under:

Name of the Director	No. of Equity Shares (Face Value ₹ 2/-)	% of Holding
Mr. Anil Aggarwal	61,10,583	16.96
Mr. Atul Aggarwal	96,65,367	26.83
Mr. Akhill Aggarwal	26,87,957	7.46
Mr. Anish Agarwal	27,28,957	7.58
Mr. Jaideep Wadhwa	13,917	0.04
Dr. Triloki Nath Kapoor	Nil	Nil
Mr. Chottu Ram Sharma	Nil	Nil
Ms. Malini Sud	Nil	Nil
Mr. Rakesh Batra	Nil	Nil
Mr. Shailendra Swarup	Nil	Nil
Ms. Rashmi Urdhwareshe	Nil	Nil
Mr. Vijay Madhav Paradkar	Nil	Nil

Note : The 6,40,431 ESOPs as granted to Mr. Jaideep Wadhwa, being Managing Director of Subsidiary, are not included in the above details.

2.8 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 and are given as below .

a) Corporate Management & Leadership Quality

b) Automobile & Auto Ancillary Industry Knowledge

c) Finance, Accounting & Internal Controls

d) Sales, Marketing & International Business

e) Investment, Acquisition & Fund Management

f) Regulatory Compliance & 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	Corporate Management & Leadership Quality	Automobile & Auto Ancillary Industry Knowledge	Finance, Accounting & Internal Controls	Sales, Marketing & International Business	Investment, Acquisition & Fund Management	Regulatory Compliance & Governance
Mr. Anil Aggarwal	✓	✓	✓	✓	-	-
Mr. Atul Aggarwal	✓	✓	✓	✓	✓	✓
Mr. Akhill Aggarwal	✓	✓	-	✓	-	-
Mr. Anish Agarwal	✓	✓	-	✓	✓	-
Mr. Jaideep Wadhwa	✓	✓	✓	✓	✓	✓
Dr. Triloki Nath Kapoor	✓	✓	-	-	-	✓
Mr. Chottu Ram Sharma	✓	✓	✓	✓	-	-
Ms. Malini Sud	✓	✓	-	-	-	✓
Mr. Rakesh Batra	✓	✓	✓	-	✓	✓
Mr. Shailendra Swarup	✓	✓	-	-	✓	✓
Ms. Rashmi Urdhwareshe	✓	✓	✓	-	-	✓
Mr. Vijay Madhav Paradkar	✓	✓	✓	✓	✓	-

2.9 Confirmation regarding independence of Board:

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. In the opinion of the Board, all the existing Independent Directors and the one who are proposed to be appointed/re-appointed at the ensuing Annual General Meeting (AGM), fulfil the criteria 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.

Furthermore, the board can confirm that no resignations from Independent Directors occurred before the expiry of their respective tenures during the review period.

2.10 Separate meeting of Independent Directors:

During the financial Year 2023-24, a separate meeting of Independent Directors was held on 27th January 2024 without the attendance of Non-Independent Directors and members of management. In the said meeting the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the 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 Familiarization program for Independent Directors:

As part of the familiarization program required under SEBI Listing Regulations, the Directors are appraised, from time to time, during Board/Committee meetings about the following:

1. The Company's market conditions, operational models, and significant recent developments.
2. Overall industry growth vis-à-vis the Company's growth, focusing on automotive industry trends.
3. Present and future business projections, strategic initiatives, and key goals.
4. Regulatory updates and amendments to various enactments.
5. Code of Conduct and Insider Trading Policies.
6. Internal Financial Control Systems.

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/our-leadership.

The familiarization program for Independent Directors is also available on the Website of the Company https://stlfasteners.com/investors/corporate-governance/familarization-programs-for-directors

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 plays crucial role to governance of the Company by supporting the Board in specific areas with their expertise. Their actions are reviewed by the Board, with minutes from all Committee meetings submitted for Board review. Currently, 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 of the Company comprises of Four Directors, of which Three are Independent Directors and one is Executive Director. It meets the requirements of Section 177 of the Companies Act, 2013, and Regulation 18 of the SEBI Listing Regulations. The Committee ensures the accuracy and credibility of financial reporting, internal controls, risk management, compliance and requirements other associate matters.

Term of reference

The terms of reference of the Audit Committee cover all applicable matters specified under Regulation 18(3) and Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 which, inter alia, include:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
2. Recommend the appointment, remuneration, and terms of appointment of statutory auditors, including cost auditors, of the Company.
3. Approve payment to statutory auditors, including cost auditors, for any other services rendered by them.
4. Review, 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 in the Board's Report as per Section 134(3)(c) 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 judgment 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.
    g. Modified opinions in the draft audit report.
5. Review, with the management, the quarterly financial statements before submission to the Board for approval.
6. Review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of the proceeds of public or rights issue, and make appropriate recommendations to the Board to take steps in this matter.
7. Review and monitor the auditors' independence and performance, and the effectiveness of the audit process.
8. Approve any subsequent modification of transactions of the Company with related parties.
9. Scrutinize inter-corporate loans and investments.
10. Value undertakings or assets of the Company, wherever necessary.
11. Evaluate internal financial controls and risk management systems.
12. Review, with the management, the performance of statutory auditors and internal auditors, and the adequacy of internal control systems.
13. Formulate the scope, functioning, periodicity, and methodology for conducting internal audits.
14. Review the adequacy of the internal audit function, 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; discuss with internal auditors any significant findings and follow-up thereon.
15. Review 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 report the matter to the Board.
16. Discuss with statutory auditors, before the audit commences, the nature and scope of the audit as well as post-audit discussions to ascertain any areas of concern.
17. 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.
18. Review the functioning of the Vigil Mechanism and Whistle Blower mechanism.
19. Approve the appointment of the CFO (i.e., the whole-time Finance Director or any other person heading

the finance function or discharging that function) after assessing the qualifications, experience, and background, etc., of the candidate.

20. Carry out any other function as mentioned in the terms of reference of the Audit Committee.

21. Review the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding INR 100 crore or 10 percent of the asset size of the subsidiary, whichever is lower. The thresholds would include existing loans/advances/investments as of 1 April 2019.

22. Review financial statements, particularly the investments made by the Company's unlisted subsidiaries.

23. Review 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. Appointment, removal, and terms of remuneration of the Chief Internal Auditor/Internal Auditor(s).

24. Statement of deviations:

    a. Quarterly statement of deviation(s) including the report of the 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 SEBI Listing Regulations.

Composition and Meetings of Audit Committee

During the FY 2023-24, the Audit Committee met 4 times on 8th May 2023, 2nd August, 2023, 30th October, 2023 and 1st February, 2024. The Composition of the Committee as on 31st March, 2024 and detail of the meetings attended during the year by the Directors are as given below:

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

The Audit Committee invites executives, as it considers appropriate, to be present in its meetings. The Statutory Auditor and Cost Auditor are also invited to the meetings. The Company Secretary is the Secretary to the Audit Committee. Mr. Chottu Ram Sharma , Chairman of the Audit Committee was present at the last Annual General Meeting held on 18th September 2023.

3.2 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company comprises of Three Directors, all are Independent Directors. 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.

Terms of reference

The terms of reference of this Committee are:

1. Formulating criteria for determining the qualifications, positive attributes, and independence of a director and recommending to the Board a policy relating to the remuneration of Directors, key managerial personnel, and other employees.

2. Formulating criteria for evaluating Independent Directors and conducting evaluations of every Director's performance, providing the necessary report to the Board for further assessment.

3. Devising a policy on Board diversity.

4. Identifying individuals qualified to become Directors and those suitable for appointment to key managerial and senior management positions in accordance with the criteria laid down in the policy.

5. Providing Key Managerial Personnel and Senior Management with rewards linked directly to their effort, performance, dedication, and achievement relating to the Company's operations.

6. Retaining, motivating, and promoting talent, ensuring the long-term sustainability of talented managerial persons and creating a competitive advantage.

7. Ensuring that the level and composition of remuneration are reasonable and sufficient, with a clear relationship to performance and meeting appropriate performance benchmarks.

8. Carrying out any other function mandated by the Board from time to time and/or being enforced by any statutory notification, amendment, or modification, as applicable.
9. Performing other functions necessary or appropriate for the performance of its duties.
10. Developing a succession plan for the Board and regularly reviewing the plan.

Composition and Meetings of Nomination and Remuneration Committee

During the FY 2023-24, the Committee met only three times: on 8th May 2023, 30th October 2023, and 31st January 2024. The details of the composition and attendance of each member of the Committee are given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Chottu Ram Sharma	Chairman	Non-Executive Independent	3
Mr. Rakesh Batra	Member	Non-Executive Independent	3
Mr. Shailendra Swarup	Member	Non-Executive Independent	3

During the year, the Nomination and remuneration committee was also designated as "Compensation Committee" as per Regulation 5 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the purpose of administration and superintendence of the STL-Employee Stock Option Plan-2023 and to exercise its powers as conferred under said Regulations. The Company Secretary of the Company acts as the Secretary to the Committee.

Board Evaluation

Formal annual evaluations of the Board, its committees, and individual Directors are carried out as specified by the Nomination and Remuneration Committee. In accordance with the provisions of the Act and SEBI Listing Regulations, the Board has conducted the annual performance evaluation of the Board as a whole, its Committees, the Chairman, and individual Directors.

During the Nomination and Remuneration Committee meeting held on 31st January 2024, the performance of individual directors was reviewed based on criteria such as their contribution to board and committee meetings, preparedness on discussed issues, and meaningful and constructive inputs.

The criteria for evaluation of Independent Directors broadly covers director participation, managing, relationships, knowledge and skill, personal attributes and independence. The purpose of the Board evaluation is to consistently improve governance at the Board level with the participation of all stakeholders in a harmonious environment. The Directors expressed satisfaction with the evaluation process.

3.3 Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company Comprises of Three Directors, of which Two are Independent Directors and one is Executive Director. 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 given by the Board of Directors as applicable are briefly described below:

1. Resolving the grievances of the security holders of the listed entity including addressing complaints related to transfer/transmission of shares, ensuring the timely receipt of the annual report, dividends, issuance of new/duplicate certificates, convening general meetings, etc.
2. Reviewing measures taken to effectively exercise voting rights by shareholders.
3. Reviewing adherence to service standards adopted by the listed entity regarding various services provided by the Registrar & Share Transfer Agent.
4. Reviewing various measures and initiatives taken by the listed entity to reduce the quantum of unclaimed dividends and ensure the timely receipt of dividend warrants, annual reports, and statutory notices by the company's shareholders.

Composition and Meetings of Stakeholders' Relationship Committee

During the FY 2023-24, the Committee met only once on 27th January 2024. 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	1
Mr. Chottu Ram Sharma	Member	Non-Executive Independent	1
Mr. Atul Aggarwal	Member	Executive Director	1

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

Details of Compliance Officer

Mr. Abhishek Chawla, Company Secretary, serves as the Compliance Officer of the Company. He oversees the grievance redressal division designated for registering complaints by investors. He can be reached at:

5A DLF Industrial Estate, Faridabad-121003

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

Email: csec@stlfasteners.com

For any grievances, shareholders may also contact MAS Services Limited, the Registrar & Share Transfer Agent of the Company, at T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi–110020 regarding matters related to share transfer/dematerialization, dividend payments, IEPF queries, or any other queries concerning the Company's equity shares.

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

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

Number of shareholder's complaints received during the financial year 2023-24	2
The number of shareholder's complaints solved to the satisfaction of shareholders.	2
Number of pending shareholders' complaints	0

Further, as on 31st March 2024 no request for transfer/transmission was pending for approval.

3.4 Risk Management Committee

The Risk Management Committee of the Company comprises of six members, including one Independent Directors. 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 Risk Management Committee is entrusted with the following responsibilities:

1. Assisting the Board in fulfilling its corporate governance oversight responsibilities by identifying, evaluating, and mitigating strategic, operational, and external environment risks.
2. Monitoring and approving the risk management framework and associated practices of the Company.
3. Periodically assessing risks to the effective execution of business strategy by reviewing key leading indicators in this regard.
4. Periodically reviewing the risk management processes and practices of the Company and ensuring that the Company is taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.
5. Ensuring access to any internal information necessary to fulfill its oversight role and obtaining advice and assistance from internal or external legal, accounting, or other advisors.
6. Subjecting the appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) to review by the Risk Management Committee.
7. Keeping 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 Financial Year 2023-24, the Committee met twice on 27th April 2023 and 23rd October 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 & Managing Director	2
Mr. Atul Aggarwal	Member	Whole Time Director	2
Mr. Rakesh Batra	Member	Non-Executive Independent	2
Mr. Jaideep Wadhwa	Member	Non-Executive Non-Independent	2
Mr. Akhill Aggarwal[1]	Member	Non-Executive Non-Independent	0
Mr. Pankaj Gupta	Member	Chief Financial Officer	2

Note : [1]Appointed as member on 1st February 2024, not required to attend any meeting.

3.5 Other Committees

3.5.1 Corporate Social Responsibility Committee

The CSR Committee of the Company comprises of three members, including one Independent Director. The Committee's constitution and the CSR Policy of the Company are in compliance with the provisions of Section 135 of the Companies Act, 2013 read with CSR Rules.

Terms of reference:

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

1. Formulating and recommending to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
2. Recommending the amount of expenditure to be incurred on the activities referred to in clause (1).
3. Monitoring 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 2023-24, the Committee met once on 15th February 2024. 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	1
Mr. Chottu Ram Sharma	Member	Non-Executive Independent	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 to form part of this report.

3.5.2 Management Committee

The Management Committee comprises three Directors, of whom two are Executive Directors and one is a non-executive non-independent Director. The Committee's constitution and terms of reference comply with the provisions of Section 179 of the Companies Act, 2013. The Committee is formed to carry out the day-to-day operations of the Company.

Terms of reference:

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

1. 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.
2. To deal with Govt. Authorities for various business matters.
3. To file/defend any legal cases.
4. To appoint any Legal Counsel, Consultant etc.
5. To furnish indemnity bond/affidavits etc.
6. To invest company funds in purchasing or leasing land, within a limit of 15 Crores.

Composition and Meetings of Management Committee

During FY 2023-24, the Committee convened six times on the following dates: 10th May 2023, 9th June, 2023, 19th July, 2023, 14th October, 2023, 8th February, 2024, and 6th March, 2024. The composition of the Committee and the attendance record for each member are detailed 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	1
Mr. Akhill Aggarwal*	Member	Non-Executive Non-Independent	3

Note : *Mr. Jaideep Wadhwa ceased to be on the Committee wef 2nd August, 2023 and Mr. Akhill Aggarwal was appointed as member form same date.

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 Financial Year 2023-24, 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 cum 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-materialization of shares, issue of duplicate share certificate, Consolidation and Split of Share Certificate and any other powers / responsibilities entrusted by the Board. During the Financial Year 2023-24 the committee met 12 (Twelve) times.

3.5.5 Details of Senior Management

The details of Senior Management personnel 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 Aggarwal	Admin Head
6.	R. Jayaraman	Design Head
7.	Anupam Roop Rai	HR Head
8.	Chandrakant Poojari	IT head
9.	Abhishek Chawla	Company Secretary

4. Compensation to the Members of the Board

4.1 Executive Directors

The remuneration payable to the Executive Directors is in line with the Act, Listing Regulations and Nomination and Remuneration Policy for remunerating Senior Management Executives. Remuneration of Executive Directors consists of a fixed salary and Commission based on the profits of the Company. 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 25th September 2020, which cover the terms and conditions of such appointment.

Details of the remuneration paid to Executive Directors during the year 2023-24 are given below:

(Amount in ₹Lacs)

Name of the Director	Salary and other Allowances	Commission	Perquisites	Total
Mr. Anil Aggarwal	237.07	40	3.5	280.56
Mr. Atul Aggarwal	228.18	40	7.28	275.46

- The service contract of Executive Directors is for a period of five years from 1st April 2021 to 31st March 2026.
- The 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.

4.2 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 Independent Directors is ₹ 50,000/- per meeting of Board of Directors as well as Committees.

The sitting fees are 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 Financial Year 2023-24, 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	Nil	Nil	Nil	Nil	Nil	Nil	0.50
Mr. Chhotu Ram Sharma	2	2	0.50	1.5	0.50	Nil	Nil	0.50
Ms. Malini Sud	2	Nil	Nil	Nil	Nil	Nil	Nil	0.50
Mr. Rakesh Batra	2	2	Nil	1.5	Nil	1	Nil	0.50
Mr. Shailendra Swarup	2	2	0.50	1.5	Nil	Nil	Nil	0.50
Ms. Rashmi Urdhwareshe	0.5	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	**10.50**	**6**	**1**	**4.50**	**0.50**	**1**	**0**	**2.5**

ESOPs to Directors : During the year under review, the Company announced and implemented the STL-Employee Stock Option Plan 2023 and granted 640,431 options under this to Mr. Jaideep Wadhwa, Non-Executive Director and Managing Director of Sterling Gtake E-Mobility Limited (Subsidiary Company). The vesting and exercise of these stock options are contingent upon continuous employment with the Subsidiary Company and compliance with the terms of the Company's ESOP Plan. All stock options must be exercised within 10 years from the date of vesting. No stock options were granted to any other Director (both Executive and Non-executives) under the Company's ESOP Plan.

Additionally, during the year under review, none of the non-executive directors received any performance-linked incentives. Furthermore, the Company did not advance any loans to any Executive or Non-Executive Directors during the year 2023-24. The Company has also taken a Directors' & Officers' Liability Insurance Policy.

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:

(i) The optimum combination of Executive Directors, Non-Executive Directors and Independent Directors.

(ii) The recommendatory requirement for each of the directors to possess functional diversity.

(iii) 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.

(iv) Review of the policy at such intervals including the assessment of the effectiveness of the policy.

Code of conduct

In compliance with the requirements 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 posted on the website of the Company i.e. https://stlfasteners.com/assets/upload/investors/20240111111425-code-of-business-conduct-and-ethics-25792458837.pdf.

The Members of the Board of Directors and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2024. The Annual Report of the Company contains a certificate by the Managing Director & CEO in this regard.

Code of conduct for Insider Trading

The Securities and Exchange Board of India vide its Notification dated January 15, 2015, has notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, to protect the interest of investors.

In accordance with the amended SEBI (Prohibition of Insider Trading) Regulations 2018, the Company has further amended the said code. 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/assets/upload/investors/20240111111425-code-of-practices-934067988152.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 internal portal 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 financial year 2023-24	NIL
2. Number of complaints disposed of during the financial year 2023-24	NIL
3. Number of complaints pending as on end of the financial year 2023-24	NIL

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for 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 victimization 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 displayed on the Company's website viz. https://stlfasteners.com/assets/upload/investors/20240111111425-stl-policy-whistle-blower-47947225169.pdf. During the period under review, 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 the 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/assets/upload/investors/20240111111425-stl-policy-on-disclosure-of-material-events-365650624937.pdf.

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 the 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. Shareholders Information

5.1 General Body Meetings

- **Annual General Meeting (AGM)**

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

FY	Date	Time	Location	Special Businesses
2022-23	18.09.2023 (44th AGM)	10:00 A.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	Ratification of remuneration of cost auditors for FY 2023-24.
2021-22	22.09.2022 (43rd AGM)	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 (42nd AGM)	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

Special Resolutions passed at the last 3 AGMs:

FY	Date	Time	Special Businesses
2022-23	18.09.2023 (44th AGM)	10:00 A.M.	None
2021-22	22.09.2022 (43rd AGM)	10:00 A.M.	Approval of remuneration for Mr. Jaideep Wadhwa (DIN No. 00410019), Non-Executive Non-Independent Director, for the Financial Year ending March 31, 2023, which is expected to exceed 50% of the total annual remuneration for all Non-Executive Directors.
2020-21	21.09.2021 (42nd AGM)	10:00 A.M.	Approval of remuneration for Mr. Jaideep Wadhwa (DIN No. 00410019), Non-Executive Non-Independent Director, for the Financial Year ending March 31, 2022, which is expected to exceed 50% of the total annual remuneration for all Non-Executive Directors.

- **Details of the special resolution Passed through postal ballot:**

During FY 2023-24, Following Special Resolution were passed through Postal Ballot process, the details whereof including voting pattern are as under:

A. Details of Postal ballot dated 30th October, 2023

Sl. No	Description of Special Resolution passed	Total No. of Votes	Number of votes polled	Votes cast in favour		Votes cast in against		Date of passing of resolution
				Number of votes	%age	Number of votes	%age	
1	To Approve the "STL - Employee Stock Option Plan 2023".	36024211	25569906	25396270	99.32	173636	0.68	21st December, 2023
2	To approve the grant of ESOP Options to the employees of subsidiary(ies) of Sterling Tools Limited under the "STL- Employee Stock Option Plan 2023	36024211	25569906	25396270	99.32	173636	0.68	21st December, 2023
3	To approve the grant of ESOP Options exceeding one percent of the issued capital of the Company	36024211	25569906	25396317	99.32	173598	0.68	21st December, 2023
4	To approve payment of proposed remuneration to Mr. Jaideep Wadhwa (DIN: 00410019), Non-Executive Non-Independent Director, during the Financial Year ending March 31, 2024	36024211	25569656	25395989	99.32	173667	0.68	21st December, 2023

B. Details of Postal ballot dated 26th March 2024

Sl. No	Description of Special Resolution passed	Total No. of Votes	Number of votes polled	Votes cast in favour		Votes cast in against		Date of passing of resolution
				Number of votes	%age	Number of votes	%age	
1	Appointment of Ms. Rashmi Urdhwareshe (DIN: 08668140) as an Independent Director	36024211	25556100	25555639	99.99	461	0.001	26th April, 2024
2	Appointment of Mr. Vijay Madhav Paradkar (DIN: 00149410) as an Independent Director.	36024211	25556030	25555511	99.99	519	0.002	26th April, 2024

For both the above Postal Ballots, Mr. Santosh Kumar Pradhan, Practicing Company Secretary, Ghaziabad, was appointed as the Scrutinizer to conduct the aforesaid Postal Ballots process in a fair and transparent manner. The Company had provided the facility of voting through electronic means. The procedure of Postal Ballot, as contained in the Postal Ballot Notice, is available on the Company's website at https://stlfasteners.com/investors/intimations-to-stock-exchanges.

Pursuant to Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with Circulars issued by Ministry of Corporate Affairs, read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ordinary and Special Resolutions were passed by the Members of the Company through Postal Ballot by remote e-voting process.

- **Details of the special resolution proposed for postal ballot in AGM:**

  No special Resolution is proposed to be conducted through postal ballot process at the AGM to be held on 13th September 2024.

6. Means of Communication

The Company, from time to time and as may be required, disseminates information to its security-holders and investors through multiple channels of communications such as the website of the Stock Exchanges, Company website(www.stlfasteners.com), Press Releases, the Annual Reports. Shareholders seeking information related to their shareholding may contact the Company directly and Management of the Company been meeting the Analysts upon their requests to appraise them about the current working as well as the future vision of the Company.

The Financial results are being furnished to stock exchanges and are being published in leading Newspapers Financial Express–All Edition (English), and Jansatta -Delhi Edition (Hindi) and are displayed on the website of the Company–www.stlfasteners.com/new/news.asp.

The details of investor presentations and Press releases made to Institutional Investors during the Financial Year 2023-24 are as detailed below:

- Q4 & FY23 Results Presentation: 8th May 2023
- Q1 FY24 Results Presentation and Press release: 2nd August 2023
- Q2 & H1 FY24 Results presentation and Press release: 31st October 2023
- Q3 & 9M FY24 Results presentation and Press release: 1st February 2024
- Appointment of Directors Press release: 1st February 2024

The same are also updated on the Investor Relations section of the Company's Website.

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

1) Annual General Meeting

Date	:	Friday, 13th September, 2024
Time	:	10:00 A.M.
Venue	:	The Company is conducting meeting through VC / OAVM pursuant to the latest MCA Circular dated 25th September, 2023 read with Circular dated , May 5, 2020, January 13, 2021 circulars dated April 8, 2020, April 13, 2020 and May 5, 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.

2) Financial Year : 2023-24 (1st April, 2023 to 31st March, 2024)

3) 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 31st March, 2024, subject to approval by the shareholders of the Company at the ensuing Annual General Meeting. Dividend paid in the previous year was ₹ 2 per equity share (100%).

4) Dates of Book Closure : The Register of Members and Share Transfer Books of the company will remain closed from **Saturday, 7th September, 2024 to Friday, 13th September, 2024** both days inclusive, for the purpose of Annual General Meeting.

5) Date of Dividend Payment : The payment of the dividend, subject to declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after Friday, 20th September, 2024, as follows:

To all beneficial owners holding shares in electronic form, based on the beneficial ownership data provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the end of the day on **Friday, 6th September, 2024.**

To all shareholders holding shares in physical form, after accounting for all valid share transfers lodged with the Company on or before the close of business on **Friday, 6th September, 2024.**

6) Listing on Stock Exchange : Shares of Sterling Tools Limited are listed on the following stock exchange:

- **BSE Limited, Mumbai (BSE)**

  Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. www.bseindia.com

- **National Stock Exchange of India Limited (NSE)**

  "Exchange Plaza", Plot No. C-1, Bandra Kurla Complex, Bandra (E), Mumbai-400 051. www.nseindia.com

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

7) Name of Depositories for dematerialization of equity shares and stock code/ symbol: :

- **ISIN :** INE334A01023
- **Depository:**

  National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL)
- **Stock Code/Symbol:**

  BSE : 530759

  NSE : STERTOOLS

8) Registrar and Transfer Agent : **MAS Services Limited**

T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi–110020
Fax: +91 11 2638 7384
Mobile: - +91-8929884917
Email: info@masserv.com
Visit: www.masserv.com

Members may write for any queries/information at Sterling Tools Limited, DJ 1210, Twelfth Floor, DLF Tower B, Jasola, New Delhi- 110025, or any query can be sent by email at csec@stlfasteners.com.

9) Share Transfer System : The shares of the Company are mandatorily traded in dematerialised form. Any shares received in physical form are processed and approved by the Share Transfer Committee within 15 days of receipt, provided all lodged documents are valid and complete.

In accordance with the amended provisions of Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, the transfer of shares held in physical form is not permitted. Consequently, the Company has not accepted requests for the transfer of shares in physical form since this date, except for those already lodged with the Company before April 1, 2019, which were returned due to incomplete documentation. SEBI's circular dated September 7, 2020, set March 31, 2021, as the deadline for re-lodgment of transfer deeds originally lodged before April 1, 2019. However, transfer deeds lodged prior to April 1, 2019, and returned due to document deficiencies, may still be re-lodged after this date with the Company's Registrar and Share Transfer Agents, MAS Services Limited, New Delhi, or at the Registered Office of the Company.

According to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, shareholders holding shares in physical form are requested to register and/or update their PAN and bank account details with the Company's Registrar & Share Transfer Agent. Shareholders holding shares in electronic form should register or update these details with their Depository Participants (DPs).

Effective January 1, 2022, SEBI has mandated the submission of PAN, specimen signature, KYC details (including postal address with PIN code, email address, mobile number, and bank account details), and nomination details by holders of physical securities. In line with this requirement, the Company sent a communication dated February 4, 2022, to all members holding shares in physical form.

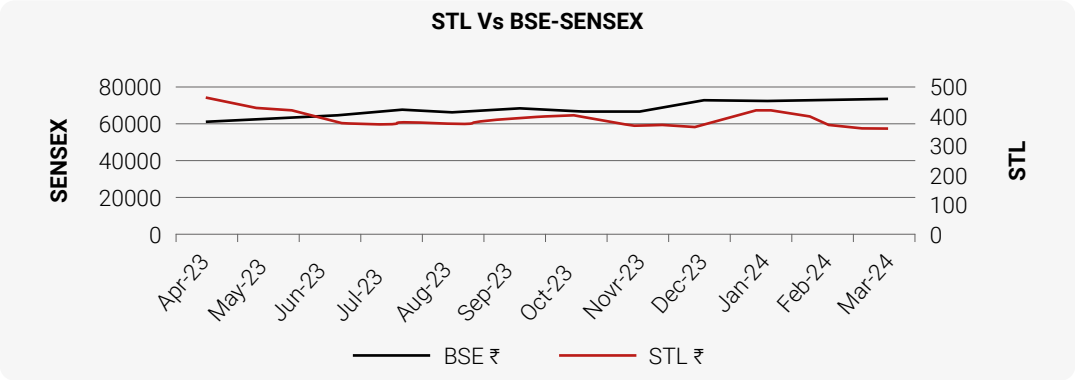
10) Dematerialization of Shares : The Shares of the Company are in Compulsory Demat segment as on 31st March 2024. The summarised position of shareholders in Physical and Demat segment as on 31st March 2024 is as under:

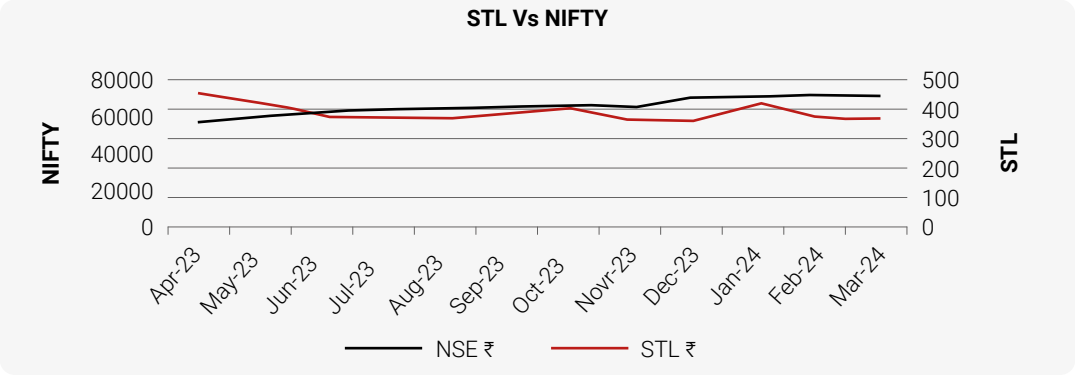
Type of shareholding	No. of shareholders	Physical Shares	Demat Shares
Equity	30,744	78,031	3,59,46,180
Preference		N.A.	

11) Market Price data: Price of Shares Traded during financial year under review:

Month/Year	BSE		NSE	
	High (₹)	Low (₹)	High(₹)	Low(₹)
Apr-23	456.75	381.50	449.75	381.00
May-23	429.00	339.70	428.00	340.65
Jun-23	383.20	333.20	384.00	334.00
Jul-23	379.15	331.40	380.00	329.30
Aug-23	379.85	332.00	380.00	335.80
Sep-23	395.15	355.20	394.90	355.40
Oct-23	402.35	336.15	405.00	337.20
Nov-23	368.10	313.45	368.00	314.55
Dec-23	365.00	334.80	368.00	332.05
Jan-24	423.00	355.35	424.00	354.50
Feb-24	384.65	333.45	385.00	334.25
Mar-24	378.70	305.00	377.40	304.35

12) Performance in comparison to broad based indices viz., BSE Sensex, Nifty:





13) Distribution of shareholding as on 31st March 2024

Number of Share Holders	% To Total	Share Holding of face Value of ₹ 2/-	No. of shares	Amount in ₹	% To Total
30,411	98.898	1 to 5,000	3,734,286	7,468,572	10.366
201	0.654	5,001 to 10,000	745,866	1,491,732	2.070
80	0.260	10,001 to 20,000	558,452	1,116,904	1.550
16	0.052	20,001 to 30,000	200,313	400,626	0.556
3	0.010	30,001 to 40,000	52,637	105,274	0.146
5	0.016	40,001 to 50,000	114,660	229,320	0.318
10	0.033	50,001 to 100,000	341,928	683,856	0.949
24	0.078	100,001 and above	30,276,069	60,552,138	84.044
30,750	**100.000**	**Total**	**36,024,211**	**72,048,422**	**100.000**

Face Value of each share ₹ 2/-

14) Shareholding Pattern:

Particulars	As on 31st March 2024		As on 31st March 2023	
	No. of shares	% to total Capital	No. of shares	% to total Capital
Promoters	23693030	65.77	23693030	65.77
Mutual Funds	1847759	5.13	1677759	4.66
Alternate Investment fund	129900	0.36	277406	0.77
NRIs and OCBs	2045169	5.67	2136892	5.93
Body Corporate	537417	1.49	621272	1.72
Indian Public	7584949	20.96	7432875	20.63
IEPF	185987	0.52	1,84,977	0.52
Total	**36024211**	**100.00**	**36024211**	**100.00**

15)	**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 31st March, 2024, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.
16)	**Shares in the suspense account**	:	The Company doesn't hold any shares in unclaimed suspense Account.
17)	**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.
18)	**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 Haryana. (iv) Plot No. 109-110 Vemagal Industrial Area, District Kolar, Bengaluru, Karnataka
19)	**Address for correspondence**	:	Investors and Shareholders are requested to send all correspondence to the Registrar & Transfer Agent at the address given above.
20)	**Electronic Clearing Services (ECS)**	:	Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Company's Registrar and Share Transfer Agent.
21)	**Address for correspondence**	:	Investors and Shareholders are requested to send all correspondence to the Registrar & Transfer Agent at MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi–110020.

8. Statutory Auditors and their Fee:

Statutory Auditors and their Fee: M/s Walker Chandiok & Co., LL.P., the Chartered Accountants are the Statutory Auditors of the company. During the Financial Year 2023-24, the total fees paid by the Company to them is as below:

Statutory Audit	: ₹ 35.50 Lacs
Other than Audit	: ₹ 2.50 Lacs
Reimbursement of Expenses	: ₹ 4.23 Lacs

9. Credit Rating:

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

Further, 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 that were entered into during the Financial Year 2023-24 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013and 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 https://stlfasteners.com/assets/upload/investors/20240111111425-related-party-transaction-policy-981592991348.pdf.

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

Mr. Santosh Kumar Pradhan, 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 dematerialized 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 2023-24 on behalf of M/s Walker Chandiok & 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 31st March, 2024, the Company has three subsidiaries:

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

During the FY 2023-24, 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 https://stlfasteners.com/assets/upload/investors/20240111111425-stl-policyonmaterialsubsidary-08-567236096205.pdf. The Code of Conduct for insider trading is available on the website of the Company stlfasteners.com/assets/upload/investors/20240111111425-code-of-practices-934067988152.pdf.

10.8 The Board has accepted all the recommendations of the Committees of the Board during the financial year 2023-24.

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 31-03-2024 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 31-03-2024.

Date: 10.05.2024
Place: Faridabad

Sd/-
Anil Aggarwal
Chairman and Managing Director
DIN No. 00027214

Sd/-
Pankaj Gupta
Chief Financial Officer
PAN No. ADCPG3265G

Certificate of Non-Disqualification of Directors

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

The Members,
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** (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 31st March, 2024 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. Anil Aggarwal	00027214	30/09/1994
2.	Mr. Atul Aggarwal	00125825	30/09/1994
3.	Mr. Jaideep Wadhwa	00410019	07/02/2019
4.	Mr. Shailendra Swarup	00167799	17/12/2019
5.	Mr. Akhill Aggarwal	01681666	02/08/2019
6.	Mr. Rakesh Batra	06511494	10/11/2020
7.	Mr. Anish Agarwal	07056465	01/02/2024
8.	Mrs. Rashmi Urdhwareshe	08668140	01/02/2024
9.	Mr. Vijay Madhav Paradkar	00149410	25/03/2024

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.

For Santosh Kumar Pradhan
(Company Secretaries)

Santosh Kumar Pradhan
(Proprietor) FCS-6973
C.P. No. 7647
P.R.C. No. 1388/2021
UDIN:F006973F000895454

Date: 05.08.2024
Place: Ghaziabad

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 31st March 2024.

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 for the year ended 31st March, 2024.

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.

For Santosh Kumar Pradhan
(Company Secretaries)

Santos Mniar Pradhan
FCS No.: 6973
C P No.: 7647
P.R.C. No. 1388/2021
UDIN:F006973F000895421

Date: 05.08.2024
Place: Ghaziabad

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L29222DL1979PLC009668
2	Name of the Listed Entity	**Sterling Tools Limited** or "The Company"
3	Year of incorporation	1979
4	Registered office address	DJ-1210, 12th Floor, DLF Tower-B, Jasola District Centre, New Delhi – 110025
5	Corporate address	Plot No. 5A, DLF Industrial Estate, Faridabad-121003
6	E-mail	csec@stlfasteners.com
7	Telephone	+91-8800544965
8	Website	www.stlfasteners.com
9	Financial year for which reporting is being done	FY 2023-2024
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11	Paid-up Capital	₹ 720.48 Lakhs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Abhishek Chawla, Company Secretary Tel: 0129-2270621 **Email:** csec@stlfasteners.com
13	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
14	Name of Assurance Provider	The data provided in the BRSR Report has not been assured by any external agency.
15	Type of Assurance obtained	Not Applicable

II. Products/services

16. 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	99.09%

17. 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 High Tensile Fasteners	25991	99.09%

III. Operations

18. 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

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	14
International (No. of Countries)	3

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

1.55 % 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 the 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, Hyundai & Mahindra etc. In the Two Wheelers segment, the Company works for Suzuki Motorcycles, Hero MotoCorp and Honda Motorcycles and Scooter, and in Tractor segment for the Company manufactures components for Mahindra, John Deere & Escorts and off highway vehicles JCB to name a few.

IV. Employees

20. 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)	376	366	97.34%	10	2.66%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total employees (D + E)**	**376**	**366**	**97.34%**	**10**	**2.66%**
WORKERS						
4.	Permanent (F)	237	237	100%	0	0%
5.	Other than Permanent (G)	1167	1112	95.29%	55	4.71%
6.	**Total workers (F+G)**	**1404**	**1349**	**96.08%**	**55**	**3.92%**

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)	1	1	100%	0	0%
6.	**Total differently abled workers (F+G)**	**1**	**1**	**100%**	**0**	**0%**

Business Responsibility & Sustainability Report (Contd.)

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2*	16.67%
Key Management Personnel	3	0	0%

One of the Board member ceased to be a Director of the Company due to completion of second tenure as of the close of business on 31st March, 2024.

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23.26%	40.00%	23.61%	25.23%	71.43%	26.30%	39.67%	37.50%	39.62%
Permanent Workers	17.99%	0%	17.99%	0.82%	0%	0.82%	6.00%	0%	6.01%

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

23. (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
3	Sterling Advanced Electric Machines Private Limited	Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in ₹): ₹ 60813.75 Lakhs

(iii) Net worth (in ₹): ₹ 43,162.50 Lakhs

VII. Transparency and Disclosures Compliances

25. 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 2023-24 (Current Financial Year)			FY 2022-23 (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	Yes, Grievance Policy	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than Shareholders)	Yes, Stakeholder Relationship Committee	Nil	Nil	Nil	Nil	Nil	Nil

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 2023-24 (Current Financial Year)			FY 2022-23 (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
Shareholders	Yes, Stakeholder Relationship Committee	4	Nil	All concerns were closed	Nil	Nil	Nil
Employees and Workers	Yes, Grievance Policy	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes, marketing@stlfasteners.com	56	Nil	All concerns were closed	145	Nil	All concerns were closed
Value chain partners	The Company through its effective internal mechanism takes care of all the grievances for all its value chain partners and dedicated to strengthen the process.						
Others (Suppliers and Government and Regulatory Bodies)	-	Nil	Nil	Nil	Nil	Nil	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 and POSH policy for 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

Business Responsibility & Sustainability Report (Contd.)

26. 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	The Company's Carbon reduction roadmap will offer distinct operational benefits. By integrating clean energy sources into existing power networks, the Company is now supplying approximately 2.3-3% of its energy requirements from renewable sources.	-	Initiatives addressing climate change will have some capex requirements, but it will financially be rewarding.
2	Emissions	Risk & Opportunity	Manufacturing emissions harm the environment. To align with the Government of India's Zero Carbon initiative, transitioning to green and clean energy solutions is essential.	In the coming years, the Company intends to implement a range of emission reduction measures, energy conservation initiatives, and energy-efficient processes across all its manufacturing facilities to reduce emissions.	Though investments in energy management systems and technology will have a financial impact, they will positively impact the Company's operations through energy conservation initiatives, yielding direct financial benefits.
3	Water management	Risk & Opportunity	Water, as a limited resource, will pose a risk to our Company's operations.	The Company aims to tackle the challenge of water scarcity by reducing raw water consumption in manufacturing and focusing on efficient water management. This proactive approach ensures the issue remains manageable and sustainable for the long term.	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 made in future to sustain it or if possible, to further reduce it.

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)
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's an opportunity for the Company.	-	Strategizing improved hiring techniques and systems may incur some minor financial implications no financial implications in this
5	Responsible supply chain	Opportunity	Building a robust supply chain has aided us in maintaining business continuity in various situations. 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	Alongside the Company's interests, aligning with community interests is crucial. Building a friendly relationship with local communities can enhance business perception and brand image positively. The Company actively engages in Corporate Social Responsibility (CSR) initiatives across all its plants to foster stronger community ties.	-	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.
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.

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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			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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
			The Company's existing policies are periodically reviewed and approved by the Board. The recently formulated applicable Policies are under the approval process by either the Board or the respective committees. This ensures that each new policy receives thorough consideration and endorsement from the appropriate governance bodies before implementation.								
	c.	Web Link of the Policies, if available	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
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, Trustea) 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: • Achieve carbon neutrality through strategic initiatives and sustainable practices. • Assessment of Green House Gas (Scope 3) emissions. • Promoting the use of Renewable Energy and reducing overall energy consumption. • Promoting Gender Diversity and Human Rights. • Rehabilitation of the under-privileged group, improvement of the local community to help the marginalized 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. In FY 2023-24, the company conducted comprehensive assessments across all manufacturing operations to identify areas for improvement. Carbon footprints (Scope 1 & 2) were calculated, and department-specific goals were set for the next three years, with rigorous monitoring of progress. Moving forward, the company plans to initiate regular reporting on its performance against commitments, goals, and targets.								
Governance, leadership, and oversight											

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	The Company is committed to balancing business growth with environmental responsibility. As we seek to expand into existing markets, we prioritize aligning our commercial goals with environmental concerns. To support a greener future, The Company has conducted an ESG due diligence assessment, identifying areas for improvement to meet our sustainability goals. The Company have also assessed GHG (Scope 1 & 2) emissions for FY 2022-23 and FY 2023-24, identifying the major sources of these emissions. In the coming years, The Company will implement initiatives to reduce its emissions. Our goal is to conduct business in an environmentally conscious manner by adopting various green initiatives and practices.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Chairman 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 Chairman of the Company is responsible to review the sustainability related issues on annual basis. The CSR committee also reviews the CSR initiatives undertaken by the Company on Annual basis.

10. Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee*									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against Above policies and follow up action	The Audit Committee, Risk Management Committee, and Board conduct regular assessments of all policies and procedures, either annually or at other appropriate intervals. During these evaluations, the effectiveness of operational policies is carefully examined, and any required adjustments to existing policies and procedures are enacted.																	
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances																		

11.

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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.	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 (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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)									

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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 categorized 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 Indicators

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	• Economic Outlook • Business of the Company • Strategy Discussion • Regulatory updates • Key Company Highlights • Industry Outlook	100%
Employees other than BoDs and KMPs	115	The trainings can be categorised as below: 1. Training on behavioural development (POSH, 5'S awareness, Statutory Compliance management etc.) 2. Employee Health and Safety trainings 3. IT related trainings (PMS module, Cyber-attack awareness etc.) 4. Trainings on quality matters (Advanced Product Quality Planning (APQP), IATF-16949/ISO-14001, CSR, POKA Yoke, 7 QC Tools, awareness of ISO 9001:2015 etc.) 5. Other technical trainings (PPAP, 4M Change Management, CQI, Data management, Control Plan, Product Knowledge, Microstructure Checking etc.)	95%

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
Workers	137	The trainings can be categorised as below: 1. Training on Behavioural development (5'S awareness, Motivational trainings etc.) 2. Employee Health and Safety trainings (First Aid, Safety awareness and Emergency etc.) 3. Trainings on quality matters (IATF, Kaizen and Presentation Skills/ Machine Setting, Awareness on MSA etc.) 4. Other technical trainings (Perpetual Inventory, Rework Analysis, Daily MIS, Maru-A and Understanding Drawing and Control Plan etc.)	100%

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 INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	No material fines/penalties have been levied on the Company				
Settlement	Nil				
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			
Punishment				

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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 strong Anti-Corruption and Anti-Bribery policy in line with its commitment to honesty and transparency. The Company has zero tolerance approach towards corruption, bribery and unethical practices. The Company has appropriate internal controls to prevent any involvement in unethical practice by itself or its employees. The policy is readily accessible 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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2023-24 (Current Financial Year)		FY 2022-23 (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

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	24	21

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Concentration of Purchases*	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0%	0%
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%

Parameter	Metrics		FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Concentration of Sales	a.	Sales to dealers /distributors as % of total sales	12%	11%
	b.	Number of dealers / distributors to whom sales are made	136	120
	c.	Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	32%	35%
Shares of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	0.03%	0%
	b.	Sales (Sales to related parties / Total Sales)	0%	0%
	c.	Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0%	0%
	d.	Investments (Investments in related parties / Total Investments made)	79%	73%

* This being not material in terms of value, hence not reported

Leadership Indicators

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
The trainings were held with value chain partners but a framework to track such awareness programs 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. The Audit and Board Committees oversee and approve transactions involving board members' reciprocity. In instances of potential conflicts, individuals must disclose all pertinent details to both the Board of Directors and the Audit Committee.

In addition, the Code of Conduct of the Company outlines principles for managing conflicts of interest in order to detect any real or possible conflicts that might arise between the Company and its directors and employees when conducting business. All staff members have access to this policy via the company intranet, ensuring openness and moral behaviour.

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	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	Nil	Nil	Nil
Capex	27.09%	17.45%	The Company has taken initiatives to reduce the dependence on non-renewable energy and hence solar panels (700 KWP) have been installed at its Prithla 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.

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2. a. Does the entity have procedures in place for sustainable sourcing?

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 to incorporate the relevant requirements of sustainability in its vendor evaluation process.

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. H owever, 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.

Not Applicable

Leadership Indicators

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/ Services	% 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.
The Company has not carried out 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
Not Applicable		

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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Not applicable, as the Company's processes do 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 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Battery waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste						
Other waste						

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
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	Total (A)	% of employees covered by									
		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	366	366	100%	366	100%	0	0%	0	0%	0	0%
Female	10	10	100%	10	100%	10	100%	0	0%	10	100%
Total	**376**	**376**	**100%**	**376**	**100%**	**10**	**100%***	**0**	**0%**	**10**	**100%**
Other than Permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

*Employees covered under maternity benefits is disclosed as % of only female employees and not total employees.

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

Category	Total (A)	% of workers covered by									
		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	237	237	100%	121	51.05%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**237**	**237**	**100%**	**121**	**51.05%**	**0**	**0%**	**0**	**0%**	**0**	**4**
Other than Permanent workers											
Male	1112	1112	100%	1112	100%	0	0%	0	0%	0	0%
Female	55	55	100%	55	100%	55	100%	0	0%	0	0%
Total	**1167**	**1167**	**100%**	**1167**	**100%**	**55**	**100%**	**0**	**0%**	**0**	**0%**

*Not Applicable

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c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the Company	0.12%	0.09%

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

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 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%	Yes	100%	100%	Y
Gratuity	100%	100%	Yes	100%	100%	Y
ESI	11.37%	0.40%	Yes	18%	2%	Y
Others - Please specify	Nil	Nil	NA	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 a robust grievance redressal mechanism accessible to permanent workers, other than permanent workers, permanent employees and other than permanent employees.. Suggestion boxes and complaint registers are conveniently placed for addressing complaints or grievances. This mechanism ensures that complaints 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 2023-24 (Current Financial Year)			FY 2022-23 (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/ workers are part of any union/association.			Not Applicable, since none of the employees/ workers are part of any union/association.		
Male						
Female						
Total Permanent Workers						
Male						
Female						

8 Details of training given to employees and workers:

Category	FY 2023-24 Current Financial Year					FY 2022-23 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	366	195	53.28%	248	67.76%	339	127	37%	186	55%
Female	10	9	90.00%	5	50.00%	5	0	0%	4	80%
Total	**376**	**204**	**54.26%**	**253**	**67.29%**	**344**	**127**	**37%**	**190**	**55%**
Workers										
Male	237	237	100%	237	100%	241	108	45%	127	53%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	**237**	**237**	**100%**	**237**	**100%**	**241**	**108**	**45%**	**127**	**53%**

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

Category*	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	366	366	100%	339	339	100%
Female	10	10	100%	5	5	100%
Total	**376**	**376**	**100%**	**344**	**344**	**100%**
Workers						
Male	237	237	100%	241	241	100%
Female	0	0	0%	0	0	0%
Total	**237**	**237**	**100%**	**241**	**241**	**100%**

*All the eligible employees and workers were considered for performance and career development reviews.

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, As part of its integrated management system, all the plants of the Company are ISO 45001 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.

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 entity?

The company gives paramount importance to the health and safety of its employees. Hazard Identification and Risk Assessment (HIRA) has been put into place that helps in identifying work-related hazards and risks on a regular basis. 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. Manufacturing Heads, in consultation with Plant Heads, establish these processes after thorough risk analysis. Mitigation plans are periodically updated for changes in materials, layouts, or processes to ensure workplace safety. A Material Safety Data Sheet is also prepared for regular risk assessments.

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 platforms for reporting work-related hazards and to remove themselves from such risks, including Safety Observation Tours, Online safety risk reporting mechanism, extensive safety training and Compliance management through online tool .

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 2023-24 Current Financial Year	FY 2022-23 (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	work-related injuries	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

* Including the contract workforce

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:

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 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:

Safety Incident /Number	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 %
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.

Nil

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, Company provides life insurance coverage for employees and workers covered under Employees State insurance Act, 1948 (ESIC), as per the ESIC Scheme. For those not covered under ESIC, the Company offers Group Personal Accident (GPA) and Group Medical Coverage (GMC) to ensure comprehensive protection and support for all permanent employees.

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 to the Company for direct material suppliers. The Company has also targeted to expand its cover to the suppliers in the coming financial years.

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3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q1 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Nil	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)

Yes, the Company retains employees in case of specific vacancies within organization on case-to-case basis. The agreements are made on mutually agreed-upon duration and is subjected to renewal based on their performance and the availability of further vacancies in the organization.

5. Details on assessment of value chain partners:

Safety Incident /Number	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Majority of sourcing supplier assessment through questionnaire
Working Conditions	

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 were observed in the supplier's self-assessment regarding health and safety practices and working Conditions.

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.

The Company employs a systematic approach to identify key stakeholder groups, recognizing their material influence on the Company or on how they are materially influenced by the Company's corporate decisions and consequences of those decisions. The Company recognizes 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 & Marginalized 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 and Email Communication	Quarterly and need based	• Compliance of law • strategic decision making

Stakeholder Group	Whether identified as Vulnerable & Marginalized 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
Employees	No	• Review Meetings • Training programmes • Performance appraisals • Employee Engagement Activities • Internal communication through emails, and Notice Board	Continuous Process	• Empowering work environment • Rewards and recognition • Personal development and growth • Motivational Schemes
Investors & Shareholders	No	• Press releases and publications • Quarterly Presentation of results, • Newspaper Publications • Investor conferences • Stock Exchange Announcement • Chorus Call	Periodic	• Financial Results • Business updates • Response to the queries • New business growth
Customers	No	• Market surveys • Personal visits and Exhibitions. • trials and events • Feedback mechanisms • Communication through e- mail, one-to-one meetings, conference.	Continuous Process	• Product and service quality • Complaint resolution • On-time delivery.
Suppliers and Service Providers	No	• Supplier engagement and assessments process. • Email & phone calls, mails	Continuous Process	• Planning and execution of work orders • Delivery Schedule • Product Development
Government and Regulatory Bodies	No	• Official communication channels & • Regulatory audits/ inspections • Good governance	Continuous Process	• Statutory compliance, including environmental, social and governance compliance
Communities	Yes	• CSR Activities	Continuous Process	• Healthcare and Sanitisation Promoting • Promoting Education • Promoting Sports • Empowering Underprivileged section of the society and support to destitute (Rehabilitation)

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 prioritizes stakeholder consultation as integral to our corporate governance and sustainability initiatives. The approach involves proactive engagement with a diverse array of stakeholders. Stakeholder consultations are led by relevant executives, business leaders, and key process heads of the Company. The Company's decision-making processes are guided by stakeholder's opinion and view. Based on the thorough input from all stakeholder's involved, the company regularly reviews different developments. This guarantees that, in all pertinent fields, our strategic orientation is in line with our stakeholders' requirements and expectations.

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, stakeholder consultation is used to support the identification and management of environmental and social topics. The incorporation of stakeholder feedback into the process and policy formulation is highly valued by the Company. When necessary, stakeholder input is used to help identify and manage social and environmental issues. With this approach, the Company makes sure that the decisions taken are well-informed and take into account the various viewpoints and concerns of the people who are affected by the Company's activities.

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

   The Company recognizes its responsibility and identifies underprivileged communities as disadvantaged, vulnerable, and marginalized stakeholders, and engages with them through various CSR initiatives. The Company believes that not everyone has equal opportunity, even though everyone has equal potential from birth, hence efforts are made to identify and assist these communities in light of this discrepancy.

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 2023-24 Current Financial Year			FY 2022-23 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	376	376	100%	344	97	28%
Other than Permanent	0	0	0%	0	0	0%
Total Employees	**376**	**376**	**100%**	**344**	**97**	**28%**
Workers						
Permanent	237	112	47.25%	241	0	0%
Other than Permanent	1167	374	32.05%	915	0	0%
Total Workers	**1404**	**486**	**34.62%**	**1156**	**0**	**0%**

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

Category	FY 2023-24 Current Financial Year					FY 2022-23 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	366	0	0%	366	100%	339	0	0%	339	100%
Female	10	0	0%	10	100%	5	0	0%	5	100%
Other than permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent										
Male	237	112	47.26%	125	52.74%	241	0	0%	241	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than permanent										
Male	1112	667	59.98%	445	40.02%	915	684	75%	231	25%
Female	55	41	74.55%	14	25.45%	-	-	-	-	-

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

a. Median remuneration / Wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In ₹)	Number	Median remuneration/ salary/ wages of respective category (In ₹)
Board of Directors (BoD)	2	2,42,35,626	0	-
Key Managerial Personnel	2	50,28,630	0	-
Employees other than BoD and KMP	362	5,94,420	10	7,91,334
Workers	237	4,70,988	0	-

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	1.27%	2.58%

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 business, through its HR Policy, is dedicated to maintaining human rights in the workplace. The HR department is in charge of handling any human rights-related complaints, conducting in-depth investigations, and making sure that workers who voice concerns are not subjected to reprising/retaliation.

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

The company has zero tolerance towards any form of human rights violations. For reporting on the internal mechanisms addressing grievances related to human rights issues, the company has implemented a structured approach to ensure transparency and effectiveness. And includes following policies:

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

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

	FY 2023-24 Current Financial Year			FY 2022-23 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. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY24 Current Financial Year	FY23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

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

The Company has implemented POSH policy and has established an Internal Complaint Committee to address complaints against discrimination, harassment, and unfair practices, ensuring confidentiality and protection against retaliation.

Also, The Company has established a well-structured system for reporting complaints and grievances, overseen by a dedicated team responsible for analyzing and resolving issues quickly and efficiently.

9. Do human rights requirements form part of your business agreements and contracts?

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.

10. 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	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	Nil

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

None

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 partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Majority of sourcing supply assessed through evaluation forms.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
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.

Currently there is no significant risks/ concerns were identified from assessments of the specified value chain partners and hence no corrective actions were required to be undertaken.

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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From Renewable sources			
Total electricity consumption (A)	Gigajoules	9,101.51	62.04.00
Total fuel consumption (B)	Gigajoules	0	0*
Energy consumption through other sources (C)	Gigajoules	0	0
Total energy consumption from renewable sources (A+B+C)	Gigajoules	9,101.51	6,204.00
From Non-Renewable sources			
Total electricity consumption (D)	Gigajoules	1,59,685.45	1,45,919.00
Total fuel consumption (E)	Gigajoules	69,666.94	85,009.26
Energy consumption through other sources (F)	Gigajoules	0	0
Total energy consumption from non- renewable sources (D+E+F)	Gigajoules	2,29,352.39	2,30,928.26*
Total energy consumed (A+B+C+D+E+F)	Gigajoules	2,38,453.89	2,37,132.26*
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	Gigajoules	0.00003921	0.00003968*
Energy intensity per rupee of turnover adjusted for Purchasing power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	Gigajoules/ Rupee of turnover	0.00087832**	0.00088877**
Energy intensity in terms of physical output	Gigajoule/ MT of physical output	7.004	7.126*
Energy intensity (optional) – the relevant metric may be selected by the entity		-	-

*The percentage reported in the previous year has been revised.

** PPP: INR Revenue X PPP Factor (US$/INR)

PPP Factor = 22.4; World Economic Outlook (April 2024) - Implied PPP conversion rate (imf.org).

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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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	69,189	76,432
(iii) Third party water	47,451	48,217
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,16,640**	**1,24,649**
Total volume of water consumption (in kilolitres)	**97,542**	**1,05,373***
Water intensity per rupee of turnover (Water consumed / turnover)	0.00001604	0.00001763*
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00035928**	0.00039494**
Water intensity in terms of physical output	2.86	3.16
Water intensity *(optional)* – the relevant metric may be selected by the entity		

*The percentage reported in the previous year has been revised.

** PPP: INR Revenue X PPP Factor (US$/INR)

PPP Factor = 22.4; World Economic Outlook (April 2024) - Implied PPP conversion rate (imf.org).

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. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(i) To surface Water		
- No treatment	9,787	5,876
- With treatment (please specify level of treatment)	9,311	12,998
(ii) To Ground Water		
- 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	0	402
- With treatment (please specify level of treatment)	0	0
(v) Others		
- No treatment	0	0
- With treatment (please specify level of treatment)	0	0
Total water discharge (in KL)	**19,098**	**19,276**

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.

5. 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 Bengaluru. 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 plants to conserve and recycle water. The other two plants at DLF and WDU, Ballabhgarh are authorised to discharge the ETP treated water to the discharge line.

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

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year) (mg/Nm3)*
NOx	MT	6.12	400
SOx	MT	2.28	49.9
Particulate matter (PM)	MT	43.85	45.2
Persistent organic pollutants(POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please Specify	-	-	-

* The unit of measurement for air emission was mg/Nm3 for the FY 2022-23.

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4938.76	5931.00
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	31,759.30	32,831.00
Total Scope 1 and Scope 2 emissions intensity per rupee of Turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.00000603	0.00000649*
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.00013517**	0.00014528**
Total Scope 1 and Scope 2 emission intensity in terms of physical output		1.078	1.165
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	0.98

*The percentage reported in the previous year has been revised.

** PPP: INR Revenue X PPP Factor (US$/INR)

PPP Factor = 22.4; World Economic Outlook (April 2024) - Implied PPP conversion rate (imf.org).

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.

Business Responsibility & Sustainability Report (Contd.)

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

Initiative undertaken FY 23-24	Details of Initiative	Outcome of the Initiatives
DLF Plant		
Installation of Static VAR Generator (SVG) panel	Improvement in power factor by SVG panel installation	Maintaining good power factor, Reduction in unit loss
Overhauling of furnace SYCC-359	Overhauling with new brick lining and additional ceramic coating	Reduction in Energy consumption
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
Prithla Plant		
Installation of new solar Plant	New Solar Plant of 700 KWP added to increase renewable energy utilization.	Carbon footprint reduction/ Reduction in air emissions
Installation of Dual fuel kit for genset	Genset are retrofitted with dual fuel thereby reducing the exhaust emission	Cost Saving & Carbon footprint reduction/ Reduction in air emissions
Reduction of PNG consumption	Temp. settings revised of Phosphating plant subsequently of Hot water generators	Carbon footprint reduction/ Reduction in air emissions
Bengaluru Plant		
increase in 20% of tree plantations	Plantation of 60 Trees in Bangalore Plant	Offsetting Carbon footprint.
Reduction in PNG Consumption	Operational improvement	Carbon footprint reduction
Ballabhgarh (WDU) Plant		
Tree Plantation	We have started campaign of trees plantation and plant 70 Nos of tree in our plant (Parking & boundary wall area)	Offsetting Carbon footprint.
Installation of Dual fuel kit for genset	Genset are retrofitted with dual fuel thereby reducing the exhaust emission	Cost Saving & Carbon footprint reduction/ Reduction in air emissions
Energy saving	Uses of 100% LED lights through the plant	Carbon footprint reduction

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	25.72	15.00
E-waste (B)	0.50	0.50
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) (Discarded Lube waste, mechanical, DG and service oils)	1985.20	1,425.60
Other Non-hazardous waste generated (H). Please specify, if any.	3185.91	3,167
Total (A+B + C + D + E + F + G + H)	**5197.33**	**4,608.10**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000085	0.00000077
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00001914*	0.00001727*
Waste intensity in terms of physical output	0.15	0.13
Waste intensity (optional) – the relevant metric may be selected by the entity		

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
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
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	3044.17	2,941
(ii) Landfilling	1689.16	1,316
(iii) Other disposal operations	464.38	351.10
Total	**5197.71**	**4,608.10**

* PPP: INR Revenue X PPP Factor (US$/INR)

PPP Factor = 22.4; World Economic Outlook (April 2024) - Implied PPP conversion rate (imf.org).

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.

10. 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. The Company 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 authorized 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.

11. 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 there of and corrective action taken, if any.
Not Applicable, since there are no operations of the Company near above-mentioned areas.			

12 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
Not applicable, as no environmental impact assessment of projects was undertaken by the Company during the current reporting Year.					

Business Responsibility & Sustainability Report (Contd.)

13. 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
Not Applicable, since there is no non-compliance with the applicable environmental Laws/Regulations/Guidelines in India.				

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

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

(i) **Name of the area:** DLF Faridabad, WDU, Ballabhgarh Faridabad, Kolar-Bengaluru, Palwal-Faridabad

(ii) **Nature of operations:** Manufacturing of cold tensile fasteners

(iii) **Water withdrawal, consumption, and discharge in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	69,189	76,432
(iii) Third party water	47,451	48,217
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	1,16,640	1,24,649
Total volume of water consumption (in kilolitres)	97,542	1,05,373*
Water intensity per rupee of turnover (Water consumed / turnover)	0.00001604	0.00001763*
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total water consumption / Revenue from operations adjusted for PPP)	0.00035928**	0.00039494**
Water intensity in terms of physical output	2.86	3.16
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		
- No treatment	9,787	5,876
- With treatment – please specify level of treatment	9,311	12,998
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	402
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**19,098**	**19,276**

*The percentage reported in the previous year has been revised.

** PPP: INR Revenue X PPP Factor (US$/INR)

PPP Factor = 22.4; World Economic Outlook (April 2024) - Implied PPP conversion rate (imf.org).

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (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	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.	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 emissions per rupee of turnover			
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

3. With respect to the ecologically sensitive areas reported at Question 11 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

4. 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 Static VAR Generator (SVG) panel	Improvement in power factor by SVG panel installation	Maintaining good power factor Reduction in unit loss
2	Overhauling of furnace SYCC-359	Overhauling with new brick lining and additional ceramic coating	Reduction in energy consumption
3	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
4	Installation of new solar plant	New solar plant of 700 KWP added to increase renewable energy utilization.	Carbon footprint reduction/ Reduction in air emissions
5	Reduction of PNG consumption	Temperature settings revised for Phosphating plant and subsequently of hot water generators	Carbon footprint reduction/ Reduction in air emissions
6	Utilization of Rainwater	Water filtration system installed, and 1000 KL rainwater used in Plant after treatment	Contribution in preservation of natural resources
7	Rainwater utilization in Process	200 KL/year	Reduction in depletion of ground water
9	Tree Plantation	Tree plantation initiative undertaken and around 130 trees have been planted	Offsetting Carbon footprint.
10	Energy saving	Uses of 100% LED lights through the plant	Carbon footprint reduction

Business Responsibility & Sustainability Report (Contd.)

5. 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

6. 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).

7. 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 INR)
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 a mechanism in place to receive and redress community grievances as follows:

1. The company maintains an Internal Grievance Redressal Committee to handle community grievances, forwarding issues to relevant departments.
2. It actively conducts CSR activities to support local community needs near plant locations.
3. The company encourages direct communication between Management and plant Operations, promoting transparency.
4. It engages with local communities to address concerns and foster relations.
5. The company focuses on the timely resolution of community issues to enhance community-company relations.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (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.	
Directly from within India	98.39%	98.55%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	-	-
Semi-Urban	-	-
Urban	15.98%	21.72%
Metropolitan	84.02%	78.28%

(Place to be categorized as per RBI classification system – rural / semi – urban / urban / metropolitan)

*The new jobs created by the Company in the FY2022-23 and FY2023-24 have only been considered.

CTC of employees has been considered as wages.

Bifurcation as per Database on Indian Economy, RBI's Data Warehouse https://dbieold.rbi.org.in/

Business Responsibility & Sustainability Report (Contd.)

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 INR)
The company has not operated any CSR project under aspirational districts as all the CSR initiatives undertaken are in the localities close to operating locations but it is working on expanding its reach in the upcoming year.			

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   The Company does not have a formal policy in place for procurement from the aforesaid mentioned group. However, the company collaborates with various job workers, local suppliers, and vendors as required for its supply needs

   (b) From which marginalized /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 marginalized groups
1	Healthcare	The benefits of the initiatives are extended to the entire community, however, the exact number of persons benefitted are not available.	100%
2	Training and Education		100%
3	Promoting Sports		100%
4	Sponsoring Homes for Orphans and sponsoring old age homes, day care centres and such other facilities for Senior Citizens		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.

The Company has established robust mechanisms to receive and address consumer complaints and feedback effectively. The Company is into B2B business, supplying products to OEMs. But the OEMs send us monthly supplier's rating, grading us on Quality, Cost, Delivery, Development, and Management. The Company'sSales and Marketing team dives into these reports, along with other stakeholders, to spot areas where we can do better. Then, the Company brainstorm strategies to improve based on 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 of 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 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential	Nil	Nil	-	Nil	Nil	-
Services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Others	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	-
Forced recalls	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.

Yes, the entity have a framework/ policy on cyber security and risks related to data privacy. The weblink is provided: https://stlfasteners.com/assets/upload/investors/20240705100233-14-373259091989.pdf

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.

Business Responsibility & Sustainability Report (Contd.)

7. Provide the following information relating to data breaches:

a) **Number of instances of data breaches:** Nil

b) **Percentage of data breaches involving personally identifiable information of customers:** Nil

c) **Impact, if any, of the data breaches:** Nil

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.

The company is a B2B supplier, it directly provides products to OEMs, who further assemble and distribute the final products to end-user customers. Thus, limits the Company's involvement in informing and educating end users 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 product exclusively to OEMs, thus lacking direct visibility to end users. However, the Company prioritize customer satisfaction, implementing various methods to ensure it. Customer feedback is gathered either directly or indirectly to address any grievances, enabling the development and implementation of corrective actions. Following this, summaries detailing customer satisfaction are collated, thoroughly examined, and supervised by all relevant process stakeholders in conjunction with the company's management team.

Management Discussion and Analysis

ECONOMY OVERVIEW[1]

The Global Economy demonstrated notable resilience amidst significant challenges in FY 2023-24. Global trade has plateaued in recent years, driven by the pandemic, geopolitical tensions, and rising protectionist measures, significantly disrupting worldwide supply chains. Despite these formidable challenges, the estimated global economic growth for FY 2023-24 stands at 3.2%, driven by central banks' judicious interventions, including interest rate adjustments and comprehensive monetary policies, which played a pivotal role in stabilizing economies and navigating inflationary pressures. Emerging markets such as India and Brazil exhibited brisk growth rates, supported by diverse economic strategies and inflows of foreign capital. Additionally, robust labor markets and sound corporate financial positions bolstered overall economic resilience.

Looking ahead to the upcoming financial year, the global economy is projected to sustain its growth trajectory at a stable rate of 3.2%. Although modest in a historical context, this growth is expected to be accompanied by a forecasted decline in inflation across different geographies, potentially paving the way for interest rate reductions. The gradual relaxation of monetary policies by central banks could stimulate heightened economic activity. However, the outlook for the global economy remains cautiously optimistic, underpinned by the anticipation of sustained, albeit measured, growth.

In FY 23 - 24 India surpassed the UK to become the fifth-largest economy. Rising employment and increasing private consumption, coupled with enhanced infrastructure and improving consumer sentiment, drove the country's GDP growth to 7.6% in FY 2023-24 over 7% FY 2022-23. Robust growth in manufacturing (8.5% YoY) and construction activities (10.7% YoY), along with steady positive performance in services (7% YoY), kept economic activity strong. The FDI remained strong at US $ 7.3 billion in April 2024, with manufacturing, financial services, business services, electricity and other energy, and computer services sectors accounting for more than 80% of FDI equity flows.[2]

Looking forward to the upcoming financial year, India's economic growth is projected to remain strong at 6.8% in 2024-25, according to the International Monetary Fund's (IMF) World Economic Outlook for April 2024. Additionally, India's nominal GDP is expected to surpass Japan's in CY 2025, making it the world's fourth-largest economy, a year earlier than previously projected by the IMF.[3]

INDUSTRY OVERVIEW[4]

INDIAN AUTO INDUSTRY

The Indian automobile industry delivered a reasonable performance in FY 2023-24. According to the Society of Indian Automobile Manufacturers (SIAM), the domestic market grew by 12.5%, with total units sold increasing from 21.20 million in FY 2022-23 to 23.85 million in FY 2023-24. Within this, the passenger vehicle segment grew by over 8%, with domestic sales rising to 4.22 million units from 3.89 million units in the previous financial year. The two-wheeler segment saw a robust 13% increase, reaching approximately 17.97 million units, while the three-wheeler segment experienced a remarkable 41.5% growth, with sales climbing to 0.69 million units. The commercial vehicles segment had marginal growth of 0.6%, with sales slightly increasing to 0.97 million units, though light and small commercial vehicles saw a decline.[5]

In FY 2023-24, the Indian automotive industry produced a total of 28.43 million vehicles across various categories including passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles. This marks a significant increase compared to the 25.93 million units produced during the same period in the previous year.

Category	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	YoY Growth in FY 2024
Passenger Vehicles	3,424,564	3,062,280	3,650,698	4,587,116	4,901,844	7.05%
Commercial Vehicles	756,725	624,939	805,527	1,035,626	1,066,429	2.97%
Three-Wheelers	1,132,927	614,613	758,669	855,696	992,936	16.01%
Two-Wheelers	21,032,927	18,349,941	17,821,111	19,459,009	21,468,527	10.33%
Quadricycles	6,095	3,836	4,061	2,897	5,006	72.79%
Grand Total	26,353,293	22,655,609	23,040,066	25940344	28,434,742	9.65%

[1]World Economic Outlook, April 2024: Steady but Slow: Resilience amid Divergence (imf.org)

[2]1STATEOFTHEECONOMY84C19817677747DE81811D8FDBB0A796.PDF (rbi.org.in)

[3]India to surpass Japan as 4th-largest economy in 2025, IMF says - Nikkei Asia

[4]https://www.thehindubusinessline.com/economy/indian-automobile-industry-records-125-growth-in-fy24/article68057552.ece

[5]https://www.thehindubusinessline.com/economy/indian-automobile-industry-records-125-growth-in-fy24/article68057552.ece#:~:text=The%20total%20two-wheeler%20wholes

ELECTRIC VEHICLES (EV) INDUSTRY[6]

The electric vehicles industry in India is currently at a nascent stage, with EVs making up about 5% of total vehicle sales between October 2022 and September 2023. This upward trend reflects a shift towards electric alternatives, driven by factors such as increased environmental awareness, government incentives, and technological advancements that enhance the efficiency and affordability of electric vehicles.

Key factors for growth include a projected more than 45% penetration in the two-wheeler (2W) and significant growth in three-wheeler (3W) due to their low total cost of ownership. In CY 2023, 2W EVs dominate the market with 85%–90% of total EV sales, while 4W EVs account for 7%–9%, and 3W EVs make up for 5%–7% of total EV sales. The EV market share is projected to exceed 40% by 2030, driven by strong adoption rates in the 2W and 3W categories. To make this leap, OEMs and EV ecosystem partners need to make significant investments in key areas, including sustainable competitive advantage, go-to-market (GTM) and distribution capabilities, customer feedback and brand perception, talent and culture, and manufacturing and supply chain strategy.

INDIAN AUTO COMPONENT INDUSTRY

India is emerging as a global hub for auto component sourcing, with the industry exporting over 25% of its production annually. The industry comprises players of all sizes, from large corporations to micro entities, spread across clusters throughout the country. The auto components industry accounted for 2.3% of India's GDP and provided direct employment to 1.5 million people.

With OEMs investing in and developing new EV products, the industry is preparing for the future to participate in the EV supply chain. The industry aims to invest ₹ 58,000 crore by FY 2028 to boost localization of advanced components like electric motors and automatic transmissions. Production Linked Incentive (PLI) schemes on automobiles and auto components are expected to bring in a capex of ₹ 74,850 crores over the next five years.

India's strategic location near key automotive markets such as ASEAN, Europe, Japan, and Korea enhance its appeal as a global auto component sourcing hub. In the coming years, India's Auto Component Market is expected to play a pivotal role in shaping the future of mobility, both within the country and on the global stage.. The Automotive Mission Plan (2016-26) projects direct incremental employment for 3.2 million people by 2026.

Company Overview

- **COMPANY OUTLOOK**

  Sterling Tools Limited (STL) stands at the forefront of automotive fastener manufacturing in India. Renowned for its innovation, and forward-thinking approach, the company, through its subsidiary, Sterling Gtake E-mobility Limited (SGEM) is also a key supplier of Motor Control Units (MCUs) to India's burgeoning Electric Vehicle (EV) sector. Embracing the global shift towards sustainable mobility SGEM, offers a comprehensive range of MCUs tailored for EV manufacturers in segments such as two-wheelers, three-wheelers, and commercial vehicles.

  With a rich legacy spanning over four decades, STL operates from 4 fasteners manufacturing facilities, 1 MCU manufacturing Plant and 2 tech-Centers. The Company's dedication to quality is evident in its deployment of best-in-class manufacturing facilities, environmentally sustainable technologies, and the passionate commitment of its team.

  The company's commitment extends beyond product innovation to encompass broader industry transformations. With a focus on sustainability and societal impact, it aspires to be the most trusted brand for its customers, maximize value for its shareholders, earn respect in the community, and instill pride in the workforce.

  [7]Sterling Tools Ltd. has formalized a memorandum of understanding (MoU) with Yongin Electronics Co. Ltd., a reputable supplier of components to the Hyundai Kia Motor Group based in South Korea. This strategic alliance is projected to yield a substantial business volume of ₹ 250 crore over the ensuing five years. In line with this collaboration, Sterling Tools Limited is poised to establish a state-of-the-art greenfield manufacturing facility. The MoU signifies a significant advancement for Sterling Tools, augmenting its capacity to deliver tailored solutions catering to the Electric Vehicle (EV) and Hybrid segments, alongside other automotive applications. Leveraging Yongin's cutting-edge technology, this partnership is expected to fortify Sterling's position within the automotive industry.

- **Key Financials**

  Following are the key financials of the Company at standalone and consolidated levels. For details members are requested to see three years financial summary:

(Amount in ₹ Cr.)

Particulars	Consolidated		Standalone	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue from Operations	931.97	771.98	608.14	597.65
EBITDA	114.31	100.44	90.61	92.27
EBIT	81.26	68.72	59.37	61.40
PAT	55.37	47.88	38.85	41.43
Interest Expense	9.46	8.84	7.62	8.12
Net Worth	447.11	400.43	431.63	401.45

[6]https://www.livemint.com/industry/energy/indias-ev-market-to-grow-66-in-2024-likely-to-represent-nearly-one-third-of-pv-sales-by-2030-11712674882925.html

[7]https://www.thehindubusinessline.com/markets/stock-markets/sterling-tools-signs-mou-with-south-koreas-yongin-for-ev-components-facility/article68078557.ece

- **Key Ratios**

Particulars	Consolidated		Standalone	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Operating profit Margin	12.27%	13.01%	14.90%	15.44%
Net Profit Margin	5.94%	6.20%	6.39%	6.93%
Debtor Turnover (no. of days)	35	38	38	40
Inventory Turnover Ratio	2.88	2.78	1.95	2.24
Interest Coverage Ratio	8.59	7.78	7.79	7.56
Debt to Equity (times)	0.20	0.32	0.21	0.30
Current ratio (times)	2.04	1.84	2.25	1.92
Return on Net Worth/Equity	13.06%	12.66%	9.33%	10.84%

AWARDS

During the year under review, the Company has received multiple prestigious awards recognizing its exceptional performance and reliability. Notably, the Company was honored with the "ZERO PPM" Award by Daimler Truck. Additionally, Daimler acknowledged the Company as a reliable partner, awarding it for achieving 100% delivery performance. The Company also received the Volvo Eicher Commercial Vehicle (VECV) "Award for New Product Development" as well as the Honda "Supplier for Convenience Award" in 2023, underscoring its commitment to innovation and dedication to customer satisfaction.

HUMAR RESOURCES

Sterling Tools Ltd. empowers employees to prioritize their development through capability building and career planning. Renowned for transparency and fair practices, the Company has a robust skill-development program that aligns with future competency needs. The Company focuses on community outreachand provides opportunities for holistic development and achieving responsible growth.

Sterling Tools Limited embarked on a strategic leadership realignment to foster innovation and expand into new markets. Mr. Anil Aggarwal transitioned to Chairman and Whole-time Director, ensuring continued mentorship. Mr. Atul Aggarwal became Managing Director to lead the expansion in electric vehicles and sustainable technologies. Mr. Akhill Aggarwal was elevated as a Whole-time Director to drive sales and business development, while Mr. Anish Agarwal joined the board as a Non-Executive Director.

OPPORTUNITIES AND CHALLENGES[8]

The company's successful foray into manufacturing Motor Control Units (MCUs) for electric vehicles (EVs) has provided a solid foundation and helped develop the competencies that the will be required to capitalize on the emerging trends in Autonomous, Connected and Electric (ACE) Mobility. Looking ahead, the company plans to expand its portfolio to include other e-mobility solutions products, such as powertrains and power electronics, aiming to further leverage opportunities presented by the growing demand for electric and sustainable transportation solutions. This EV centric expansion strategy aligns with market trends and also positions the company to cater effectively to the evolving needs of its customers in the automotive sector.

POTENTIAL AND CONCERNS

The Company employs a robust risk management process, identifying, analyzing, and mitigating risks through an effective framework. This process includes regular risk reviews and timely implementation of mitigation measures, overseen by the Risk Management Committee.

- **Environmental Risk:.** Aligning with the Government of India's Zero Carbon initiative, there is a need to transition to green and clean energy solutions.
    - **Mitigation:** Investments are being made in solar energy sources to reduce reliance on conventional energy. The Company is also focused to use the new technologies with less energy consumption to reduce its carbon footprint.
- **Cyber Security and Data Privacy Risk:** Cyber-attacks and privacy breaches pose significant threats to information security, potentially disrupting business operations.
    - **Mitigation:** The company employs robust defense mechanisms, including firewall routers, anti-virus security, and daily backups of critical data across multiple sites.
- **Human Resource Risk:** A skilled workforce is essential for sustained operations. Shortages, high attrition, or skill mismatches may disrupt operations, productivity, and growth, impacting brand reputation.
    - **Mitigation:** The company undertakes initiatives to attract and retain talented employees, enhancing engagement and ensuring the availability of skilled workers through capability development and capacity augmentation activities.

INTERNAL CONTROL SYSTEM AND 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 scrutinized 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.

The Company's focus on system-driven operations is reflected in its use of advanced IT-enabled controls, shop floor automation, quality control measures. Significant investments in machine upgrades are supported by a robust internal management information system, ensuring efficiency and accuracy.

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.

Standalone Financial statement

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 2024, 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 material accounting policy information 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 2024, 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 matters to be communicated in our report.

Key audit matter	How our audit addressed the 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)(8) 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 Contract 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. Revenue recognition from the sale of products also involves determination of variable consideration on account of volume discounts and other programs run by the Company, which requires estimates to be made by the management at each period end.	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; • 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;

Key audit matter	How our audit addressed the key audit matter
Further, the Company and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressure to meet expectations resulting in revenue being overstated or recognised before control being transferred. 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.	• 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; • Performed analytical procedures; • 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is 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

Independent Auditor's Report (Contd.)

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    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 2024 from being appointed as a director in terms of section 164(2) of the Act;

    f) The qualification relating to the maintenance of accounts and other matters connected therewith are

as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II, wherein we have expressed an unmodified opinion; and

h) 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 2024;

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 2024;

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 2024;

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 54(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 54(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.

v. The final dividend paid by the Company during the year ended 31 March 2024 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 2024 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.

vi. As stated in note 53 to the standalone financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining

Independent Auditor's Report (Contd.)

its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at the database level for accounting software Ebizframe to log any direct data changes, used for maintenance of all accounting records by the Company.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software used for maintenance of payroll records of the Company is operated by a third-party software service provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation), does not provide information on retention of audit trail (edit logs) for any direct changes made at the database level. Accordingly, we are unable to comment on whether audit trail feature with respect to the database of the said software was operated throughout the year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 24508685BKEUDU1515

Place: Faridabad
Date: 10 May 2024

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 2024

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, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of 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 program, 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 favor 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 on 31 March 2024 (₹ in Lakhs)
Freehold land	Plot No. 4, 5A, 52, 53, 54 and 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road, Faridabad, Haryana	195.95
Freehold land	49 KM stone Delhi Mathura Road, Village Prithla, Tehsil-Palwal, Distt. Palwal, Haryana	206.13
Leasehold land	Plot No 109-110, Vemgal Industrial Area, District Kolar, Karnataka	980.37

(d) The Company has adopted cost model for its property, plant and equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(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, except for goods-in-transit. 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. In respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory 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 which were subject to audit/review, except for the following:

Name of the bank	Working capital limit sanctioned (₹ in lakh)	Nature of current assets offered as security	Quarter ended	Information disclosed as per statement (₹ in lakh)	Information as per books of accounts (₹ in lakh)	Difference (₹ in lakh)	Remarks/ reason, if any
HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	12,500.00	Pari-passu charge on current assets	30 June 2023	18,333.03	18,252.91*	(80.12)	Refer note 24(f) of the standalone financial statements
HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	12,500.00	Pari-passu charge on current assets	30 September 2023	17,869.16	17,894.04*	24.88	Refer note 24(f) of the standalone financial statements

Annexure I to the Independent Auditor's Report (Contd.)

Name of the bank	Working capital limit sanctioned (₹ in lakh)	Nature of current assets offered as security	Quarter ended	Information disclosed as per statement (₹ in lakh)	Information as per books of accounts (₹ in lakh)	Difference (₹ in lakh)	Remarks/ reason, if any
HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	12,500.00	Pari-passu charge on current assets	31 December 2023	16,136.73	16,214.16*	77.43	Refer note 24(f) of the standalone financial statements
HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	12,500.00	Pari-passu charge on current assets	31 March 2024	19,344.67	19,375.35#	30.68	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) The Company has not provided any security or granted any loans to companies, firms, limited liability partnerships or any other parties during the year. Further, the Company has made investments in, provided guarantee and granted unsecured advances in the nature of loans to companies or any other parties during the year, in respect of which:

(a) The Company has provided advances in the nature of loans to others and guarantee to a subsidiary during the year as per details given below:

Particulars	Guarantees (₹ in lakhs)	Advances in the nature loans (₹ in lakhs)
Aggregate amount provided/granted during the year:		
- Subsidiary	6,133.00	-
- Others	-	15.00
Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiary	6,133.00	-
- Others	-	9.62

(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 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 advances 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 loans 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 loans or advances in the nature of loans, which are 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 sections 185 and 186 of the Act in respect of investments made and guarantees provided by it, 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 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 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.

Annexure I to the Independent Auditor's Report (Contd.)

(vii) (a) In our opinion, and according to the information and explanations given to us, 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, have generally been regularly deposited with the appropriate authorities by the Company. 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 lakhs)*	Amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
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 Service 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.

(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.

Annexure I to the Independent Auditor's Report (Contd.)

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or 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 which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(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 in 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, 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) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508658
UDIN: 24508685BKEUDU1515

Place: Faridabad
Date: 10 May 2024

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 2024

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 2024, 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 the 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

Annexure II to the Independent Auditor's Report (Contd.)

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 2024, 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
Membership No.: 508658
UDIN: 24508685BKEUDU1515

Place: Faridabad
Date: 10 May 2024

Standalone Balance Sheet as at 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	25,260.56	25,641.78
(b) Capital work-in-progress	3	179.11	1,112.23
(c) Other intangible assets	4	22.92	50.52
(d) Financial assets			
(i) Investments	5	5,398.77	5,575.96
(ii) Other financial assets	6	528.36	466.53
(e) Income-tax assets (net)	7	37.08	63.44
(f) Other non-current assets	8	188.32	515.70
Total non-current assets		**31,615.12**	**33,426.16**
Current assets			
(a) Inventories	9	13,052.65	12,442.57
(b) Financial assets			
(i) Investments	10	-	500.08
(ii) Trade receivables	11	6,322.70	6,524.25
(iii) Cash and cash equivalents	12	757.15	443.84
(iv) Bank balances other than (iii) above	13	7,146.28	4,195.62
(v) Loans	14	9.62	23.53
(vi) Other financial assets	15	166.36	149.98
(c) Other current assets	16	2,568.41	3,175.08
Total current assets		**30,023.17**	**27,454.95**
TOTAL ASSETS		**61,638.29**	**60,881.11**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	720.48	720.48
(b) Other equity	18	42,442.02	39,424.50
Total equity		**43,162.50**	**40,144.98**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,678.37	3,664.48
(ia) Lease liabilities	42	26.22	5.05
(ii) Other financial liabilities [other than those specified in item (b)]	20	45.76	19.32
(b) Provisions	21	128.78	137.28
(c) Deferred tax liabilities (net)	22	1,499.40	1,755.05
(d) Other non-current liabilities	23	737.43	884.30
Total non-current liabilities		**5,115.96**	**6,465.48**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	7,262.12	8,714.40
(ia) Lease liabilities	42	22.22	15.84
(ii) Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises; and	25	1,042.17	964.62
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,314.74	1,897.99
(iii) Other financial liabilities [other than those specified in item (c)]	26	358.93	717.32
(b) Other current liabilities	27	2,191.44	1,877.27
(c) Provisions	21	168.21	83.21
(d) Current tax liabilities (net)	28	-	-
Total current liabilities		**13,359.83**	**14,270.65**
Total liabilities		**18,475.79**	**20,736.13**
TOTAL EQUITY AND LIABILITIES		**61,638.29**	**60,881.11**

Notes 1 to 55 form an integral part of these standalone financial statements.
As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

Standalone Statement of Profit and Loss for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	29	60,813.75	59,765.44
Other income	30	556.04	588.39
Total income		**61,369.79**	**60,353.83**
Expenses			
Cost of materials consumed	31	25,659.28	26,466.60
Changes in inventories of finished goods and work-in-progress	32	(787.82)	(1,029.24)
Employee benefits expense	33	5,105.87	4,640.59
Finance costs	34	761.88	812.48
Depreciation and amortisation expenses	35	3,123.97	3,087.32
Other expenses	36	22,331.92	21,048.43
Total expenses		**56,195.10**	**55,026.18**
Profit before exceptional items and tax		**5,174.69**	**5,327.65**
Exceptional items	37	39.71	344.26
Profit before tax		**5,214.40**	**5,671.91**
Tax expense:	22		
Current tax		1,469.09	1,427.62
Deferred tax		(139.22)	101.34
Total tax expense		**1,329.87**	**1,528.96**
Profit for the year		**3,884.53**	**4,142.95**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(84.77)	(1.01)
(b) Changes in fair value of equity investment through other comprehensive income		(377.88)	68.27
(ii) Income-tax relating to items that will not be reclassified to profit or loss		116.43	(16.93)
(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 (loss)/income for the year (net of tax)		**(346.22)**	**50.33**
Total comprehensive income for the year		**3,538.31**	**4,193.28**
Earnings per equity share	38		
Basic (₹)		10.78	11.50
Diluted (₹)		10.77	11.50
[nominal value of share ₹ 2 (31 March 2023: ₹ 2)]			

Notes 1 to 55 form an integral part of these standalone financial statements.
As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

Standalone Statement of Cash Flows for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
A	**Cash flow from operating activities**		
	Net profit before tax	5,214.40	5,671.91
	Adjustments for:		
	Depreciation and amortisation expenses	3,123.97	3,087.32
	Unrealised foreign exchange loss/(gain)	2.38	(1.80)
	Profit on disposal of property, plant and equipment (net)	(57.64)	(35.13)
	Finance costs	768.77	1,127.00
	Gain on termination of lease liability	-	(0.12)
	Interest income classified as investing cash flows	(416.59)	(181.05)
	Amortisation of government grant	(165.12)	(175.87)
	Gain on sale of investments	(33.29)	(44.14)
	Changes in fair value of financial asset at fair value through profit or loss	-	(0.08)
	Income from investment in equity instruments	-	(25.87)
	Dividend received from subsidiary company	-	(254.00)
	Liabilities no longer required, written back	(9.13)	(1.18)
	Loss on fair value of forward contracts	-	15.27
	Bad debts written off	5.09	1.74
	Loss on disposal of joint venture	-	4.12
	Provision for expected credit loss	17.57	7.80
	Operating profit before working capital changes	**8,450.41**	**9,195.92**
	Decrease/(increase) in financial assets	140.95	(776.81)
	Decrease in other assets	596.12	562.57
	Increase in financial liabilities	259.50	454.22
	Increase in inventories	(610.08)	(2,205.96)
	Increase in other liabilities	312.03	55.97
	(Decrease)/increase in provisions	(8.27)	39.89
	Net cash generated from operations	**9,140.66**	**7,325.80**
	Income-tax paid (net of refunds)	(1,442.73)	(1,482.43)
	Net cash from operating activities (A)	**7,697.93**	**5,843.37**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work- in progress and capital advances)	(1,544.93)	(2,964.23)
	Proceeds from disposal of property, plant and equipment	127.64	75.30
	Investment in fixed deposit	(9,890.00)	(4,058.62)
	Maturity of fixed deposit	7,023.00	1,694.00
	Investment in mutual funds	(6,550.00)	(500.00)
	Redemption of mutual funds	7,083.37	770.11
	Loan repayment from subsidiary	-	2,000.00
	Interest received	306.18	228.55
	Dividend received on investment in equity instruments	-	0.05
	Dividend received from subsidiary company	-	254.00
	Gain on sale of equity instruments	-	25.82
	Investment in subsidiary company	(1.00)	(2,000.00)
	Proceeds from disposal of joint venture	-	113.70
	Proceeds from sale of investments in equity instruments	-	43.76
	Net cash used in investing activities (B)	**(3,445.74)**	**(4,317.56)**

Standalone Statement of Cash Flows for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
C Cash flows from financing activities		
Proceeds from non-current borrowings	1,000.00	1,754.25
Repayment of non-current borrowings	(2,324.05)	(2,028.21)
Dividend paid	(719.41)	(359.22)
(Repayment of) / proceeds from current borrowings (net)	(1,111.66)	315.99
Repayment of principal element of lease liabilities	(37.89)	(47.20)
Interest paid	(745.87)	(793.89)
Net cash used in financing activities (C)	**(3,938.88)**	**(1,158.28)**
Net increase in cash and cash equivalents (A+B+C)	**313.31**	**367.53**
Cash and cash equivalents at the beginning of the year	443.84	76.31
Cash and cash equivalents at the end of the year	**757.15**	**443.84**
Components of cash and cash equivalents (refer note 12):		
Balances with scheduled banks in current accounts	504.58	441.28
Cash on hand	2.57	2.56
Balances with banks in deposit accounts with original maturity upto three months	250.00	-
	757.15	**443.84**

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 1 April 2022	60.89	6,251.43	6,084.11	20.99
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)	-
- Amount transferred to Investor's Education and Protection Fund	-	-	-	(2.66)
- Final dividend paid	-	-	-	(359.22)
Closing balance as on 31 March 2023	**20.89**	**5,978.78**	**6,400.10**	**19.36**

Standalone Statement of Cash Flows for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Lease liabilities	Non-current borrowings including current maturities of long term borrowings	Current borrowings	Dividend
Add: Non cash changes due to-				
- Recognition of lease liabilities	61.69	-	-	-
- Interest expense	5.19	430.67	312.27	-
- Fair value changes	-	0.25	-	-
- Final dividend	-	-	-	720.48
Less: Non cash changes due to-				
- Adjustment in lease liabilities on modification	(1.44)	-	-	-
Add: Cash inflows during the year				
- Proceeds from non-current borrowings	-	1,000.00	-	-
- Proceeds from current borrowings	-	-	(1,111.66)	-
Less: Cash outflow during the year				
- Repayment of non-current borrowings	-	(2,324.05)	-	-
- Repayment of lease liabilities	(37.89)	-	-	-
- Interest paid	-	(433.60)	(312.27)	-
- Amount transferred to Investor's Education and Protection Fund	-	-	-	(9.09)
- Final dividend paid	-	-	-	(719.41)
Closing balance as on 31 March 2024	**48.44**	**4,652.05**	**5,288.44**	**11.34**

The standalone 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 55 form an integral part of these standalone financial statements.

As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

Standalone Statement of Changes in Equity for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity share capital

Particulars	Note	Number	Amount
Balance as at 1 April 2022	17	3,60,24,211	720.48
Changes in equity share capital during the year		-	-
Balance as at 31 March 2023	17	**3,60,24,211**	**720.48**
Changes in equity share capital during the year		-	-
Balance as at 31 March 2024	17	**3,60,24,211**	**720.48**

(B) Other equity

Particulars	Note	Reserves and surplus					Equity instruments through other comprehensive income	Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings		
Balance as at 1 April 2022	18	6.65	4,735.69	-	2,786.46	27,306.85	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**
Profit for the year		-	-	-	-	3,884.53	-	3,884.53
Other comprehensive income								
Remeasurement of defined benefit obligation (net of tax)		-	-	-	-	(63.44)	-	(63.44)
Changes in fair value of equity investment through other comprehensive income (net of tax)		-	-	-	-	-	(282.78)	(282.78)
Transactions with owners in their capacity as owners:								
Employee stock option reserve		-	-	199.69	-	-	-	199.69
Final dividend paid on equity shares		-	-	-	-	(720.48)	-	(720.48)
Balance as at 31 March 2024	18	**6.65**	**4,735.69**	**199.69**	**2,786.46**	**34,189.40**	**524.13**	**42,442.02**

Notes 1 to 55 form an integral part of these standalone financial statements.

As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

1. Company information and material accounting policies

A. Corporate information

Sterling Tools Limited (the 'Company') was incorporated on 7 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) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') 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.

The MCA vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendments Rules, 2023, which amended certain accounting standards as given below and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1. The amendment to Ind AS 1 have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's standalone financial statements.
- Definition of accounting estimates - amendments to Ind AS 8. The amendments did not have any impact on the standalone financial statements.

(2) Statement of compliance

These standalone 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 standalone financial statements of Sterling Tools Limited as at and for the year ended 31 March 2024 were approved and authorised for issue by Board of Directors on 10 May 2024. The revision to standalone 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 standalone 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.
Share based payments	Fair value.

The methods used to measure fair values are discussed further in notes to standalone financial statements.

(5) Functional and presentation currency

These standalone 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 lakh (upto two decimals), except as stated otherwise.

(6) Current and non-current classification

The Company presents assets and liabilities in the standalone 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

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

- 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.

C. Material accounting policies

A summary of the material accounting policies applied in the preparation of the standalone 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 item 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 accruing 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 standalone 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 standalone statement of profit and loss.

(2) Depreciation

Depreciation is recognised in standalone 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 primary period of the lease.

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) 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 vale 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 asset in prior accounting periods may no longer exist or may have decreased.

(4) 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

Stock in transit is valued at lower of cost and net realisable value. Scrap is valued at estimated net realisable value.

(5) 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.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

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 standalone 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 standalone financial statements.

(6) 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 standalone 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 standalone 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.

(7) 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 standalone 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 standalone statement of profit and loss.

(8) Revenue

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 the amount of transaction price, 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 standalone 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.

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 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 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.

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 standalone 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 standalone 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.

(9) 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).

(10) Employee benefits

10.1 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.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

10.2 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 standalone statement of profit and loss in the period during which services are rendered by employees.

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 standalone statement of profit and loss.

10.3 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 plan.

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.

10.4 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.

(11) Share based payments

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102, 'Share-based payment'. Stock options granted by the Company to its employees and employees of the subsidiaries are accounted as equity settled options. In respect of the options granted to the employees of the Company, the estimated fair value of options granted that is determined on the date of grant, is charged to standalone statement of profit and loss on a straight-line basis over the vesting period of options, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

(i) including any market performance conditions

(ii) excluding the impact of any service and non-market performance vesting conditions

(iii) including the impact of any non-vesting conditions

In respect of the options granted to the employees of the subsidiary companies, the estimated fair value of options granted that is determined on the date of grant, is debited to the value of investment in the subsidiary company, on a straight-line basis over the vesting period of options, with a corresponding increase in equity.

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

Where options are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such options are reversed effective from the date of the forfeiture.

(12) 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-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.

(13) Taxes on income

Income-tax expense comprises current and deferred tax. Current tax expense is recognised in the standalone 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 standalone 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.

(14) 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.

(15) Equity investment

Equity investments in joint venture and subsidiaries are measured at cost. The investments are reviewed

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(All amounts in lakhs of Indian Rupees, unless otherwise stated)

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.

(16) 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.

16.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. 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 standalone 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 profit or 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 right 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.

16.2 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 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 standalone 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 standalone 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 standalone statement of profit and loss.

16.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the standalone 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.

D. Significant accounting judgments, estimates and assumptions

The preparation of standalone 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 standalone 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 utilized.

(2) Contingent liabilities

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

(3) Impairment of financial 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. 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.

(4) 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.

(5) 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.

(6) 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.

(7) Government grant

Grants receivables are based on estimates for utilization 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.

(8) 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.

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(All amounts in lakhs of Indian Rupees, unless otherwise stated)

2 Property, plant and equipment

Particulars	Owned assets									Right-of-use assets				Grand total
	Freehold 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 1 April 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**
Additions	-	-	2,462.04	25.96	112.31	53.18	-	71.43	2,724.92	-	61.69	-	61.69	2,786.61
Disposals/adjustments	(6.36)	-	(90.83)	(7.20)	(191.45)	(3.27)	-	(2.22)	(301.33)	-	(3.00)	-	(3.00)	(304.33)
Balance as at 31 March 2024	**1,072.14**	**7,565.23**	**38,524.45**	**445.28**	**707.84**	**651.89**	**1,197.91**	**375.14**	**50,539.88**	**980.37**	**315.16**	**12.51**	**1,308.04**	**51,847.92**
Accumulated depreciation and amortization														
As at 1 April 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**
Charge for the year	-	239.00	2,509.59	31.62	86.49	74.05	75.21	46.89	3,062.85	-	31.06	2.46	33.52	3,096.37
Adjustments for disposals	-	-	(75.15)	(3.34)	(147.75)	(2.98)	-	(2.10)	(231.32)	-	(1.55)	-	(1.55)	(232.87)
Balance as at 31 March 2024	**-**	**2,271.25**	**22,098.31**	**213.88**	**248.84**	**491.82**	**708.08**	**273.83**	**26,306.01**	**-**	**270.55**	**10.80**	**281.35**	**26,587.36**
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**
Net block as at 31 March 2024	**1,072.14**	**5,293.98**	**16,426.14**	**231.40**	**459.00**	**160.07**	**489.83**	**101.31**	**24,233.87**	**980.37**	**44.61**	**1.71**	**1,026.69**	**25,260.56**

Notes:

a. 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.

b. Refer note 41(A) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

2 Property, plant and equipment (Contd.)

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 favor 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
Freehold land	Plot No. 4, 5A, 52, 53, 54 and 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road, Faridabad, Haryana
Freehold land	49 km stone Delhi Mathura Road, Village Prithla, Tehsil-Palwal, Distt. Palwal, Haryana
Leasehold land	Plot No 109-110, Vemgal Industrial Area, District Kolar, Karnataka

3 Capital work-in-progress

Particulars	Amount
Balance as at 1 April 2022	104.04
Additions	2,873.85
Capitalised during the year	1,865.66
Balance as at 31 March 2023	**1,112.23**
Additions	1,420.73
Capitalised during the year	2,353.85
Balance as at 31 March 2024	**179.11**

Ageing schedule of capital work-in-progress is as follows:

	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
- Projects in progress	75.07	-	104.04	-	179.11
- Projects temporarily suspended	-	-	-	-	-
					179.11
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 2024, there are no projects whose completion is overdue or has exceeded its cost as compared to its original plan except for an independent feeder machine amounting to ₹ 104.04 lakhs at the Company's manufacturing facility at Bangalore, whose installation is overdue owing to delay in the transmission line work and energization of the sub-station by the relevant authorities.

As at 31 March 2023, there are no projects whose completion is overdue or has exceeded its cost as compared to its original plan.

4 Other intangible assets

Particulars	Computer software	Total
Gross block		
As at 1 April 2022	124.54	124.54
Additions	43.16	43.16
Balance as at 31 March 2023	**167.70**	**167.70**
Additions	-	-
Balance as at 31 March 2024	**167.70**	**167.70**

4 Other intangible assets (Contd.)

Particulars	Computer software	Total
Accumulated amortisation		
As at 1 April 2022	85.52	85.52
Charge for the year	31.66	31.66
Balance as at 31 March 2023	**117.18**	**117.18**
Charge for the year	27.60	27.60
Balance as at 31 March 2024	**144.78**	**144.78**
Net block as at 31 March 2023	**50.52**	**50.52**
Net block as at 31 March 2024	**22.92**	**22.92**

5 Non-current financial assets - investments

Particulars	As at 31 March 2024	As at 31 March 2023
Unquoted investments		
Investment in equity instruments in subsidiaries (carried at cost)		
100,000 equity shares (31 March 2023: 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 2023: 28,456,000 equity shares) of ₹ 10 each fully paid up in Sterling Gtake E-mobility Limited - [refer note (b)]	3,045.29	2,845.60
10,000 equity shares (31 March 2023: Nil equity shares) of ₹10 each fully paid up in Sterling Advanced Electric Machines Private Limited	1.00	-
Investment in equity instruments (carried at fair value through other comprehensive income)		
9,922 equity shares (31 March 2023: 9,922 equity shares) of ₹ 10 each fully paid up in Altigreen Propulsion Labs Private Limited	1,153.98	1,531.86
	5,398.77	**5,575.96**
Aggregate amount of unquoted investments	5,398.77	5,575.96
Aggregate amount of impairment in the value of investments	-	-

Notes:

a) Equity investments in subsidiaries are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

b) Includes deemed investment of ₹199.69 lakhs during the year in respect of employee stock options granted to employee of subsidiary company with corresponding credit to share options outstanding account.

6 Non-current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	496.50	453.41
Interest accrued but not due	31.86	13.12
	528.36	**466.53**

7 Income-tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid taxes (net of provision for tax)*	37.08	63.44
	37.08	**63.44**

*Refer note 28 for movement of taxes

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

8 Other non-current assets

(Unsecured and considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	147.39	485.33
Advances other than capital advances:		
- Prepaid expenses	40.93	4.79
- Balances with statutory authorities	-	25.58
	188.32	**515.70**

9 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw material	4,911.11	4,964.69
Work in progress	1,519.40	1,360.42
Finished goods	5,461.24	4,832.40
Stores, spares and consumables [includes goods in transit of ₹ 14.32 lakh (31 March 2023: ₹ 7.82 lakh)]	1,160.90	1,285.06
	13,052.65	**12,442.57**

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 ₹ 25.26 lakh (31 March 2023 - ₹ 55.48 lakh). The carrying value of such inventories carried at fair value less costs to sell amounts to ₹ 399.47 lakh (31 March 2023 - ₹ 468.48 lakh).

10 Current financial assets - investments

Particulars	As at 31 March 2024	As at 31 March 2023
Quoted investments		
Investment in mutual funds (carried at fair value through profit or loss)		
Nil units (31 March 2023: 13,858.962 units) in SBI Overnight Fund -Regular Plan - Growth Option	-	500.08
	-	**500.08**
Aggregate amount of quoted investments and market value thereof		
- Book value	-	500.00
- Market value	-	500.08

11 Current financial assets - trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables		
Trade receivables - considered good, unsecured	6,322.70	6,524.25
Trade receivables - credit impaired	164.86	147.29
	6,487.56	**6,671.54**
Less: allowance for expected credit loss	(164.86)	(147.29)
	6,322.70	**6,524.25**

11 Current financial assets - trade receivables (Contd.)

Movement in the allowance for expected credit loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	147.29	139.49
Add: Allowance provided during the year	17.57	7.80
Less: Amounts written off during the year	-	-
Balance at the end of the year	**164.86**	**147.29**

Notes :

a. All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

b. Refer note 24(a) for information on trade receivables pledged as security by the Company.

c. There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

d. 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

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 2024	As at 31 March 2023
Total transferred trade receivables under the bills discounting arrangement	1,424.29	1,672.31
Associated unsecured borrowings (refer note 24)	1,424.29	1,672.31

Ageing schedule of trade receivables is as follows:

As at 31 March 2024	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	5,697.88	605.73	7.66	2.70	1.98	6.75	6,322.70
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	17.57	-	36.83	54.40
(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

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

11 Current financial assets - trade receivables (Contd.)

As at 31 March 2023	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	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

12 Current financial assets - cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with scheduled banks in current accounts	504.58	441.28
Cash on hand	2.57	2.56
Balances with banks in deposit accounts with original maturity upto three months	250.00	-
	757.15	**443.84**

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 2024	As at 31 March 2023
Unpaid dividend accounts (earmarked balances with banks)*	11.34	19.36
Balances with banks in deposit accounts with original maturity of more than three months but residual maturity of less than twelve months	6,979.96	4,112.96
Interest accrued but not due on fixed deposits with banks	154.98	63.30
	7,146.28	**4,195.62**

* Not due for deposit in the Investor Education and Protection Fund.

14 Current financial assets - loans

(Unsecured and considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Loans receivable	9.62	23.53
	9.62	**23.53**

15 Current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Export incentive receivable	5.35	3.84
Receivable from portfolio management services*	-	5.01
Gratuity recoverable	9.06	4.83
Others #	151.95	136.30
	166.36	**149.98**

* The 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.

16 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances other than capital advances:		
Prepaid expenses	89.96	47.28
Balance with government authorities	1,758.52	2,505.06
Surplus of plan assets (refer note 39)	-	47.79
Advance to suppliers	719.93	574.95
	2,568.41	**3,175.08**

17 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised:		
50,000,000 equity shares (31 March 2023: 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 2023: 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 2024		For the year ended 31 March 2023	
	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 Company has only one class of equity shares having a par value of ₹ 2 per share (31 March 2023: ₹ 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 2024, the amount of per share final dividend recognised as distributions to equity shareholders is ₹ 2 per share (31 March 2023: ₹ 1 per share) amounting to ₹ 720.48 lakh (previous year - ₹ 360.25 lakh).

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.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

17 Equity share capital (Contd.)

c. Shareholders holding more than 5% shares in the Company*

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of holding	No. of shares	% of holding
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%	26,87,957	7.46%
Mr. Anish Agarwal	27,28,957	7.58%	27,28,957	7.58%
Meidoh Company Limited	18,01,211	5.00%	18,01,211	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 2024			As at 31 March 2023		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Mr. Anil Aggarwal	61,10,583	16.96%	-	61,10,583	16.96%	-
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%	-	26,87,957	7.46%	4.34%
Mr. Anish Agarwal	27,28,957	7.58%	-	27,28,957	7.58%	4.34%
Ms. Ayesha Aggarwal	17,99,166	4.99%	-	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

f. Shares reserved for issue under options:

Information relating to the Company's Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of reporting period, is given in note 51.

18 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve	6.65	6.65
Security premium	4,735.69	4,735.69
Share options outstanding account	199.69	-
General reserve	2,786.46	2,786.46
Retained earnings	34,189.40	31,088.79
Equity instruments through other comprehensive income	524.13	806.91
Total	**42,442.02**	**39,424.50**

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.

18 Other equity (Contd.)

iii) Share options outstanding account

The Company has implemented a share option scheme under which option to subscribe for the Company's share have been granted to employees of the Company and its subsidiary companies. The reserve is used to recognise the value of equity settled share options provided to such employees. See note 51 for further details.

iv) 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.

v) Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

vi) 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 2024	As at 31 March 2023
Indian rupee loan from banks (secured)		
Term loans	4,621.57	5,945.62
Less: Current maturities of long-term borrowings (refer note 24)	(1,973.68)	(2,314.30)
Add: Interest accrued but not due on borrowings	30.48	33.16
	2,678.37	**3,664.48**

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 49 km stone Delhi Mathura Road, Village Prithla, Tehsil-Palwal, Distt. Palwal, Haryana 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% to 9.30% and is repayable in 60 monthly instalments commencing from August 2019 with last instalment due in May 2024.

(ii) Term loan from State Bank of India carries an interest of 8.70% to 10.35% and is repayable in 60 monthly instalments commencing from January 2020 with last instalment due in March 2029.

(iii) Term loans from HDFC Bank carry an interest in the range of 8.42% to 9.25% and are repayable in 51 - 60 monthly instalments commencing from December 2019 with last instalment due in 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.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

20 Non-current financial liabilities - others

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	45.76	19.32
	45.76	**19.32**

21 Provisions

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Provisions for employee benefit obligations [refer note 39(ii) and 39(iii)]	128.78	168.21	137.28	83.21
	128.78	**168.21**	**137.28**	**83.21**

22 Deferred tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Property plant and equipment and other intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,584.05	1,695.03
Fair value of investments in equity instruments	159.10	271.38
Sub-total (a)	**1,743.15**	**1,966.41**
Deferred tax assets		
Employee benefits	111.64	90.99
Allowance for expected credit loss	41.49	37.07
Interest on foreclosure of license under Export Promotion Capital Goods ('EPCG') scheme	87.99	82.86
Effective interest rate adjustment	0.06	0.11
Impact of difference between right-of-use assets and lease liabilities	0.54	0.33
Others	2.03	-
Sub-total (b)	**243.75**	**211.36**
Net deferred tax liabilities [(a) - (b)]	**1,499.40**	**1,755.05**

Movement in deferred tax balances

Particulars	As at 1 April 2023	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2024
Deferred tax liabilities				
Property plant and equipment and other intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,695.03	(110.98)	-	1,584.05
Fair value of investments in equity instruments	271.38	(17.18)	(95.10)	159.10
Sub- total (a)	**1,966.41**	**(128.16)**	**(95.10)**	**1,743.15**
Deferred tax assets				
Employee benefits	90.99	(0.68)	21.33	111.64
Interest on foreclosure of license under EPCG scheme	82.86	5.13	-	87.99
Allowance for expected credit loss	37.07	4.42	-	41.49
Effective interest rate adjustment	0.11	(0.05)	-	0.06
Impact of difference between right-of-use assets and lease liabilities	0.33	0.21	-	0.54
Others	-	2.03	-	2.03
Sub- total (b)	**211.36**	**11.06**	**21.33**	**243.75**
Net deferred tax liabilities [(a)-(b)]	**1,755.05**	**(139.22)**	**(116.43)**	**1,499.40**

22 Deferred tax liabilities (net) (Contd.)

Particulars	As at 1 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 other 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**
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**

i) Income-tax recognised in Standalone Statement of Profit and Loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax expense		
Current year	1,457.97	1,448.20
Earlier years	11.12	(20.58)
	1,469.09	**1,427.62**
Deferred tax (credit)/ expense		
Origination and reversal of temporary differences	(139.22)	101.34
	(139.22)	**101.34**
Total income tax expense	**1,329.87**	**1,528.96**

ii) Income-tax recognised in other comprehensive income

Particulars	31 March 2024			31 March 2023		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Remeasurement of defined benefit plans	(84.77)	21.33	(63.44)	(1.01)	0.25	(0.76)
Changes in fair value of equity investment through other comprehensive income	(377.88)	95.10	(282.78)	68.27	(17.18)	51.09
	(462.65)	**116.43**	**(346.22)**	**67.26**	**(16.93)**	**50.33**

iii) Reconciliation of effective tax rate

Particulars	31 March 2024		31 March 2023	
	Rate	Amount	Rate	Amount
Profit before tax		**5,214.40**		**5,671.91**
Tax using the Company's domestic tax rate of 25.17% (31 March 2023 - 25.17%)	25.17%	1,312.36	25.17%	1,427.51

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

22 Deferred tax liabilities (net) (Contd.)

Particulars	31 March 2024		31 March 2023	
	Rate	Amount	Rate	Amount
Tax effect of:				
- Corporate social responsibility expenditure		22.28		18.91
- Tax adjustment for earlier years		11.12		(20.58)
- Others		(15.89)		103.12
At the effective income tax rate		**1,329.87**		**1,528.96**

(a) There is no temporary differences associated with investment in subsidiaries.

(b) Basis of computing Company's domestic tax rate:

Particulars	31 March 2024	31 March 2023
Base rate	22.00%	22.00%
	2.20%	**2.20%**
	24.20%	24.20%
Add: Health and Education cess @ 4%	0.97%	0.97%
	25.17%	**25.17%**

23 Other non-current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred grant income [refer note (a) below]	683.03	836.40
Others [refer note (i) below]	54.40	47.90
	737.43	**884.30**
(a) Movement of deferred grant income:		
Opening balance	1,603.24	1,779.11
Add: Grant received during the year	-	-
Less: Released to standalone statement of profit and loss	(165.12)	(175.87)
Less: Reclassified to other payable [refer note (ii) below]	(601.71)	-
	836.41	**1,603.24**
Deferred grant income:		
- Current	153.38	766.84
- Non-current	683.03	836.40
	836.41	**1,603.24**

(i) This pertains to security deposits received from customers. Refer note 48.

(ii) This pertains to expected liability amounting to ₹ 601.71 lakh, reclassified to other payable upon filling of necessary application by the Company during the year, for the foreclosure of one license under EPCG scheme. Also refer note 27.

24 Current financial liabilities - borrowings

(Secured and carried at amortised cost)

Particulars	As at 31 March 2024	As at 31 March 2023
Loans repayable on demand from banks		
- Cash credit facilities	356.63	214.59
- Working capital demand loan	3,507.52	4,513.20
Current maturities of long-term borrowings (refer note 19)	1,973.68	2,314.30

24 Current financial liabilities - borrowings (Contd.)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured and carried at amortised cost)		
Bill discounting facility from banks	1,424.29	1,672.31
	7,262.12	**8,714.40**

Note:

a) 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 49 km stone Delhi Mathura Road, Village Prithla, Tehsil-Palwal, Distt. Palwal, Haryana and Plot No 109-110, Vemgal Industrial Area, District Kolar, Bangalore, Karnataka.

b) The outstanding balance of cash credit facilities is repayable on demand and the rate of interest ranges between 7.95% to 9.00% (31 March 2023: 6.85% to 8.65%) per annum.

c) The outstanding balance of working capital demand loan is repayable within a period of 90 days and the rate of interest ranges between 6.96% to 7.55% (31 March 2023: 5% to 7%) per annum.

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 2024:

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 2023	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	18,252.91	18,333.03	(80.12)	Variance is primarily on account of supplementary invoices and inventory of scrap not considered in quarterly statement
30 September 2023	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	17,894.04	17,869.16	24.88	Variance is primarily on account of inventory of scrap not considered in quarterly statement
31 December 2023	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	16,214.16	16,136.73	77.43	Variance is primarily on account of supplementary invoices and inventory of scrap not considered in quarterly statement
31 March 2024	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	19,375.35	19,344.67	30.68	Variance is primarily on account of inventory of scrap not considered in quarterly statement

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

24 Current financial liabilities - borrowings (Contd.)

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	Remarks
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.

25 Current financial liabilities - trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	1,042.17	964.62
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,314.74	1,897.99
	3,356.91	**2,862.61**

25 Current financial liabilities - trade payables (Contd.)

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 2024	As at 31 March 2023
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	1,041.57	964.62
- Interest	0.60	-
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	0.60	-
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 2024	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	-	1,035.70	6.47	-	-	-	1,042.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	791.29	849.91	639.07	21.76	2.16	10.55	2,314.74
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

25 Current financial liabilities - trade payables (Contd.)

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	-	-	-	-	-	-	-

26 Current financial liabilities - others

Particulars	As at 31 March 2024	As at 31 March 2023
Creditors for capital goods [refer note (a) below]	42.19	133.25
Unclaimed dividends*	11.34	19.36
Employee related payables	305.40	564.71
	358.93	**717.32**

* 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 2024	As at 31 March 2023
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	4.90	-
- 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.

27 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Contract liabilities (refer note 48)	246.43	204.24
Deferred grant income [refer note 23(a)]	153.38	766.84
Statutory dues payable	840.30	576.96
Others*	951.33	329.23
	2,191.44	**1,877.27**

* This pertains to expected liability amounting to ₹ 601.71 lakh (31 March 2023 - Nil) and interest accrued thereon amounting to ₹ 349.62 lakh (31 March 2023 - ₹ 329.23 lakh) in respect of the foreclosure of one license under EPCG scheme filed by the Company during the year.

28 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
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 2024	As at 31 March 2023
Prepaid taxes (refer note 7)	37.08	63.44
Provision for tax (refer note 28)	-	-
Net position [asset]	**37.08**	**63.44**

Particulars	As at 31 March 2024	As at 31 March 2023
a. Income-tax assets		
Opening balance	63.44	8.63
Transfer from current tax liabilities	25.95	54.81
Refunds received (net of demand paid)	(52.31)	-
Total (A)	**37.08**	**63.44**
b. Current tax liabilities		
Opening balance	-	-
Provision for tax	1,457.97	1,448.20
Prepaid taxes paid during the year	(1,495.04)	(1,482.43)
Tax earlier years	11.12	(20.58)
Transferred to income-tax assets	25.95	54.81
Total (B)	**-**	**-**
Net income-tax assets [(A) - (B)]	**37.08**	**63.44**

29 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products		
- Finished goods (refer note 48)	59,966.22	58,854.35
Other operating income		
- Sale of scrap	666.00	723.67
- Export incentives	16.41	11.55
- Amortisation of grant income	165.12	175.87
Total	**60,813.75**	**59,765.44**

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

30 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from:		
- fixed deposits with banks carried at amortised cost	387.42	93.49
- security deposit with electricity department carried at amortised cost	29.17	17.30
- loan to subsidiary carried at amortised cost	-	70.25
Other non operating income		
Liabilities no longer required, written back	9.13	1.18
Gain on foreign exchange fluctuation (net)	3.29	19.46
Gain on termination of lease liability	-	0.12
Profit on disposal of property, plant and equipment (net)	57.64	35.13
Income from investment in equity instruments carried at fair value through profit or loss		
- gain on sale of equity instruments	-	25.82
- dividend income	-	0.05
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	33.29	44.14
- gain on fair value of mutual fund	-	0.08
Miscellaneous income	36.10	27.37
	556.04	**588.39**

31 Cost of materials consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw material at the beginning of the year	4,964.69	4,079.86
Add: purchases during the year	25,605.70	27,351.43
Less: Raw material at the end of the year	4,911.11	4,964.69
Total cost of materials consumed	**25,659.28**	**26,466.60**

32 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the beginning 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**
Inventories at the end of the year		
- Finished goods	5,461.24	4,832.40
- Work-in-progress	1,519.40	1,360.42
	6,980.64	**6,192.82**
Increase in inventories	**(787.82)**	**(1,029.24)**

33 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary, wages and bonus	4,467.01	4,032.73
Contribution to provident and other funds	399.10	369.03
Staff welfare expenses	159.76	138.83
Commission to director (refer note 43)	80.00	100.00
	5,105.87	**4,640.59**

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

34 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities measured at amortised cost	743.19	795.20
Interest on lease liabilities	5.19	2.57
Other finance cost	13.50	14.71
	761.88	**812.48**

35 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	3,062.85	3,013.64
Amortisation of right-of-use assets	33.52	42.02
Amortisation of other intangible assets	27.60	31.66
	3,123.97	**3,087.32**

36 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	5,641.91	5,141.19
Job work charges	2,536.32	2,190.46
Consumption of packing materials	929.03	1,000.35
Power and fuel	4,793.76	4,684.14
Rent (refer note 42)	56.73	56.60
Repairs and maintenance		
- Building	263.86	589.88
- Plant and machinery	1,642.14	1,652.79
Security charges	118.00	114.07
Insurance	215.49	188.39
Legal and professional charges	624.47	440.72
Rates and taxes	74.00	21.17
Sales promotion	54.72	51.38
Freight outward	1,889.43	1,781.04
Travelling and conveyance	329.02	248.93
Contract labour charges	2,227.35	2,104.64
Payment to auditors (refer details below)	43.23	38.14
Corporate social responsibility expenses (refer note 44)	88.54	75.13
Allowance for expected credit loss	17.57	7.80
Loss on sale of forward contracts measured at fair value through profit or loss	-	15.27
Bad debts written off	5.09	1.74
Loss on disposal of joint venture	-	4.12
Miscellaneous expenses	781.26	640.48
	22,331.92	**21,048.43**

Payments to statutory auditors*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Auditors (statutory audit, limited reviews and tax audit)	36.50	35.50
(b) Other services	2.50	-
(c) For reimbursement of expenses	4.23	2.64
	43.23	**38.14**

*excluding applicable taxes

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

37 Exceptional items

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Insurance claim received [refer note (a) below]	60.10	673.49
Interest on foreclosure of license under EPCG scheme [refer note (b) below]	(20.39)	(329.23)
	39.71	**344.26**

Note:

(a) This pertains to insurance claim received from insurance company amounting to ₹ 60.10 lakh (previous year - ₹ 673.49 lakh) 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 ₹ 20.39 lakh (previous year - ₹ 329.23 lakh) recognised by the Company on foreclosure of one license under EPCG scheme.

38 Earnings per equity share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year attributable to equity shareholders (A)	3,884.53	4,142.95
Weighted average number of equity shares for basic earnings per share (B) (Numbers)	3,60,24,211	3,60,24,211
Effect of share options during the year (C) (Numbers)	36,580	-
Weighted average number of equity shares for diluted earnings per share (D)= (B) + (C) (Numbers)	3,60,60,791	3,60,24,211
Basic earnings per equity share (face value of share- ₹ 2 each) (A/B) (₹)	10.78	11.50
Diluted earnings per equity share (face value of share- ₹ 2 each) (A/D) (₹)	10.77	11.50

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 ₹ 234.82 lakh (31 March 2023: ₹ 223.11 lakh) for provident fund contributions and ₹ 12.54 lakh (31 March 2023: ₹ 10.65 lakh) 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.

39 Employee benefits (Contd.)

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 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Present value of obligation at the beginning of the year	40.00	40.00	756.44	679.60
Included in profit or loss:				
Current service cost	-	-	72.87	60.50
Interest cost	2.94	2.84	52.96	47.07
Total amount recognised in profit or loss	**2.94**	**2.84**	**125.83**	**107.57**
Included in other comprehensive income:				
Remeasurement loss/(gain) arising from:				
- demographic assumptions	1.35	1.39	-	(0.07)
- financial assumptions	1.35	1.39	87.06	(14.14)
- experience adjustment	(5.64)	(5.62)	4.71	18.51
Total amount recognised in other comprehensive income	**(2.94)**	**(2.84)**	**91.77**	**4.30**
Other	-	-	(4.38)	(3.69)
Less: Benefits paid	-	-	67.33	31.34
Present value of obligation at the end of year	**40.00**	**40.00**	**902.33**	**756.44**

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 2023
Fair value of plan asset at the beginning of the year	804.23	703.14
Included in profit or loss:		
Return on plan assets - interest income	55.74	53.55
Contributions paid	30.60	82.12
Benefits paid	(67.33)	(31.34)
Others	(4.38)	(3.69)
Included in other comprehensive income:		
Actuarial gain	4.06	0.45
Fair value of plan asset at the end of the year	**822.92**	**804.23**

Major category of plan asset as a % of total plan assets

Category of assets (% allocation)	As at 31 March 2024		As at 31 March 2023	
	(%)	Amount	(%)	Amount
Insurance policies	100	822.92	100	804.23

Net defined benefit liability recognised in the standalone balance sheet

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Present value of unfunded/funded obligation at the end of the year	40.00	40.00	902.33	756.44
Fair value of plan asset as at the end of the year	-	-	822.92	804.23
Net defined benefit liability/(asset)	**40.00**	**40.00**	**79.41**	**(47.79)**

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

39 Employee benefits (Contd.)

B) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	7.09%	7.35%	7.09%	7.35%
Salary growth rate (per annum)	7.00%	6.00%	7.00%	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 15%

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 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (movement of 100 bps)	(67.25)	77.22	(54.48)	62.31
Salary escalation rate (movement of 100 bps)	79.82	(71.09)	65.72	(58.72)

Particulars	Gratuity (unfunded)			
	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (movement of 100 bps)	(1.35)	(1.35)	(1.39)	(1.39)
Salary escalation rate (movement of 100 bps)	(1.35)	(1.35)	(1.39)	(1.39)

Sensitivities due to mortality and withdrawals are not material. Hence, impact of change is not calculated above.

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.

39 Employee benefits (Contd.)

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 2024	31 March 2023
Less than 1 year	81.77	69.63
Between 1-2 years	68.56	58.93
Between 3-5 years	251.38	228.20
Over 5 years	442.89	369.70

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.29 years (31 March 2023: 12.04 years).

Expected contribution to post-employment benefit plans in the next year is ₹ 39.71 lakhs (31 March 2023: nil).

F) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flows)- unfunded

Particulars	31 March 2024	31 March 2023
Less than 1 year	40.00	40.00
Between 1-2 years	-	-
Between 2-5 years	-	-
Over 5 years	-	-

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 1 year (31 March 2023: 1 year).

Expected contribution to post-employment benefit plans in the next year is ₹ 20.00 lakh (31 March 2023: ₹20.00 lakh).

G) Amount for the current and previous four years are as follows - gratuity (funded):

Particulars	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Defined benefit obligation	902.33	756.44	679.60	645.54	595.88
Experience (loss)/gain adjustments on liabilities	(4.71)	(18.51)	(30.90)	(2.99)	36.53

H) Amount for the current and previous four years are as follows - gratuity (unfunded):

Particulars	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Defined benefit obligation	40.00	40.00	40.00	38.71	36.98
Experience gain adjustments on liabilities	5.64	5.62	4.03	0.74	22.20

iii) Other long-term employee benefit plans

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilized accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. 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 ₹ 75.98 lakh

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

39 Employee benefits (Contd.)

(31 March 2023: ₹ 51.96 lakh) 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 2024, provision for compensated absences amounts to ₹ 177.58 lakh (31 March 2023 - ₹ 180.49 lakh) 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 Company 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 Company are made to customers which are domiciled in India. Information concerning principal geographic areas is as follows

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net sales to external customers by geographic area by location of customers		
a) India	59,034.15	57,708.58
b) Outside India	932.07	1,145.77
Total	**59,966.22**	**58,854.35**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Non-current assets (other than non-current financial assets) by geographic areas		
a) India	25,687.99	27,383.67
b) Outside India	-	-
Total	**25,687.99**	**27,383.67**

C. Information about major customers

Revenues of ₹ 12,522.07 lakh and ₹ 9,751.53 lakh (₹ 11,113.84 lakh and ₹ 8,426.22 lakh) 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:

(i) 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) ₹ 276.10 lakhs (₹ 190.68 lakhs as at 31 March 2023).

(ii) 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.

41 Contingent liabilities, contingent assets and commitments (Contd.)

B. Contingent liabilities and other commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Contingent liabilities		
I) Claims against the Company not acknowledged as debt:		
i) Disputed liability - Central Excise Act (refer note 'a' below)	106.04	114.30
ii) Interest on disputed liability - Central Excise Act (refer note 'b' below)	73.71	70.25
iii) Disputed liability - GST Act. (refer note 'c' below)	50.00	50.00
iv) Demand under Income-tax Act, 1961		
- Assessment year: 2013-14	0.62	0.62
- Assessment year: 2016-17	2.94	2.94
- Assessment year: 2018-19	51.78	51.78
- Assessment year: 2020-21	142.58	142.58
Other commitments		
i) Corporate guarantee given on behalf of subsidiary company	11,133.00	5,000.00
ii) Export Promotion Capital Goods (EPCG) - export obligation* (refer note 'd' below)	-	4,361.44

*Export obligation under the EPCG scheme refers to the Company's obligation for export sales equivalent to 6 times of duties, taxes and cess saved on capital goods.

a) Service tax demand amounting to ₹ 106.04 lakh 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 had 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 had received an unfavorable order from the Commissioner Appeals vide order dated 25 February 2022. The 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.

b) Interest amounting to ₹ 73.71 lakh (31 March 2023 - ₹ 70.25 lakh) 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 lakh raised during the previous year ended 31 March 2023 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 favorable 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.

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 current year, has filed for the redemption/fulfilment of the export obligations in respect of one license under EPCG scheme with the relevant authorities. 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 ₹ 20.39 lakh (previous year ₹ 329.23 lakh) on foreclosure of this license has been recognised in the standalone statement of profit and loss account (refer note 37).

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

41 Contingent liabilities, contingent assets and commitments (Contd.)

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 2024	As at 31 March 2023
Current	22.22	15.84
Non-current	26.22	5.05
Total	**48.44**	**20.89**

The maturity analysis of lease liabilities are disclosed hereunder. Also refer note 45(II)(ii).

Particulars	As at 31 March 2024			As at 31 March 2023		
	Principal	Interest	Total payments	Principal	Interest	Total payments
Less than 1 year	22.22	3.46	25.68	15.84	0.96	16.80
1–5 years	26.22	1.60	27.82	5.05	0.28	5.33
More than 5 years	-	-	-	-	-	-
Total	**48.44**	**5.06**	**53.50**	**20.89**	**1.24**	**22.13**

The following are amounts recognised in standalone statement of profit and loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amortisation on right-of-use assets	33.52	42.02
Interest expense on lease liabilities	5.19	2.57
Rent expense*	56.73	56.60
Total	**95.44**	**101.19**

*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 equipment	21	1 - 3 years	21

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 45(II)(B)(ii).

42 Lease related disclosures as lessee (Contd.)

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 ₹ 56.73 lakhs (31 March 2023 - ₹ 56.60 lakhs).

At 31 March 2024 and 31 March 2023, the Company is not committed to any liability towards short-term leases.

Total cash outflow for leases for the year ended 31 March 2024 was ₹ 94.62 lakhs (31 March 2023 - ₹ 103.80 lakhs) [including ₹ 56.73 lakhs (31 March 2023 - ₹ 56.60 lakhs) 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 companies	Haryana Ispat Private Limited
	Sterling Gtake E-Mobility Limited
	Sterling Advanced Electric Machines Private Limited (with effect from 08 December 2023)
Key management personnel (KMP)	Mr. Anil Aggarwal – Chairman cum Managing Director
	Mr. Atul Aggarwal – Whole Time Director
	Mr. Akhill Aggarwal – Director
	Mr. Anish Agarwal - Director (with effect from 01 February 2024)
	Mr. Jaideep Wadhwa - Director
	Dr. Triloki Nath Kapoor- Independent director (till 31 March 2024)
	Ms. Malini Sud- Independent director (till 31 March 2024)
	Mr. Chhotu Ram Sharma- Independent director (till 31 March 2024)
	Mr. Shailendra Swarup- Independent director
	Mr. Rakesh Batra - Independent Director
	Ms. Rashmi Urdhwareshe - Independent Director (with effect from 01 February 2024)
	Mr. Vijay Madhav Paradkar- Independent Director (with effect from 01 March 2024)
Enterprise over which KMP exercise control and/or significant influence	Sterling Technologies Private Limited
	Sterling Automobiles Private Limited
	Manohar Lal Aggarwal Foundation (formerly known as Sterling Tools Foundation)
	Swarup & Company
Close members of KMP with whom transactions have occurred	Late Shri Manohar Lal Aggarwal (Father of Mr. Anil Aggarwal)
	Mrs. Promila Aggarwal (Wife of Mr. Anil Aggarwal)
	Ms. Ayesha Aggarwal (Daughter of Mr. Atul Aggarwal)
Joint venture company	Sterling Fabory India Private Limited (till 6 June 2022)

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

43 Related party disclosures (Contd.)

II Disclosure of related parties transactions (including material transactions):

The Company's related parties primarily consist of its subsidiaries and entities over which KMP have significant control/ influence. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The following details summarise the related party transactions and balances included in the standalone financial statements of the Company for the year ended as at 31 March 2024 and 31 March 2023:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Transaction with subsidiary company		
a) Investment made		
Sterling Gtake E-Mobility Limited*	199.69	2,000.00
Sterling Advanced Electric Machines Private Limited	1.00	-
	200.69	**2,000.00**
* Pertains to deemed investment of ₹199.69 lakhs during the year in respect of employee stock options granted to employee of subsidiary company with corresponding credit to share options outstanding account.		
b) Loan repayment received		
Sterling Gtake E-Mobility Limited	-	2,000.00
	-	**2,000.00**
c) Interest income		
Sterling Gtake E-Mobility Limited	-	70.25
	-	**70.25**
d) Corporate guarantee given on behalf of subsidiary company		
Sterling Gtake E-Mobility Limited	6,133.00	5,000.00
	6,133.00	5,000.00
e) Sale of asset		
Sterling Gtake E-Mobility Limited	39.14	5.10
	39.14	**5.10**
f) Purchase of material		
Sterling Gtake E-Mobility Limited	6.49	-
	6.49	**-**
g) 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	4.83	2.87
	4.83	**2.87**
b) Insurance/warranty		
Sterling Automobiles Private Limited	2.56	2.97
	2.56	**2.97**
c) Rent paid		
Sterling Technologies Private Limited	27.72	27.72
	27.72	**27.72**
d) Purchase of asset		
Sterling Automobiles Private Limited	18.60	5.55
	18.60	**5.55**
e) Corporate social responsibility expenses		
Manohar Lal Foundation (formerly known as Sterling Tools Foundation)	88.54	50.17
	88.54	**50.17**
f) Refund received of security deposit		
Sterling Technologies Private Limited	-	24.00
	-	**24.00**

43 Related party disclosures (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
g) Legal charges paid		
Swarup & Company	4.13	-
	4.13	**-**
iii) Transaction with joint venture company		
Disposal of investment in joint venture (including loss on disposal of investment)	-	117.82
	-	**117.82**
iv) Transaction with KMP and their close members		
Remuneration paid (A)		
Mr. Anil Aggarwal	240.56	211.04
Mr. Atul Aggarwal	235.46	205.16
	476.02	**416.20**
Commission paid (B)		
Mr. Anil Aggarwal	40.00	50.00
Mr. Atul Aggarwal	40.00	50.00
	80.00	**100.00**
Compensation to KMP * [(A)+(B)]		
- Short-term employee benefits	507.46	473.97
- Defined contribution plans	48.56	42.23
	556.02	**516.20**
* 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
Mr. Anil Aggarwal	122.21	61.11
Mr. Atul Aggarwal	193.31	96.65
Mrs. Promila Aggarwal	14.02	7.01
Mr. Akhill Aggarwal	53.76	16.60
Mr. Anish Agarwal	54.58	17.01
Ms. Ayesha Aggarwal	35.98	-
Mr. Jaideep Wadhwa	0.28	0.14
	474.14	**237.07**
Director sitting fees		
Dr. Triloki Nath Kapoor	2.50	2.50
Ms. Malini Sud	2.50	2.50
Mr. Chotu Ram Sharma	7.50	6.00
Mr. Shailendra Swarup	6.50	5.50
Mr. Rakesh Batra	8.00	6.00
Ms. Rashmi Urdhwareshe	0.50	-
	27.50	**22.50**
Legal and professional charges		
Mr. Jaideep Wadhwa	-	75.00
	-	**75.00**
Reimbursement of expenses		
Mr. Jaideep Wadhwa	-	3.18
	-	**3.18**

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(All amounts in lakhs of Indian Rupees, unless otherwise stated)

43 Related party disclosures (Contd.)

Particulars	As at 31 March 2024	As at 31 March 2023
v) Closing balances		
Commission payable		
Mr. Anil Aggarwal	24.03	39.98
Mr. Atul Aggarwal	23.25	38.89
	47.28	**78.87**
Legal and professional charges payable		
Mr. Jaideep Wadhwa	-	5.63
	-	**5.63**
Outstanding payable		
Sterling Automobiles Private Limited	0.24	0.29
Swarup & Company	0.62	-
	0.86	**0.29**
Outstanding receivable		
Sterling Gtake E-Mobility Limited	-	6.48
	-	**6.48**
Corporate guarantee on behalf of subsidiary company		
Sterling Gtake E-Mobility Limited	11,133.00	5,000.00
	11,133.00	**5,000.00**
Investments		
Haryana Ispat Private Limited	1,198.50	1,198.50
Sterling Gtake E-Mobility Limited	3,045.29	2,845.60
Sterling Advanced Electric Machines Private Limited	1.00	-
	4,244.79	**4,044.10**

44 Corporate social responsibility ('CSR')

The 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 Company as per the Act.

a) Details of CSR expenditure of the Company are as under:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
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)	88.54	75.13
Shortfall of the previous year (B)	24.96	-
Total (A+B)	**113.50**	**75.13**
Amount spent during the year* [refer note (b) below]	113.50	50.17
Shortfall/(surplus) for the year (refer note below)	**-**	**24.96**

* Includes amount spent during the year amounting to ₹24.96 lakhs pertaining to previous year. Refer note (e) below

The shortfall in the amount required to be spent during the previous year was on account of the fact that the Company had certain on-going projects on which such unspent amounts were identified to be spent. The Company had transferred the unspent amount of ₹ 24.96 lakhs to a separate bank account on 28 April 2023 in accordance with the requirements of section 135 of the Act. There is no shortfall in the current year.

b) Details of CSR expenses incurred:

Amount spent during the year ended 31 March 2024:

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	113.50	Others	113.50

44 Corporate social responsibility ('CSR') (Contd.)

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

The aforesaid CSR expenditure amounting to ₹ 88.54 lakhs (31 March 2023 - ₹ 50.17 lakhs) pertains to contribution to Manohar Lal Foundation (formerly known as 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 ₹ Nil (previous year- ₹24.96 lakhs) for corporate social responsibility expenses.

Movement in the provision for corporate social responsibility

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	24.96	-
Add: provision made during the year	-	24.96
Less: amounts adjusted/utilised during the year	(24.96)	
Balance at the end of the year	**-**	**24.96**

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 does not have any ongoing projects as at 31 March 2024. However, there were ongoing projects as at 31 March 2023.

Details of on-going projects are as follows:

Particulars	With the Company	In separate CSR unspent account
Balance as on 1 April 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**
Amount required to be spent during the year	88.54	-
Amount spent during the year	(88.54)	(24.96)
Balance as on 31 March 2024	**-**	**-**

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) are measured at fair value through other comprehensive income. Other than the aforementioned, all other financial assets and liabilities viz. 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.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

45 Fair value measurements (Contd.)

(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 financials liabilities, including their levels of in the fair value hierarchy:

As at 31 March 2024

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*	1,153.98	-	-	-	1,153.98	-	-	1,153.98	1,153.98
Financial assets which are measured at amortised cost for which fair values are disclosed									
Non-current investments	-	-	4,244.79	-	4,244.79				
Loans	-	-	9.62	-	9.62				
Other financial assets	-	-	694.72	-	694.72				
Trade receivables	-	-	6,322.70	-	6,322.70				
Cash and cash equivalents	-	-	757.15	-	757.15				
Other bank balances	-	-	7,146.28	-	7,146.28				
	1,153.98	**-**	**19,175.26**	**-**	**20,329.24**				
Financial liabilities which are measured at amortised cost for which fair values are disclosed									
Borrowings	-	-	-	9,940.49	9,940.49				
Lease liabilities	-	-	-	48.44	48.44				
Trade payables	-	-	-	3,356.91	3,356.91				
Other financial liabilities	-	-	-	404.69	404.69				
	-	**-**	**-**	**13,750.53**	**13,750.53**				

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

45 Fair value measurements (Contd.)

Particulars	FVOCI	Carrying amount				Fair value			
		FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets which are measured at amortised cost for which fair values are disclosed									
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 which are measured at amortised cost for which fair values are disclosed									
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**				

*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.

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 2024 and 31 March 2023.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

45 Fair value measurements (Contd.)

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
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 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: - 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 amortised cost, 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.

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.

45 Fair value measurements (Contd.)

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 and other company. The management actively monitors the operation of subsidiaries 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.

Plan assets

The Company has taken gratuity insurance policy from LIC of India for funding of its employee benefit obligations, LIC of India generally invest in securities of high credit rating.

(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 2024			31 March 2023		
	Gross amount	Expected credit loss	Net amount	Gross amount	Expected credit loss	Net amount
Financial assets for which loss allowance is measured using 12 months expected credit loss model:						
Non-current investments	5,398.77	-	5,398.77	5,575.96	-	5,575.96
Other non-current financial assets	528.36	-	528.36	466.53	-	466.53
Current investments	-	-	-	500.08	-	500.08
Cash and cash equivalents	757.15	-	757.15	443.84	-	443.84
Other bank balances	7,146.28	-	7,146.28	4,195.62	-	4,195.62
Current loans	9.62	-	9.62	23.53	-	23.53
Other current financial assets	166.36	-	166.36	149.98	-	149.98
	14,006.54	**-**	**14,006.54**	**11,355.54**	**-**	**11,355.54**
Financial assets for which loss allowance is measured using life time expected credit loss:						
Trade receivables	6,487.56	(164.86)	6,322.70	6,671.54	(147.29)	6,524.25
	6,487.56	**(164.86)**	**6,322.70**	**6,671.54**	**(147.29)**	**6,524.25**

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.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

45 Fair value measurements (Contd.)

(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.

The expected credit loss on trade receivables has been determined as follows under the simplified approach:

Ageing as at 31 March 2024	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount as 31 March 2024	5,697.88	605.73	7.66	20.27	107.39	48.63	6,487.56
Expected loss rate	-	-	-	86.68%	98.16%	86.12%	
Expected credit losses	-	-	-	17.57	105.41	41.88	164.86
Carrying amount of trade receivables (net of impairment)	**5,697.88**	**605.73**	**7.66**	**2.70**	**1.98**	**6.75**	**6,322.70**

Ageing as at 31 March 2023	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount as 31 March 2023	5,400.42	1095.18	18.79	107.39	12.90	36.86	6,671.54
Expected loss rate	-	-	-	98.16%	39.15%	99.92%	
Expected credit losses	-	-	-	105.41	5.05	36.83	147.29
Carrying amount of trade receivables (net of impairment)	**5,400.42**	**1,095.18**	**18.79**	**1.98**	**7.85**	**0.03**	**6,524.25**

For reconciliation of expected credit loss on trade receivables, refer note 11.

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 2024, the Company has a working capital of ₹ 16,663.34 lakhs (31 March 2023 - ₹ 13,184.30 lakhs) including cash and cash equivalents of ₹ 757.15 lakhs (31 March 2023 - ₹ 443.84 lakhs).

(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 2024	As at 31 March 2023
Non- derivative financial liabilities		
Floating-rate borrowings		
- Expiring within one year	8,635.85	6,272.20
- Expiring beyond one year	-	-

45 Fair value measurements (Contd.)

(ii) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March 2024

Contractual maturities of financial liabilities	Contractual cash flows					
	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	Total
Non-derivative financial liabilities						
Non current borrowings (including current maturities of non-current borrowings)	706.13	655.32	555.07	371.23	2,963.20	5,250.95
Lease liabilities	6.96	6.32	6.32	6.08	27.82	53.50
Other non-current financial liabilities						
- Security deposits	-	-	-	-	45.76	45.76
Current borrowings						
- Working capital loans	5,288.44	-	-	-	-	5,288.44
Trade payables	3,356.91	-	-	-	-	3,356.91
Creditors for capital expenditure	42.19	-	-	-	-	42.19
Interest accrued but not due	30.48	-	-	-	-	30.48
Employee related payables	305.40	-	-	-	-	305.40
Unclaimed dividend	11.34	-	-	-	-	11.34
Total	**9,747.85**	**661.64**	**561.39**	**377.31**	**3,036.78**	**14,384.97**

31 March 2023

Contractual maturities of financial liabilities	Contractual cash flows					
	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	Total
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**

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.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

45 Fair value measurements (Contd.)

(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 2024		
	EURO	JPY	USD
Financial assets			
Trade receivables	108.88	-	2.37
Financial liabilities			
Trade payables	-	-	45.12
Net exposure to foreign currency risk - assets / (liabilities)	**108.88**	**-**	**(42.75)**

Particulars	As at 31 March 2023		
	EURO	JPY	USD
Financial assets			
Trade receivables	133.82	-	-
Financial liabilities			
Trade payables	1.25	0.22	38.26
Net exposure to foreign currency risk - assets / (liabilities)	**132.57**	**(0.22)**	**(38.26)**

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 (after tax) and equity 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 (after tax) and equity	
	Strengthening	Weakening
31 March 2024		
INR/EUR	5.44	(5.44)
INR/USD	(2.14)	2.14
INR/JPY	-	-

5% movement	Profit and loss (after tax) and equity	
	Strengthening	Weakening
31 March 2023		
INR/EUR	6.63	(6.63)
INR/USD	(1.91)	1.91
INR/JPY	(0.01)	0.01

(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.

45 Fair value measurements (Contd.)

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	31 March 2024	31 March 2023
Financial assets:		
Fixed rate instruments		
- Fixed deposits	7,229.96	4,112.96
Total	**7,229.96**	**4,112.96**
Variable-rate instruments		
- Rupee term loans	4,621.57	5,945.62
- Working capital facilities	3,864.15	4,727.79
Total	**8,485.72**	**10,673.41**

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 (after tax) and equity 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 (after tax) and equity	
	100 bp increase	100 bp decrease
31 March 2024		
Rupee term loans	(36.47)	36.47
Working capital facility	(32.53)	32.53
Cash flow sensitivity (net)	**(69.00)**	**69.00**

Particulars	Profit or loss (after tax) and equity	
	100 bp increase	100 bp decrease
31 March 2023		
Rupee term loans	(41.31)	41.31
Working capital facility	(40.18)	40.18
Cash flow sensitivity (net)	**(81.49)**	**81.49**

(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

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

45 Fair value measurements (Contd.)

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 (after tax) and equity				Value of investment			
	For the year ended 31 March 2024		For the year ended 31 March 2023		As at 31 March 2024		As at 31 March 2023	
	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)	-	-	5.00	(5.00)

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 capita 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 2024	31 March 2023
Total borrowings	9,940.49	12,378.88
Less: Cash and cash equivalents	757.15	443.84
Net debt	**9,183.34**	**11,935.04**
Total equity	**43,162.50**	**40,144.98**
Net debt to equity ratio	**0.21**	**0.30**

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 2024	As at 31 March 2023	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	2.25	1.92	17%	Not applicable, refer note below
Debt equity ratio	Net debt = Total borrowings - cash and cash equivalents	Total equity	0.21	0.30	-28%	Decrease in total borrowings and also increase in other equity has resulted in an improvement in the ratio

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

47 Accounting ratios (Contd.)

Ratio	Numerator	Denominator	For the year ended 31 March 2024	For the year ended 31 March 2023	% 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	2.44	2.85	-15%	Not applicable, refer note below
Return on equity ratio	Net profit after taxes	Average shareholder's equity	9%	11%	-14%	Not applicable, refer note below
Inventory turnover ratio	Cost of goods sold	Average inventories	1.95	2.24	-13%	Not applicable, refer note below
Trade receivables turnover ratio	Net sales	Average trade receivables	9.34	9.63	-3%	Not applicable, refer note below
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	12.47	14.09	-11%	Not applicable, refer note below
Net capital turnover ratio	Net sales	Working capital = current assets - current liabilities	3.60	4.46	-19%	Not applicable, refer note below
Net profit ratio	Net profit after taxes	Revenue from operations	6%	7%	-8%	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	12%	13%	-6%	Not applicable, refer note below
Return on investment	Income generated from invested fund	Average invested fund in treasury investments	7.12%	5.59%	27%	Increase in the rate of interest in fixed deposits has resulted in an improvement in the ratio

Note:

Reasons for variance in the ratios are required to be furnished when variance is more than 25%.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs 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 2024	Year ended 31 March 2023
Revenue by geography		
Domestic	59,034.15	57,708.58
Export	932.07	1,145.77
	59,966.22	**58,854.35**
Customer wise		
Related party	-	-
Non-related party	59,966.22	58,854.35
	59,966.22	**58,854.35**
Revenue by time		
Revenue recognised at point in time	59,966.22	58,854.35
	59,966.22	**58,854.35**

(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 2024	Year ended 31 March 2023
Amounts included in contract liabilities at the beginning of the year	204.24	202.49
Performance obligations satisfied in previous years	-	-
	204.24	**202.49**

(c) Assets and liabilities related to contracts with customers

Description	As at 31 March 2024		Year ended 31 March 2023	
	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	-	246.43	-	204.24
Contract liabilities - Security deposits	54.40	-	47.90	-

(d) Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

Description	31 March 2024	31 March 2023
Opening balance of contract liabilities	**252.14**	**235.75**
Amount of revenue recognised against opening contract liabilities	(204.24)	(202.49)
Addition in balance of contract liabilities for current year	252.93	218.88
Closing balance of contract liabilities	**300.83**	**252.14**

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 2024	Year ended 31 March 2023
Contract price	61,647.12	60,360.60
Less: Discounts and freight	1,680.90	1,506.25
Revenue from operations as per Standalone Statement of Profit and Loss	**59,966.22**	**58,854.35**

48 Disclosures pursuant to Ind AS 115, Revenue from Contracts with Customers, are as follows: (Contd.)

(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 recognize 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 recognizes 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.

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 2024			As at 31 March 2023		
	Haryana Ispat Private Limited (subsidiary)	Sterling Advanced Electric Machines Private Limited (subsidiary)	Sterling Gtake E-mobility Limited (subsidiary)	Haryana Ispat Private Limited (subsidiary)	Sterling Advanced Electric Machines Private Limited (subsidiary)	Sterling Gtake E-mobility Limited (subsidiary)
Investments						
Investments at the beginning of the year	1,198.50	-	2,845.60	1,198.50	-	845.60
Investments at the end of the year	1,198.50	1.00	3,045.29	1,198.50	-	2,845.60
Loan given*						
Loan outstanding at the beginning of the year	-	-	-	-	-	2,000.00
Loan outstanding at the end of the year	-	-	-	-	-	-
Corporate guarantee on behalf of subsidiary company#						
Corporate guarantee at the beginning of the year	-	-	5,000.00	-	-	5,000.00
Corporate guarantee at the end of the year	-	-	11,133.00	-	-	5,000.00

* The loan given to the subsidiary was unsecured and carried an interest @ 7.60% p.a. during the previous year. The said loan was repayable on demand. The subsidiary company has repaid the loan during the previous year.

The corporate guarantee given on behalf of the subsidiary company is in relation to the short term borrowings and term loans availed by the subsidiary company.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

50 The Board of Directors have recommended a final dividend of ₹ 2 per share (face value of ₹ 2 per share) for the financial year 2023-24, which is subject to the approval of the members at the ensuing Annual General Meeting.

51 Employee Stock Option Plan ('ESOP')

During the year ended 31 March 2024, the Company vide resolution dated 30 October 2023, approved the 'STL-Employee Stock Option Plan-2023'. The Employee Stock Option Plan ('ESOP') is introduced to provide employees of the Company and its subsidiary companies, with an additional incentive based on productivity and performance and thereby to motivate them to contribute to the overall corporate growth and profitability. The Company aims to make the overall compensation structure attractive to attract, retain and suitably reward the employees and unify the interests of the Company's personnel and shareholders.

Under the plan, options granted to the employees shall vest on satisfying time-based eligibility criteria, which shall not be earlier than one year and not later than the maximum period of five years from the date of the grant of the options. The options which have vested can be exercised by the eligible employees within a period of ten years from the date of vesting. When exercisable, each option is convertible into one equity share.

Below is a summary of options granted under the plan:

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	No. of options	Weighted average exercise price (in ₹)	No. of options	Weighted average exercise price (in ₹)
Total no. of options granted till date	6,40,431		-	
Opening balance as at the beginning of the year	-	-	-	-
Granted during the year	6,40,431	2	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	-	-	-	-
Closing balance as at the end of the year	**6,40,431**	**-**	**-**	**-**
Exercisable as at the end of the year	-	-	-	-
Weighted average share price at the date of exercise (₹)	-		-	
Weighted average remaining period (in years)	7.34 years		-	
Exercise price (₹)	2		-	

The fair value of the options, calculated by the external valuer, was estimated on the date of grant by an independent valuer using the Black Scholes option pricing model, with the following significant assumptions:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Exercise price (₹)	2	-
No. of options granted	6,40,431	-
Fair value of option on grant date (₹)	355.60 to 360.80	-
Expected volatility (%)	47.60% to 48.70%	-
Average excerise period	5 years	-
Total expected option life	6 to 9 years	-
Dividend yield (%)	0.50%	-
Risk free interest rate (%)	7.20% to 7.30%	-
Share price at the grant date	373.10	-
Average vesting period (in years)	1 to 4 years	-

Expected volatility during the expected life of the options is estimated using the historical volatility of the equtiy shares of the Company during the period equivalent to the expected life of the options from the grant date. As the options are vesting on graded basis, the expected volatility has been estimated for each tranche of the options vested using the historical volatility of the Company during the period equivalent to the expected life of each tranche of the options.

51 Employee Stock Option Plan ('ESOP') (Contd.)

Since, the 640,431 options are issued to an employee of the subsidiary company as on 31 January 2024 and the Company has an obligation to settle the options provided to the subsidiary's employees by providing the Company's equity shares, the Company has measured its obligation with a credit to share option outstanding reserve amounting to ₹ 199.69 lakh in accordance with Ind AS 102, Share based payments, with a corresponding debit to the Company's investment in the subsidiary company.

52 The Board of Directors of the Company have considered and approved the amalgamation of Haryana Ispat Private Limited, a wholly owned subsidiary, by way of a scheme of amalgamation in its meeting dated 1 February 2024. Thereafter, the scheme has been filed at the Delhi Bench of the Hon'ble National Company Law Tribunal ('the NCLT') and the approval of the NCLT is awaited.

53 As per Section 128 of the Companies Act, 2013 read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 with reference to use of accounting software by the Company for maintaining its books of account, has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such change were made and ensuring that the audit trail cannot be disabled is applicable with effect from the financial year beginning on 1 April 2023.

The Company uses an accounting software for maintenance of books of account, which records the logs for all the transactions and edit logs for the changes therein. However, the edit logs of events for the changes directly at the database level was enabled at certain specific areas/tables.

Further, accounting software used for payroll processing of the Company is operated by a third party software service provider and the availability of audit trail (edit logs) at the database levels are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information).

54 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 willful 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.

Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

54 Other statutory information (Contd.)

(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.

55 Previous period/year figures have been regrouped/reclassified, where necessary, to conform to the current period's classification. The impact of such reclassification/regrouping is not material to the standalone financial statements.

As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

Consolidated Financial statement

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 2024, 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 material accounting policy information 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 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 2024, 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

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 matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition 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)(8) to the accompanying consolidated financial statements. Refer note 29 and 51 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 Group when the performance obligation is satisfied i.e. when the 'control' of the goods underlying the particular performance obligations 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.	Our audit procedures and the procedures performed by the other auditor 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 Group in accordance with the principles enunciated under Ind AS 115; • Evaluated the design and implementation of the Group'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
Revenue recognition from sale of products also involves determination of variable consideration on account of volume discounts and other rebate programs run by the Group, which requires estimates to be made by the management at each period end. 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. 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	• 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 recognized in the correct period; • Obtained confirmations for invoices outstanding at the year-end on a sample basis and received the reconciling items, if any; • Tested manual journal entries posted to revenue; • Performed analytical procedures; • 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

Independent Auditor's Report (Contd.)

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 consolidated 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 three subsidiaries, whose financial statements reflects total assets of ₹ 12,904.67 lakhs as at 31 March 2024, total revenues of ₹ 32,389.92 lakhs and net cash inflows amounting to ₹1,687.03 lakhs 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 matters 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 and one subsidiary have paid remuneration to their respective 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 subsidiaries 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 subsidiaries.

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 till date by us and by the respective other auditors as mentioned in paragraph 15 above , of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1.	Sterling Tools Limited	L29222DL1979PLC009668	Holding Company	Clause vii(a)
2.	Haryana Ispat Private Limited	U27101DL2005PTC134366	Subsidiary Company	Clause xviii
3.	Sterling Advanced Electric Machines Private Limited	U27103DL2023PTC423592	Subsidiary Company	Clause xviii

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, except for the matters stated in paragraph 26(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    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 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 subsidiaries, none of the directors of the Group companies are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

    f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

    h) 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

Independent Auditor's Report (Contd.)

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 subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

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 2024. 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 2024;

iv. (a) The respective managements of the Holding Company and its subsidiaries, have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief , as disclosed in note 54(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 subsidiaries 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 subsidiaries ('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, to the best of their knowledge and belief, as disclosed in the note 54(vi) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries 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 subsidiaries 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 (iv)(a) and (iv)(b) above contain any material misstatement.

v. The final dividend paid by the Holding Company during the year ended 31 March 2024 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 53 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 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 subsidiary companies have not declared or paid any dividend during the year ended 31 March 2024; and

vi. Based on our examination which included test checks and that performed by the respective auditor of one subsidiary of the Holding Company which is a company incorporated in India and audited under the Act, except for the instances/matters mentioned below, the Holding Company and its aforesaid subsidiary, in respect of financial year commencing on or after 1 April 2023, have used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility

and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditor of the above referred subsidiary did not come across any instance of audit trail feature being tampered with.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility	The audit trail feature was not enabled at the database level for accounting software Ebizframe to log any direct data changes, used for maintenance of all accounting records by the Holding Company.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software used for maintenance of payroll records of the Holding Company is operated by a third-party software service provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation), does not provide information on retention of audit trail (edit logs) for any direct changes made at the database level. Accordingly, we are unable to comment on whether audit trail feature with respect to the database of the said software was operated throughout the year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 24508685BKEUDT1084

Place: Faridabad
Date: 10 May 2024

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 2024

List of entities included in the consolidated financial statements:

a. Sterling Tools Limited, holding company;

b. Haryana Ispat Private Limited, subsidiary;

c. Sterling Gtake E-mobility Limited, subsidiary; and

d. Sterling Advanced Electric Machines Private Limited, subsidiary

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 2024

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 2024, we have audited the internal financial controls with reference to 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 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 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 Matters 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 Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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

Annexure II Independent Auditor's Report (Contd.)

financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 2024, 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 consolidated financial statements insofar as it relates to three subsidiary companies, whose financial statements reflect total assets of ₹ 12,904.67 lakhs and net assets of ₹ 4,813.71 lakhs as at 31 March 2024, total revenues of ₹ 32,389.92 lakhs and net cash inflows amounting to ₹ 1,687.03 lakhs 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
Membership No.: 508685
UDIN: 24508685BKEUDT1084

Place: Faridabad
Date: 10 May 2024

Consolidated Balance Sheet as at 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	27,675.57	27,385.16
(b) Capital work-in-progress	3	476.16	1,117.72
(c) Other intangible assets	4	86.76	130.03
(d) Intangible assets under development	4A	206.52	-
(e) Financial assets			
(i) Investments	5	1,153.98	1,531.86
(ii) Other financial assets	6	541.90	469.42
(f) Deferred-tax assets (net)	22(b)	271.34	134.65
(g) Income-tax assets (net)	7	70.14	64.60
(h) Other non-current assets	8	380.63	536.32
Total non-current assets		**30,863.00**	**31,369.76**
Current assets			
(a) Inventories	9	17,910.27	16,341.63
(b) Financial assets			
(i) Investments	10	-	500.08
(ii) Trade receivables	11	8,964.74	8,136.50
(iii) Cash and cash equivalents	12	2,460.58	460.24
(iv) Bank balances other than (iii) above	13	8,038.78	5,026.96
(v) Loans	14	10.40	25.60
(vi) Other financial assets	15	166.65	152.28
(c) Other current assets	16	2,863.15	3,679.57
Total current assets		**40,414.57**	**34,322.86**
TOTAL ASSETS		**71,277.57**	**65,692.62**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	720.48	720.48
(b) Other equity	18	43,990.37	39,322.26
Total equity		**44,710.85**	**40,042.74**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,160.09	3,664.48
(ia) Lease liabilities	42	122.34	5.05
(ii) Other financial liabilities	20	45.76	19.32
(b) Provisions	21	1,232.08	694.54
(c) Deferred tax liabilities (net)	22(a)	1,499.40	1,755.05
(d) Other non-current liabilities	23	737.43	884.30
Total non-current liabilities		**6,797.10**	**7,022.74**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	8,441.26	9,592.49
(ia) Lease liabilities	42	29.64	15.84
(ii) Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises; and	25	1,072.63	964.62
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,450.80	4,871.08
(iii) Other financial liabilities	26	497.35	830.26
(b) Other current liabilities	27	2,564.63	1,925.60
(c) Provisions	21	713.31	355.67
(d) Current tax liabilities (net)	28	-	71.58
Total current liabilities		**19,769.62**	**18,627.14**
Total liabilities		**26,566.72**	**25,649.88**
TOTAL EQUITY AND LIABILITIES		**71,277.57**	**65,692.62**

Notes 1 to 55 form an integral part of these consolidated financial statements.
As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	29	93,197.17	77,197.80
Other income	30	653.94	290.01
Total income		**93,851.11**	**77,487.81**
Expenses			
Cost of materials consumed	31	49,963.49	40,036.50
Changes in inventories of finished goods and work-in-progress	32	(726.22)	(1,172.53)
Employee benefits expense	33	6,597.82	5,311.28
Finance costs	34	946.23	883.69
Depreciation and amortisation expenses	35	3,305.10	3,171.59
Other expenses	36	26,584.67	23,268.96
Total expenses		**86,671.09**	**71,499.49**
Profit before exceptional items and tax		**7,180.02**	**5,988.32**
Exceptional items	37	39.71	344.26
Profit before tax		**7,219.73**	**6,332.58**
Tax expense:	22		
Current tax		1,958.85	1,590.02
Deferred tax		(275.62)	(45.24)
Total tax expense		**1,683.23**	**1,544.78**
Profit for the year		**5,536.50**	**4,787.80**
Other comprehensive (loss)/income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(86.46)	(0.02)
(b) Changes in fair value of equity investment through other comprehensive income		(377.88)	68.27
(ii) Income-tax relating to items that will not be reclassified to profit or loss		116.72	(17.10)
(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 (loss)/ income for the year (net of tax)		**(347.62)**	**51.15**
Total comprehensive income for the year		**5,188.88**	**4,838.95**
Profit for the year attributable to			
a) Owners of the Holding Company		5,536.50	4,787.80
b) Non-controlling interest		-	-
		5,536.50	**4,787.80**
Other comprehensive (loss)/ income attributable to			
a) Owners of the Holding Company		(347.62)	51.15
b) Non-controlling interest		-	-
		(347.62)	**51.15**
Total comprehensive income attributable to			
a) Owners of the Holding Company		5,188.88	4,838.95
b) Non-controlling interest		-	-
		5,188.88	**4,838.95**
Earnings per equity share			
Basic (₹)	38	15.37	13.29
Diluted (₹)		15.35	13.29
[nominal value of share ₹ 2 (31 March 2023: ₹ 2)]			

Notes 1 to 55 form an integral part of these consolidated financial statements.
As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

Consolidated Statement of Cash Flows for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
A	**Cash flow from operating activities**		
	Net profit before tax	7,219.73	6,332.58
	Adjustments for:		
	Depreciation and amortisation expenses	3,305.10	3,171.59
	Unrealised foreign exchange (gain)/loss	(1.63)	84.56
	Profit on disposal of property, plant and equipment (net)	(30.31)	(33.63)
	Finance costs	912.05	1,168.48
	Gain on termination of lease liability	-	(0.12)
	Interest income classified as investing cash flows	(460.57)	(142.79)
	Amortisation of government grant	(165.12)	(175.87)
	Gain on sale of investments	(33.29)	(44.14)
	Changes in fair value of financial asset at fair value through profit or loss	-	(0.08)
	Income from investment in equity instruments	-	(28.51)
	Employee share based payments	199.69	-
	Liabilities no longer required, written back	(9.13)	(1.18)
	Loss on fair value of forward contracts	8.23	15.27
	Bad debts written off	5.09	1.74
	Loss on disposal of joint venture	-	4.12
	Provision for warranty	789.32	701.10
	Provision for expected credit loss	17.57	7.80
	Operating profit before working capital changes	**11,756.73**	**11,060.92**
	Increase in financial assets	(896.21)	(1,814.88)
	Decrease in other assets	802.21	482.49
	Increase in financial liabilities	1,448.71	2,752.51
	Increase in inventories	(1,568.64)	(4,730.08)
	Increase in other liabilities	636.90	57.88
	Increase in provisions	19.40	52.47
	Net cash generated from operations	**12,199.10**	**7,861.31**
	Income-tax paid (net of refunds)	(2,035.97)	(1,575.64)
	Net cash from operating activities (A)	**10,163.13**	**6,285.67**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work- in progress and capital advances)	(2,917.57)	(3,320.58)
	Proceeds from disposal of property, plant and equipment	88.51	70.72
	Investment in fixed deposits	(9,933.09)	(7,459.65)
	Maturity of fixed deposits	7,023.00	4,724.98
	Investment in mutual funds	(6,550.00)	(500.00)
	Redemption of mutual funds	7,083.37	770.11
	Dividend on investment in equity instruments	-	0.05
	Gain on sale of equity instruments	-	25.82
	Interest received	331.91	192.32
	Proceeds from disposal of joint venture	-	113.70
	Proceeds from sale of investments in equity instruments	-	43.76
	Net cash used in investing activities (B)	**(4,873.87)**	**(5,338.77)**

Consolidated Statement of Cash Flows for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
C Cash flows from financing activities		
Proceeds from non-current borrowings	1,667.60	1,754.25
Repayment of non-current borrowings	(2,324.05)	(2,028.21)
Dividend paid	(719.41)	(359.22)
(Repayment of) / proceeds from current borrowings (net)	(1,001.36)	954.42
Repayment of principal element of lease liabilities	(37.89)	(47.20)
Interest paid	(873.81)	(828.80)
Share issue expenses		(14.30)
Net cash used in financing activities (C)	**(3,288.92)**	**(569.06)**
Net increase in cash and cash equivalents (A+B+C)	**2,000.34**	**377.84**
Cash and cash equivalents at the beginning of the year	**460.24**	**82.40**
Cash and cash equivalents at the end of the year	**2,460.58**	**460.24**
Components of cash and cash equivalents (refer note 12):		
Balances with scheduled banks in current accounts	2,204.63	456.99
Cash on hand	5.95	3.25
Balances with banks in deposit accounts with original maturity upto three months	250.00	-
	2,460.58	**460.24**

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 1 April 2022	60.89	6,251.43	6,323.76	20.99
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)	-
- Amount transferred to Investor's Education and Protection Fund	-	-	-	(2.66)
- Final dividend paid	-	-	-	(359.22)
Closing balance as on 31 March 2023	**20.89**	**5,978.78**	**7,278.19**	**19.36**

Consolidated Statement of Cash Flows for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Lease liabilities	Non-current borrowings including current maturities of long term borrowings	Current borrowings	Dividend
Add: Non cash changes due to-				
- Recognition of lease liabilities	157.77	-	-	-
- Interest expense	12.65	455.90	420.09	-
- Final dividend	-	-	-	720.48
Less: Non cash changes due to-				
- Adjustment in lease liabilities on modification	(1.44)	-	-	-
Add: Cash inflows during the year				
- Proceeds from non-current borrowings	-	1,667.60	-	-
Less: Cash outflow during the year				
- Repayment of non-current borrowings	-	(2,324.05)	-	-
- Repayment of current borrowings	-	-	(1,001.36)	-
- Repayment of principal element of lease liabilities	(37.89)	-	-	-
- Interest paid	-	(453.72)	(420.09)	-
- Amount transferred to Investor's Education and Protection Fund	-	-	-	(9.09)
- Final dividend paid	-	-	-	(719.41)
Closing balance as on 31 March 2024	**151.98**	**5,324.51**	**6,276.83**	**11.34**

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 55 form an integral part of these consolidated financial statements.

As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity share capital

Particulars	Note	Number	Amount
Balance as at 1 April 2022	17	3,60,24,211	720.48
Changes in equity share capital during the year		-	-
Balance as at 31 March 2023	17	**3,60,24,211**	**720.48**
Changes in equity share capital during the year		-	-
Balance as at 31 March 2024	17	**3,60,24,211**	**720.48**

(B) Other equity

Particulars	Note	Reserves and surplus					Equity instruments through other comprehensive income	Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings		
Balance as at 1 April 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**
Profit for the year		-	-	-	-	5,536.50	-	5,536.50
Other comprehensive income								
Remeasurement of defined benefit obligation (net of tax)		-	-	-	-	(64.82)	-	(64.82)
Changes in fair value of equity investment through other comprehensive income (net of tax)		-	-	-	-	-	(282.78)	(282.78)
Transactions with owners in their capacity as owners:								
Employee stock option reserve		-	-	199.69	-	-	-	199.69
Final dividend paid on equity shares		-	-	-	-	(720.48)	-	(720.48)
Balance as at 31 March 2024	18	**6.65**	**4,735.69**	**199.69**	**2,786.46**	**35,737.75**	**524.13**	**43,990.37**

Notes 1 to 55 form an integral part of these consolidated financial statements.

As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

1. Group information and material accounting policies

A. Corporate information

Sterling Tools Limited (the 'Holding Company') was incorporated on 7 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) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') 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.

The MCA vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendments Rules, 2023, which amended certain accounting standards as given below and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1. The amendment to Ind AS 1 have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's consolidated financial statements.
- Definition of accounting estimates - amendments to Ind AS 8. The amendments did not have any impact on the 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'):

a) Haryana Ispat Private Limited, India, 100% subsidiary with effect from 25 November 2016;

b) Sterling Gtake E-Mobility Limited, India, 100% subsidiary with effect from 12 March 2020; and

c) Sterling Advanced Electric Machines Private Limited, 100% subsidiary with effect from 8 December 2023.

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 2024 were approved and authorised for issue by Board of Directors on 10 May 2024. 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.

(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 the 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

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

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.

(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.
Share based payments	Fair value.

The methods used to measure fair values are discussed further in notes to 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 lakh (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;
- 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.

C. Material accounting policies

A summary of the material 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.

Cost of an item 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 accruing 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 primary period of the lease.

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) 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 vale 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 asset in prior accounting periods may no longer exist or may have decreased.

(4) 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.

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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.

(5) 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.

(6) 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.

(7) 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.

(8) Revenue

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 the amount of transaction price, 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.

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 programs 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 recognise revenue for the amounts it ultimately expects to realise from the customer. The respective entities estimate 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.

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 consolidated 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 consolidated 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 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.

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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.

(9) 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).

(10) Employee benefits

10.1 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.

10.2 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 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.

10.3 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.

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.

10.4 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.

(11) Share based payments

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102, 'Share-based payment'. Stock options granted by the Company to its employees and employees of the subsidiaries are accounted as equity settled options. In respect of the options granted to the employees of the Company, the estimated fair value of options granted that is determined on the date of grant, is charged to consolidated statement of profit and loss on a straight line basis over the vesting period of options, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

(i) including any market performance conditions

(ii) excluding the impact of any service and non-market performance vesting conditions

(iii) including the impact of any non-vesting conditions

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

Where options are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such options are reversed effective from the date of the forfeiture.

(12) 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 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-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.

(13) 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 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

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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 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.

(14) 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.

(15) 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.

(16) 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.

16.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. 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 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 profit or 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 right 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:

(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 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.

16.2 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 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.

16.3 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.

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.

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(All amounts in lakhs of Indian Rupees, unless otherwise stated)

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 utilized.

(2) 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.

(3) Impairment of financial 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. At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, 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.

(4) 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.

(5) 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.

(6) 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.

(7) Government grant

Grants receivables are based on estimates for utilization 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.

(8) 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.

(9) 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.

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(All amounts in lakhs of Indian Rupees, unless otherwise stated)

2 Property, plant and equipment

Particulars	Owned assets									Leased assets				Grand total
	Freehold 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 1 April 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**
Additions	-	-	2,924.07	90.15	150.24	106.44	-	159.84	3,430.74	-	163.16	-	163.16	3,593.90
Disposals/adjustments	(6.36)	-	(119.58)	(1.88)	(145.51)	(2.64)	-	(0.16)	(276.13)	-	(3.00)	-	(3.00)	(279.13)
Balance as at 31 March 2024	**2,061.75**	**7,565.23**	**39,598.24**	**549.79**	**801.55**	**729.82**	**1,260.77**	**558.22**	**53,125.37**	**980.37**	**416.63**	**12.51**	**1,409.51**	**54,534.88**
Accumulated depreciation and amortization														
As at 1 April 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**
Charge for the year	-	239.00	2,580.21	37.86	89.88	84.46	81.21	80.80	3,193.42	-	47.97	2.46	50.43	3,243.85
Adjustments for disposals	-	-	(100.09)	(0.49)	(115.61)	(1.62)	-	(0.13)	(217.94)	-	(1.55)	-	(1.55)	(219.49)
Balance as at 31 March 2024	**-**	**2,271.25**	**22,204.23**	**226.90**	**284.95**	**509.39**	**727.69**	**336.64**	**26,561.05**	**-**	**287.46**	**10.80**	**298.26**	**26,859.31**
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**
Net block as at 31 March 2024	**2,061.75**	**5,293.98**	**17,394.01**	**322.89**	**516.60**	**220.43**	**533.08**	**221.58**	**26,564.32**	**980.37**	**129.17**	**1.71**	**1,111.25**	**27,675.57**

Notes:

a. 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.

b. Refer note 41(A) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

2 Property, plant and equipment (Contd.)

c. 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
Freehold land	Plot No. 4, 5A, 52, 53, 54 and 54A DLF Industrial Estate, Phase-I, Delhi - Mathura Road, Faridabad, Haryana
Freehold land	49 km stone Delhi Mathura Road, Village Prithla, Tehsil-Palwal, Distt. Palwal, Haryana
Leasehold land	Plot No 109-110, Vemgal Industrial Area, District Kolar, Karnataka

3 Capital work-in-progress

Particulars	Amount
Balance as at 1 April 2022	104.04
Additions	2,879.34
Capitalised during the year	(1,865.66)
Balance as at 31 March 2023	**1,117.72**
Additions	1,712.29
Capitalised during the year	(2,353.85)
Balance as at 31 March 2024	**476.16**

Ageing schedule of capital work-in-progress is as follows:

	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
- Projects in progress	366.63	5.49	104.04	-	476.16
- Projects temporarily suspended	-	-	-	-	-
					476.16
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 2024, there are no projects whose completion is overdue or has exceeded its cost as compared to its original plan except for an independent feeder machine amounting to ₹ 104.04 lakhs at the Holding Company's manufacturing facility at Bangalore, whose installation is overdue owing to delay in the transmission line work and energization of the sub-station by the relevant authorities.

As at 31 March 2023, there are no projects whose completion is overdue or has exceeded its cost as compared to its original plan.

4 Other intangible assets

Particulars	Computer software	Total
Gross block		
As at 1 April 2022	131.78	131.78
Additions	128.88	128.88
Balance as at 31 March 2023	**260.66**	**260.66**
Additions	18.00	18.00
Balance as at 31 March 2024	**278.66**	**278.66**

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

4 Other intangible assets (Contd.)

Particulars	Computer software	Total
Accumulated amortisation		
As at 1 April 2022	87.91	87.91
Charge for the year	42.72	42.72
Balance as at 31 March 2023	**130.63**	**130.63**
Charge for the year	61.27	61.27
Balance as at 31 March 2024	**191.90**	**191.90**
Net block as at 31 March 2023	**130.03**	**130.03**
Net block as at 31 March 2024	**86.76**	**86.76**

4A Intangible assets under development

Particulars	R&D expense	Software	Total
Balance as at 1 April 2022	**-**	**-**	**-**
Additions	-	-	-
Capitalised during the year	-	-	-
Balance as at 31 March 2023	**-**	**-**	**-**
Additions	194.02	12.50	206.52
Capitalised during the year	-	-	-
Balance as at 31 March 2024	**194.02**	**12.50**	**206.52**

Ageing schedule of intangible assets under development is as follows:

	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
- Projects in progress	206.52	-	-	-	206.52
- Projects temporarily suspended	-	-	-	-	-
					206.52
As at 31 March 2023					
- Projects in progress	-	-	-	-	-
- Projects temporarily suspended	-	-	-	-	-
					-

As at 31 March 2024 and 31 March 2023, there are no intangible assets under development whose completion is overdue or has exceeded its cost as compared to its original plan.

5 Non-current financial assets - investments

Particulars	As at 31 March 2024	As at 31 March 2023
Unquoted investments		
Investment in equity instruments (carried at fair value through other comprehensive income)		
9,922 equity shares (31 March 2023: 9,922 equity shares) of ₹ 10 each fully paid up in Altigreen Propulsion Labs Private Limited	1,153.98	1,531.86
	1,153.98	**1,531.86**
Aggregate amount of unquoted investments	1,153.98	1,531.86
Aggregate amount of impairment in value of investments	-	-

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

6 Non-current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	510.04	456.30
Interest accrued but not due	31.86	13.12
	541.90	**469.42**

7 Income-tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid taxes (net of provision for tax)*	70.14	64.60
	70.14	**64.60**

*Refer note 28 for movement of taxes

8 Other non-current assets

(Unsecured and considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	335.55	505.47
Advances other than capital advances:		
- Prepaid expenses	45.08	5.27
- Balances with statutory authorities	-	25.58
	380.63	**536.32**

9 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw material [includes goods in transit of ₹ 1154.62 lakh (31 March 2023: ₹ 588.14 lakh)]	8,918.98	7,978.88
Work in progress	1,519.40	1,360.42
Finished goods [includes goods in transit of ₹ 488.09 lakh (31 March 2023: ₹197.84 lakh)]	6,265.68	5,698.45
Stores, spares and consumables [includes goods in transit of ₹ 14.32 lakh (31 March 2023: ₹ 7.82 lakh)]	1,206.21	1,303.88
	17,910.27	**16,341.63**

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 ₹ 25.26 lakh (31 March 2023 - ₹ 55.48 lakh). The carrying value of such inventories carried at fair value less costs to sell aggregating to ₹ 399.47 lakh (31 March 2023 - ₹ 468.48 lakh).

10 Current financial assets - investments

Particulars	As at 31 March 2024	As at 31 March 2023
Quoted investment		
Investment in mutual funds (carried at fair value through profit or loss)		
Nil units (31 March 2023: 13,858.962 units) in SBI Overnight Fund -Regular Plan - Growth Option	-	500.08
	-	**500.08**
Aggregate amount of quoted investments and market value thereof		
- Book value	-	500.00
- Market value	-	500.08

11 Current financial assets - trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables		
Trade receivables - considered good, unsecured	8,964.74	8,136.50
Trade receivables - credit impaired	164.86	147.29
	9,129.60	**8,283.79**
Less: allowance for expected credit loss	(164.86)	(147.29)
	8,964.74	**8,136.50**

Movement in the allowance for expected credit loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	147.29	139.49
Add: Allowance provided during the year	17.57	7.80
Less: Amounts written off during the year	-	-
Balance at the end of the year	**164.86**	**147.29**

a. All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

b. Refer Note 24(a) for information on trade receivables pledged as security by the Group.

c. There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

d. 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

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 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 2024	As at 31 March 2023
Total transferred trade receivables under the bills discounting arrangement	1,424.29	1,672.31
Associated unsecured borrowings (refer note 24)	1,424.29	1,672.31

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

11 Current financial assets - trade receivables (Contd.)

Ageing schedule of trade receivables is as follows:

As at 31 March 2024	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	6,014.55	2,778.81	108.29	54.36	1.98	6.75	8,964.74
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	17.57	-	36.83	54.40
(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

As at 31 March 2023	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	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

12 Current financial assets - cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with scheduled banks in current accounts	2,204.63	456.99
Cash on hand	5.95	3.25
Balances with banks in deposit accounts with original maturity upto three months	250.00	-
	2,460.58	**460.24**

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 2024	As at 31 March 2023
Unpaid dividend accounts (earmarked balances with banks)*	11.34	19.36
Balances with banks in deposit accounts with original maturity of more than three months but residual maturity of less than twelve months#	7,053.92	4,933.02
Balances with banks in deposit accounts with original maturity of more than twelve months#	789.20	-
Interest accrued but not due on fixed deposits with banks	184.32	74.58
	8,038.78	**5,026.96**

* Not due for deposit in the Investor Education and Protection Fund.

Includes deposit of ₹ 425.15 lakhs (31 March 2023: ₹ 320.06 lakhs) pledged with bank against LC by the subsidiary company

14 Current financial assets - loans

(Unsecured and considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Loans receivable	10.40	25.60
	10.40	**25.60**

15 Current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Export incentive receivable	5.35	3.84
Receivable from portfolio management services company *	-	5.01
Security deposits	0.30	2.30
Gratuity recoverable	9.06	4.83
Others #	151.94	136.30
	166.65	**152.28**

* 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.

16 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances other than capital advances:		
Prepaid expenses	180.87	61.88
Balance with government authorities	1,768.42	2,894.61
Surplus of plan assets (refer note 39)	-	47.79
Advance to suppliers	888.44	675.29
Other receivable	25.42	-
	2,863.15	**3,679.57**

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

17 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised:		
50,000,000 equity shares (31 March 2023: 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 2023: 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 2024		For the year ended 31 March 2023	
	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 2023: ₹ 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 2024, the amount of per share final dividend recognised as distributions to equity shareholders is ₹ 2 per share (31 March 2023: ₹ 1 per share) amounting to ₹ 720.48 lakh (previous year - ₹ 360.25 lakh).

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 Holding Company*

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
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%	26,87,957	7.46%
Mr. Anish Agarwal	27,28,957	7.58%	27,28,957	7.58%
Meidoh Company Limited	18,01,211	5.00%	18,01,211	5.00%

* As per records of the Holding 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 Holding Company as at the end of the year:

Particulars	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Mr. Anil Aggarwal	61,10,583	16.96%	-	61,10,583	16.96%	-
Mr. Atul Aggarwal	96,65,367	26.83%	-	96,65,367	26.83%	-
Ms. Promila Aggarwal	7,01,000	1.95%	-	7,01,000	1.95%	-
Mr. Akhill Aggarwal	26,87,957	7.46%	-	26,87,957	7.46%	4.34%
Mr. Anish Agarwal	27,28,957	7.58%	-	27,28,957	7.58%	4.34%
Ms. Ayesha Aggarwal	17,99,166	4.99%	-	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

17 Equity share capital (Contd.)

f. Shares reserved for issue under options:

Information relating to the Holding Company's Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of reporting period, is given in note 48.

18 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve	6.65	6.65
Security premium	4,735.69	4,735.69
Share options outstanding account	199.69	-
General reserve	2,786.46	2,786.46
Retained earnings	35,737.75	30,986.55
Equity instruments through other comprehensive income	524.13	806.91
Total	**43,990.37**	**39,322.26**

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) Share options outstanding account

The Holding Company has implemented a share option scheme under which option to subscribe for the Company's share have been granted to employees of the holding Company and its subsidiary companies The reserve is used to recognise the value of equity settled share options provided to such employees. See note 48 for further details.

iv) 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.

v) Retained earnings

Retained earnings are created from the profit / loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

vi) 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.

19 Non current financial liabilities - Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Indian rupee loan from banks (secured)		
Term loans	5,289.18	5,945.62
Less: Current maturities of long-term borrowings (refer note 24)	(2,164.43)	(2,314.30)
Interest accrued but not due on borrowings	35.34	33.16
	3,160.09	**3,664.48**

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

19 Non current financial liabilities - Borrowings (Contd.)

a) The term loans (including current maturities) of the Holding company 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 49 km stone Delhi Mathura Road, Village Prithla, Tehsil-Palwal, Distt. Palwal, Haryana and Plot No 109-110, Vemgal Industrial Area, District Kolar, Bangalore, Karnataka and hypothecation of plant and machinery and other property, plant and equipment. The term loan (including current maturities) of the Subsidiary Company i.e. Sterling Gtake E-Mobility Limited are secured by way of exclusive charge on entire property, plant and equipment and current assets of the Company. The loan is also secured by corporate guarantee of the Holding Company.

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% to 9.30% 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 8.70% to 10.35% and is repayable in 60 monthly instalments commencing from January 2020 with last instalment due on March 2029.

(iii) Term loans from HDFC Bank carry an interest in the range of 8.42% to 9.25% and are repayable in 51 - 60 monthly instalments commencing from December 2019 with last instalment due on March 2028.

(iv) Term loans from HDFC Bank carry an interest in the range of 9.00% to 9.05% for the Subsidiary Company and are repayable in 14-16 quarterly instalments commencing from December 2023 with last instalment due on September 2027.

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 Group 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 2024	As at 31 March 2023
Security deposits	45.76	19.32
	45.76	**19.32**

21 Provisions

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Provisions for employee benefit obligations [refer note 39(ii) and 39(iii)]	163.35	178.94	152.02	84.41
Other provisions				
Provision for warranty	1,068.73	534.37	542.52	271.26
	1,232.08	**713.31**	**694.54**	**355.67**

Movement in the provision for warranty

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	813.78	112.68
Add: provision created during the year	789.32	701.10
Less: Amounts adjusted during the year	-	-
Balance at the end of the year	**1,603.10**	**813.78**

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

22(a) Deferred tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Property plant and equipment and other intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,584.05	1,695.03
Fair value of investments in equity instruments	159.10	271.38
Sub-total (a)	**1,743.15**	**1,966.41**
Deferred tax assets		
Employee benefits	110.07	89.42
Allowance for expected credit loss	41.49	37.07
Interest on foreclosure of authorisation license under Export Promotion Capital Goods ('EPCG') scheme	87.99	82.86
Impact of difference between right-of-use assets and lease liabilities	0.54	0.33
Effective interest rate adjustment	0.06	0.11
Others	3.60	1.57
Sub-total (b)	**243.75**	**211.36**
Net deferred tax liability [(a) - (b)]	**1,499.40**	**1,755.05**

Movement in deferred tax balances

Particulars	As at 1 April 2023	Recognised in consolidated statement of profit and loss	Recognised in OCI	As at 31 March 2024
Deferred tax liabilities				
Property plant and equipment and other intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	1,695.03	(110.98)	-	1,584.05
Fair value of investments in equity instruments	271.38	(17.18)	(95.10)	159.10
Sub- total (a)	**1,966.41**	**(128.16)**	**(95.10)**	**1,743.15**
Deferred tax assets				
Employee benefits	89.42	(0.68)	21.33	110.07
Interest on foreclosure of authorisation license under EPCG scheme	82.86	5.13	-	87.99
Allowance for expected credit loss	37.07	4.42	-	41.49
Impact of difference between right-of-use assets and lease liabilities	0.33	0.21	-	0.54
Effective interest rate adjustment	0.11	(0.05)	-	0.06
Others	1.57	2.03	-	3.60
Sub- total (b)	**211.36**	**11.06**	**21.33**	**243.75**
Net deferred tax liabilities [(a)-(b)]	**1,755.05**	**(139.22)**	**(116.43)**	**1,499.40**

Particulars	As at 1 April 2022	Recognised in consolidated statement of profit and loss	Recognised in OCI	As at 31 March 2023
Deferred tax liabilities				
Property plant and equipment and other 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**

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

22(a) Deferred tax liabilities (net) (Contd.)

Particulars	As at 1 April 2022	Recognised in consolidated 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**

22(b) Deferred tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets		
Employee benefits	15.70	8.80
Others	293.66	140.00
Sub-total (a)	**309.36**	**148.80**
Deferred tax liabilities		
Property plant and equipment and other intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	38.02	14.15
Sub-total (b)	**38.02**	**14.15**
Net deferred tax assets [(a)-(b)]	**271.34**	**134.65**

Movement in deferred tax balances

Particulars	As at 1 April 2023	Recognised in consolidated statement of profit and loss	Recognised in OCI	As at 31 March 2024
Deferred tax assets				
Employee benefits	8.80	6.61	0.29	15.70
Others	140.00	153.66	-	293.66
Sub- total (b)	**148.80**	**160.27**	**0.29**	**309.36**
Deferred tax liabilities				
Property plant and equipment and other intangible assets: Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	14.15	23.87	-	38.02
Sub- total (a)	**14.15**	**23.87**	**-**	**38.02**
Net deferred tax assets [(b)-(a)]	**134.65**	**136.40**	**0.29**	**271.34**

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

22(b) Deferred tax assets (net) (Contd.)

Particulars	As at 1 April 2022	Recognised in consolidated 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 (a)	**137.77**	**11.20**	**(0.17)**	**148.80**
Deferred tax liabilities				
Property plant and equipment and other 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 (b)	**5.96**	**8.19**	**-**	**14.15**
Net deferred tax assets [(a)-(b)]	**131.81**	**3.01**	**(0.17)**	**134.65**

i) Income-tax recognised in Consolidated Statement of Profit and Loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax expense		
Current year	1,945.57	1,610.60
Earlier years	13.28	(20.58)
	1,958.85	**1,590.02**
Deferred tax credit		
Origination and reversal of temporary differences	(275.62)	(45.24)
	(275.62)	**(45.24)**
Total income tax expense	**1,683.23**	**1,544.78**

ii) Income tax recognised in other comprehensive income

Particulars	31 March 2024			31 March 2023		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Remeasurement of defined benefit plans	(86.44)	21.62	(64.82)	(0.02)	0.08	0.06
Changes in fair value of equity investment through other comprehensive income	(377.88)	95.10	(282.78)	68.27	(17.18)	51.09
	(464.32)	**116.72**	**(347.60)**	**68.25**	**(17.10)**	**51.15**

iii) Reconciliation of effective tax rate

Particulars	Amount	
	31 March 2024	31 March 2023
Profit before tax	**7,219.73**	**6,332.58**
Income-tax expense at tax rates applicable to individual entities included in the Group	1,658.28	1,585.24
Tax effect of:		
- Corporate social responsibility expenditure	22.50	18.91
- Tax adjustment for earlier years	13.28	(20.58)
- Others	(10.83)	(38.79)
At the effective income tax rate	**1,683.23**	**1,544.78**

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

23 Other non-current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred grant income [refer note (a) below]	683.03	836.40
Others [refer note (i) below]	54.40	47.90
	737.43	**884.30**
(a) Movement of deferred grant income:		
Opening balance	1,603.24	1,779.11
Add: Grant received during the year	-	-
Less: Released to consolidated statement of profit and loss	(165.12)	(175.87)
Less: Reclassified to other payable [refer note (ii) below]	(601.71)	
	836.41	**1,603.24**
Deferred grant income:		
- Current	153.38	766.84
- Non-current	683.03	836.40
	836.41	**1,603.24**

(i) This pertains to security deposits received from customers of Holding Company

(ii) This pertains to expected liability amounting to ₹ 601.71 lakh, reclassified to other payable upon filling of necessary application by the Holding Company during the year, for the foreclosure of one license under EPCG scheme. Also refer note 27.

24 Current financial liabilities - borrowings

(Secured and carried at amortised cost)

Particulars	As at 31 March 2024	As at 31 March 2023
Loans repayable on demand from banks		
- Cash credit facilities	1,345.02	1,092.68
- Working capital demand loan	3,507.52	4,513.20
Current maturities of long-term borrowings (refer note 19)	2,164.43	2,314.30
(Unsecured and carried at amortised cost)		
Bill discounting facility from banks	1,424.29	1,672.31
	8,441.26	**9,592.49**

Note:

a) 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 49 km stone Delhi Mathura Road, Village Prithla, Tehsil-Palwal, Distt. Palwal, Haryana 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.

b) The outstanding balance of cash credit facilities is repayable on demand and the rate of interest ranges between 7.95% to 9.94% (31 March 2023: 6.85% to 9.32%) per annum.

c) The outstanding balance of working capital demand loan is repayable within a period of 90 days and the rate of interest ranges between 6.96% to 7.55% (31 March 2023: 5% to 7%) per annum.

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.

24 Current financial liabilities - borrowings (Contd.)

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 2024:

Quarter ended	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Remarks
30 June 2023	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	18,252.91	18,333.03	(80.12)	Variance is primarily on account of supplementary invoices and inventory of scrap not considered in quarterly statement
30 September 2023	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	17,894.04	17,869.16	24.88	Variance is primarily on account of inventory of scrap not considered in quarterly statement
31 December 2023	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	16,214.16	16,136.73	77.43	Variance is primarily on account of supplementary invoices and inventory of scrap not considered in quarterly statement
31 March 2024	HDFC Bank, Punjab National Bank, Kotak Mahindra Bank and State Bank of India	Pari-passu charge on current assets	19,375.35	19,344.67	30.68	Variance is primarily on account of inventory of scrap not considered in quarterly statement

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 return/ statement	Amount of difference	Remarks
30 June 2022	HDFC Bank, Punjab National 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.

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

24 Current financial liabilities - borrowings (Contd.)

Quarter ended	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Remarks
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 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.

With respect to the quarterly statements of current assets filed with bank by the subsidiary company - Sterling Gtake 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 2024	As at 31 March 2023
Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	1,072.63	964.62
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,450.80	4,871.08
	7,523.43	**5,835.70**

25 Current financial liabilities - trade payables (Contd.)

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 2024	As at 31 March 2023
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	1,072.03	964.62
- Interest	0.60	-
	-	-
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	0.60	-
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 2024	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	-	1,066.16	6.47	-	-	-	1,072.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	838.87	2,068.76	3,505.02	22.35	2.39	13.41	6,450.80
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

25 Current financial liabilities - trade payables (Contd.)

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	-	-	-	-	-	-	-

26 Current financial liabilities - others

Particulars	As at 31 March 2024	As at 31 March 2023
Creditors for capital goods [refer note (a) below]	172.38	246.19
Unclaimed dividend*	11.34	19.36
Employee related payables	305.40	564.71
Derivative liability	8.23	-
	497.35	**830.26**

* 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 2024	As at 31 March 2023
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	4.90	-
- 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.

27 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Contract liabilities (refer note 51)	310.84	211.51
Deferred grant income [refer note 23(a)]	153.38	766.84
Statutory dues payable	1,149.08	618.02
Others*	951.33	329.23
	2,564.63	**1,925.60**

*This pertains to expected liability amounting to ₹ 601.71 lakh (31 March 2023 - Nil) and interest accrued thereon amounting to ₹ 349.62 lakh (31 March 2023 - ₹ 329.23 lakh) in respect of the foreclosure of one license under EPCG scheme filed by the Holding Company during the year.

28 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
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 2024	As at 31 March 2023
Prepaid taxes (refer note 7)	70.14	64.60
Provision for tax (refer note 28)	-	(71.58)
Net position [asset/(liability)]	**70.14**	**(6.98)**

Particulars	As at 31 March 2024	As at 31 March 2023
a. Income-tax assets		
Opening balance	64.60	13.98
Transfer from current tax liabilities	55.29	55.58
Refunds received (net of demand paid)	(49.75)	(4.96)
Total (A)	**70.14**	**64.60**
b. Current tax liabilities		
Opening balance	71.58	-
Provision for tax	1,945.57	1,610.60
Interest on taxes	3.02	6.58
Prepaid taxes paid during the year	(2,088.74)	(1,580.60)
Tax earlier years	13.28	(20.58)
Transferred to income-tax assets	55.29	55.58
Total (B)	**-**	**71.58**
Net income-tax (liabilities)/assets [(A) - (B)]	**70.14**	**(6.98)**

29 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products		
- Finished goods	92,233.90	76,260.98
Sale of services		
- Product support services	56.62	25.73

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

29 Revenue from operations (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Other operating income		
- Sale of scrap	725.12	723.67
- Export incentives	16.41	11.55
- Amortisation of grant income	165.12	175.87
Total	**93,197.17**	**77,197.80**

30 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from:		
- fixed deposits with banks carried at amortised cost	431.22	125.49
- security deposit with electricity department carried at amortised cost	29.17	17.30
- income-tax refund	0.17	-
Other non-operating income		
Liabilities no longer required ,written back	9.13	1.18
Gain on foreign exchange fluctuation (net)	59.16	-
Gain on termination of lease liability	-	0.12
Profit on disposal of property, plant and equipment (net)	30.31	33.63
Income from investment in equity instruments carried at fair value through profit or loss		
- gain on sale of equity instruments	-	25.82
- dividend income	-	0.05
Income from mutual funds carried at fair value through profit or loss		
- gain on sale of mutual fund	33.29	44.14
- gain on fair value of mutual fund	-	0.08
Miscellaneous income	61.49	42.20
	653.94	**290.01**

31 Cost of materials consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw material at the beginning of the year	7,390.74	4,725.12
Add: purchases during the year	50,337.10	42,702.12
Less: Raw material at the end of the year	7,764.35	7,390.74
Total cost of materials consumed	**49,963.49**	**40,036.50**

32 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the beginning 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**
Inventories at the end of the year		
- Finished goods	6,265.68	5,698.45
- Work-in-progress	1,519.40	1,360.42
	7,785.08	**7,058.87**
Increase in inventories	**(726.22)**	**(1,172.53)**

33 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary, wages and bonus	5,625.61	4,648.79
Contribution to provident and other funds	461.65	398.13
Employee stock option expense (refer note 48)	199.69	-
Staff welfare expenses	230.87	164.36
Commission to director (refer note 43)	80.00	100.00
	6,597.82	**5,311.28**

34 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities measured at amortised cost	875.99	830.10
Interest on lease liabilities	12.65	2.57
Interest on delayed payment of advance taxes	3.02	6.58
Other finance cost	54.57	44.44
	946.23	**883.69**

35 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	3,193.41	3,086.85
Amortisation on right-of-use assets	50.43	42.02
Amortisation on other intangible assets	61.26	42.72
	3,305.10	**3,171.59**

36 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	5,806.75	5,193.03
Job work charges	4,599.90	2,814.18
Consumption of packing materials	946.73	1,015.34
Power and fuel	4,835.23	4,703.52
Rent (refer note 42)	122.09	111.20
Repairs and maintenance		
- Building	294.62	606.71
- Plant and machinery	1,647.23	1,657.83
Security charges	118.00	114.07
Insurance	245.15	205.55
Legal and professional charges	702.86	520.96
Rates and taxes	82.71	22.51
Sales promotion	80.44	85.46
Freight outward	2,059.95	1,933.55
Travelling and conveyance	474.72	331.79
Contract labour charges	2,551.92	2,287.75
Payment to auditors (refer details below)	43.23	38.14
Corporate social responsibility expenses (refer note 44)	89.80	75.13
Allowance for expected credit loss	17.57	7.80

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(All amounts in lakhs of Indian Rupees, unless otherwise stated)

36 Other expenses (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Loss on sale of forward contracts measured at fair value through profit or loss	8.23	15.27
Provision for warranty	789.32	701.10
Bad debts written off	5.09	1.74
Loss on foreign exchange fluctuation (net)	-	66.89
Loss on disposal of joint venture	-	4.12
Miscellaneous expenses	1,063.13	755.32
	26,584.67	**23,268.96**

Payments to statutory auditors*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Auditors (statutory audit, limited reviews and tax audit)	36.50	35.50
(b) Other services	2.50	-
(c) For reimbursement of expenses	4.23	2.64
	43.23	**38.14**

*excluding applicable taxes

37 Exceptional items

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Insurance claim received [refer note (a) below]	60.10	673.49
Interest on foreclosure of license under EPCG scheme [refer note (b) below]	(20.39)	(329.23)
	39.71	**344.26**

Note:

(a) This pertains to insurance claim received from insurance company amounting to ₹ 60.10 lakh (previous year - ₹ 673.49 lakh) pertaining to a fire incident in an earlier year at one of the manufacturing facility of the Holding Company.

(b) This pertains to estimated interest liability amounting to ₹ 20.39 lakh (previous year - ₹ 329.23 lakh) recognised by the Holding Company on foreclosure of one license under EPCG scheme.

38 Earnings per equity share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year attributable to owners (A)	5,536.50	4,787.80
Weighted average number of equity shares for basic earnings per share (B) (Numbers)	3,60,24,211	3,60,24,211
Effect of share options during the year (C) (Numbers)	36,580	-
Weighted average number of equity shares for diluted earnings per share (D)= (B) + (C) (Numbers)	3,60,60,791	3,60,24,211
Basic earnings per equity share (face value of share- ₹ 2 each) (A/B) (₹)	15.37	13.29
Diluted earnings per equity share (face value of share- ₹ 2 each) (A/D) (₹)	15.35	13.29

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 ₹ 266.19 lakh (31 March 20223: ₹ 237.57 lakh) for provident fund contribution and ₹ 13.40 lakh (31 March 2023: ₹ 10.81 lakh) 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.

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 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Present value of obligation at the beginning of the year	49.47	42.48	756.44	679.60
Included in consolidated profit and loss:				
Current service cost	17.40	7.81	72.87	60.50
Interest cost	3.64	3.02	52.96	47.07
Total amount recognised in profit or loss	**21.04**	**10.83**	**125.83**	**107.57**
Included in other comprehensive income:				
Remeasurement loss/(gain) arising from:				
- demographic assumptions	1.35	1.39	-	(0.07)
- financial assumptions	2.39	1.11	87.06	(14.14)
- experience adjustment	(4.99)	(6.34)	4.71	18.51
Total amount recognised in other comprehensive income	**(1.25)**	**(3.84)**	**91.77**	**4.30**
Less: Other	-	-	(4.38)	(3.69)
Less: Benefits paid	-	-	67.33	31.34
Present value of obligations at the end of year	**69.26**	**49.47**	**902.33**	**756.44**

Change in the fair value of plan assets

Particulars	Gratuity (funded portion)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Fair value of plan asset at the beginning of the year	804.23	703.14
Included in profit or loss:		
Return on plan assets - interest income	55.74	53.55
Contributions paid	30.60	82.12
Benefits paid	(67.33)	(31.34)

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

39 Employee benefits (Contd.)

Particulars	Gratuity (funded portion)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Others	(4.38)	(3.69)
Included in other comprehensive income:	-	
Actuarial gain	4.06	0.45
Fair value of plan asset at the end of the year	**822.92**	**804.23**

Major category of plan asset as a % of total plan assets

Category of assets (% allocation)	As at 31 March 2024		As at 31 March 2023	
	(%)	Amount	(%)	Amount
Insurance policies	100	822.92	100	804.23

Net defined benefit liability recognised in the consolidated balance sheet

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Present value of unfunded/funded obligation at the end of the year	69.26	49.47	902.33	756.44
Fair value of plan asset as at the end of the period	-	-	822.92	804.23
Net defined benefit liability	**69.26**	**49.47**	**79.41**	**(47.79)**

B) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	7.09%	7.35% - 7.38%	7.09%	7.35%
Salary growth rate (per annum)	6.00-7.00%	6.00%	6.00-7.00%	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 15%

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 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (movement of 100 bps)	(67.25)	77.22	(54.48)	62.31
Salary escalation rate (movement of 100 bps)	79.82	(71.09)	65.72	(58.72)

39 Employee benefits (Contd.)

Particulars	Gratuity (unfunded)			
	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (movement of 100 bps)	(4.68)	2.77	(2.85)	0.46
Salary escalation rate (movement of 100 bps)	2.95	(4.89)	0.52	(2.92)

Sensitivities due to mortality and withdrawals are not material. Hence, impact of change is not calculated above.

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 2024	31 March 2023
Less than 1 year	81.77	69.63
Between 1-2 years	68.56	58.93
Between 2-5 years	251.38	228.20
Over 5 years	442.89	369.70

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.29 years (31 March 2023: 12.04 years).

Expected contribution to post-employment benefit plans in the next year is ₹ 39.71 lakhs (31 March 2023: nil).

F) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flows)- unfunded

Particulars	31 March 2024	31 March 2023
Less than 1 year	46.37	40.65
Between 1-2 years	-	-
Between 2-5 years	2.91	0.35
Over 5 years	4.96	1.06

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 1 to 20.01 years (31 March 2023: 1 to 23.34 years).

Expected contribution to post-employment benefit plans in the next year is ₹ 34.64 lakh (31 March 2023: ₹24.74 lakh).

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

39 Employee benefits (Contd.)

G) Amount for the current and previous four years are as follows - gratuity (funded):

Particulars	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Defined benefit obligation	902.33	756.44	679.60	645.54	595.88
Experience (loss)/gain adjustments on liabilities	(4.71)	(18.51)	(30.90)	(2.99)	36.53

H) Amount for the current and previous four years are as follows - gratuity (unfunded):

Particulars	31 March 2024	31 March 2023	31 March 2022	31 March 2022	31 March 2021
Defined benefit obligation	69.26	49.47	42.28	41.31	36.98
Experience gain adjustments on liabilities	4.99	6.34	6.07	0.74	22.20

iii) Other long-term employee benefit plans

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilized accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due in entirety 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 ₹ 88.20 lakh (31 March 2023: ₹ 58.10 lakh) 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 2024, provision for compensated absences amounts to ₹ 193.60 lakh (31 March 2023 - ₹ 186.96 lakh) presented as provisions for employee benefit obligations in note 21 - Provisions.

40

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 and accordingly there is no segment reporting applicable.

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 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 2024	For the year ended 31 March 2023
Net sales to external customers by geographic area by location of customers		
a) India	91,358.45	75,140.93
a) Outside India	932.07	1,145.78
Total	**92,290.52**	**76,286.71**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Non-current assets (other than non-current financial assets) by geographic areas		
a) India	29,167.12	29,368.49
a) Outside India	-	-
Total	**29,167.12**	**29,368.49**

40 (Contd.)

C. Information about major customers

Revenues of ₹ 30,059.04, ₹ 12,522.07 lakh and ₹ 9,751.53 lakh (31 March 2023: ₹ 16,364.11, ₹ 11,113.84 lakh and ₹ 8,426.22 lakh) are derived from three customers, who individually accounted for more than ten percent of the total revenue.

41 Contingent liabilities, contingent assets and commitments

A. Capital commitment:

(i) 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) ₹ 799.64 lakh (₹ 231.60 lakh as at 31 March 2023).

(ii) 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 2024	As at 31 March 2023
Contingent liabilities		
I) Claims against the Group not acknowledged as debt:		
i) Disputed liability - Central Excise Act (refer note 'a' below)	106.04	114.30
ii) Interest on disputed liability- Central Excise Act (refer note 'b' below)	73.71	70.25
iii) Disputed liability - GST Act. (refer note 'c' below)	50.00	50.00
iv) Demand under Income-tax Act, 1961		
- Assessment year: 2013-14	0.62	0.62
- Assessment year: 2016-17	2.94	2.94
- Assessment year: 2018-19	51.78	51.78
- Assessment year: 2020-21	142.58	142.58
Other commitments		
i) Export Promotion Capital Goods (EPCG) - export obligation* (refer note 'd' below)	-	4,361.44

*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.

a) Service tax demand amounting to ₹ 106.04 lakh 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 Holding Company had received an unfavorable order from the Joint Commissioner. On 2 August 2021, the Holding Company had filed an appeal against the aforesaid order with the Commissioner Appeals, however, the Holding Company had received an unfavorable 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.

b) Interest amounting to ₹ 73.71 lakh (31 March 2023 - ₹ 70.25 lakh) 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 Goods and Services Tax Act amounting to ₹ 50.00 lakh was raised during the previous year ended 31 March 2023 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 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 favorable 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.

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

41 Contingent liabilities, contingent assets and commitments (Contd.)

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 current year, has filed for the redemption/fulfilment of the export obligations in respect of one license under EPCG scheme with the relevant authorities. 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 ₹ 20.39 lakh (previous year ₹ 329.23 lakh) on foreclosure of this license 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 consolidated balance sheet as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Current	29.64	15.84
Non-current	122.34	5.05
Total	**151.98**	**20.89**

The maturity analysis of lease liabilities are disclosed hereunder. Also refer note 45(II)(ii).

Particulars	As at 31 March 2024			As at 31 March 2023		
	Principal	Interest	Total payments	Principal	Interest	Total payments
Less than 1 year	29.64	12.70	42.34	15.84	0.96	16.80
1–5 years	122.34	15.86	138.20	5.05	0.28	5.33
More than 5 years	-	-	-	-	-	-
Total	**151.98**	**28.56**	**180.54**	**20.89**	**1.24**	**22.13**

The following are amounts recognised in consolidated statement of profit and loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amortisation on right-of-use assets	50.43	42.02
Interest expense on lease liabilities	12.65	2.57
Rent expense*	122.09	111.20
Total	**185.17**	**155.79**

*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.

42 Lease related disclosures as lessee (Contd.)

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 equipment	22	1 - 5 years	22

The lease liabilities are secured by the related underlying assets.

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 ₹ 122.09 lakh (31 March 2023 - ₹ 111.20 lakh).

At 31 March 2024 and 31 March 2023, the Group is not committed to any liability towards short-term leases.

Total cash outflow for leases for the year ended 31 March 2024 was ₹159.98 lakh (31 March 2023 - ₹ 158.40 lakh) [including ₹ 122.09 lakh (31 March 2023 - ₹ 111.20 lakh) 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
Key management personnel (KMP)	Mr. Anil Aggarwal – Chairman and Managing Director
	Mr. Atul Aggarwal – Whole Time Director
	Mr. Akhill Aggarwal – Director
	Mr. Anish Agarwal - Director (with effect from 01 February 2024)
	Mr. Jaideep Wadhwa - Director
	Dr. Triloki Nath Kapoor- Independent director (till 31 March 2024)
	Ms. Malini Sud- Independent director (till 31 March 2024)
	Mr. Chotu Ram Sharma- Independent director (till 31 March 2024)
	Mr. Shailendra Swarup- Independent director
	Mr. Rakesh Batra - Independent Director
	Ms Rashmi Urdhwareshe - Independent Director (with effect from 01 February 2024)
	Mr. Vijay Madhav Paradkar- Independent Director (with effect from 01 March 2024)
Enterprise over which KMP exercise control and/or significant influence	Sterling Technologies Private Limited
	Sterling Automobiles Private Limited
	Manohar Lal Aggarwal Foundation *(formerly known as Sterling Tools Foundation)*
	Swarup & Company
Close members of KMP with whom transactions have occurred	Late Shri Manohar Lal Aggarwal (Father of Mr. Anil Aggarwal)
	Mrs. Promila Aggarwal (Wife of Mr. Anil Aggarwal)
	Ms. Ayesha Aggarwal (Daughter of Mr. Atul Aggarwal)
Joint venture company	Sterling Fabory India Private Limited (till 6 June 2022)

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(All amounts in lakhs of Indian Rupees, unless otherwise stated)

43 Related party disclosures (Contd.)

II Disclosure of related parties transactions (including material transactions):

The Group's related parties primarily consist of entities over which KMP have significant control/influence. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The following details summarise the related party transactions and balances included in the consolidated financial statements of the Group for the year ended and as at 31 March 2024 and 31 March 2023:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Transaction with enterprises over which KMP has control and/or significant influence		
a) Expenses paid- repairs and maintenance		
Sterling Automobiles Private Limited	4.83	2.87
	4.83	**2.87**
b) Expenses paid- Insurance/warranty		
Sterling Automobiles Private Limited	2.56	2.97
	2.56	**2.97**
c) Rent paid		
Sterling Technologies Private Limited	88.60	73.92
	88.60	**73.92**
d) Purchase of asset		
Sterling Automobiles Private Limited	20.07	5.55
	20.07	**5.55**
e) Corporate social responsibility expenses paid		
Manohar Lal Aggarwal Foundation (formerly known as Sterling Tools Foundation)	88.54	50.17
	88.54	**50.17**
f) Refund received of security deposit		
Sterling Technologies Private Limited	-	24.00
	-	**24.00**
g) Legal charges paid		
Swarup & Company	4.13	-
	4.13	-
ii) Transaction with joint venture company		
Disposal of investment in joint venture (including loss on disposal of investment)	-	115.19
	-	**115.19**
ii) Transaction with KMP and their close members		
Remuneration paid (A)		
Mr. Anil Aggarwal	240.56	211.04
Mr. Atul Aggarwal	235.46	205.16
Mr. Jaideep Wadhwa	322.61	15.67
	798.63	**431.87**
Commission paid (B)		
Mr. Anil Aggarwal	40.00	50.00
Mr. Atul Aggarwal	40.00	50.00
	80.00	**100.00**
Compensation to KMP * [(A)+(B)]		
- Short term employee benefits	622.88	489.64
- Defined contribution plans	56.06	42.23
- Share based payments	199.69	-
	878.63	**531.87**

* Does not include provisions/ contributions towards gratuity and compensated absences for all directors, as such provisions/ contributions are for the group as a whole.

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

43 Related party disclosures (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend paid		
Late Shri Manohar Lal Aggarwal	-	38.55
Mr. Anil Aggarwal	122.21	61.11
Mr. Atul Aggarwal	193.31	96.65
Mrs. Promila Aggarwal	14.02	7.01
Mr. Akhill Aggarwal	53.76	16.60
Mr. Anish Aggarwal	54.58	17.01
Ms. Ayesha Aggarwal	35.98	-
Mr. Jaideep Wadhwa	0.28	0.14
	474.14	**237.07**
Director sitting fees		
Mr. Triloki Nath Kapoor	2.50	2.50
Ms. Malini Sud	2.50	2.50
Mr. Chotu Ram Sharma	7.50	6.00
Mr. Shailendra Swarup	6.50	5.50
Mr. Rakesh Batra	9.00	6.00
Ms. Rashmi Urdhwareshe	0.50	-
	28.50	**22.50**
Legal and professional charges		
Mr. Jaideep Wadhwa	-	75.00
	-	**75.00**
Reimbursement of expenses		
Mr. Jaideep Wadhwa	25.08	24.22
	25.08	**24.22**

Particulars	As at 31 March 2024	As at 31 March 2023
iii) Closing balances		
Commission payable		
Mr. Anil Aggarwal	24.03	39.98
Mr. Atul Aggarwal	23.25	38.89
Total	**47.28**	**78.87**
Legal and professional charges payable		
Mr. Jaideep Wadhwa	-	5.63
	-	**5.63**
Outstanding payable		
Sterling Automobiles Private Limited	0.24	0.29
Swarup & Company	0.62	-
Total	**0.86**	**0.29**
Outstanding receivable		
Mr. Jaideep Wadhwa	0.17	-
Total	**0.17**	**-**

44 Corporate social responsibility

The Holding Company and its subsidiary'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 respective entities as per the Act.

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

44 Corporate social responsibility (Contd.)

a) Details of CSR expenditure of the Holding Company and its subsidiary company are as under:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gross amount required to be spent by the Holding company and its subsidiary during the year (A)	89.80	75.13
Shortfall of the previous year (B)	24.96	-
Total (A+B)	**114.76**	**75.13**
Amount spent during the year* [refer note (b) below]	114.76	50.17
Shortfall/(surplus) for the year	**-**	**24.96**

* Includes amount spent during the year amounting to ₹ 24.96 lakhs pertaining to previous year. Refer note (e) below

The shortfall in the amount required to be spent during the previous year was on account of the fact that the Holding Company had certain on-going projects on which such unspent amounts were identified to be spent. The Holding Company had transferred the unspent amount of ₹ 24.96 lakh to a separate bank account on 28 April 2023 in accordance with the requirements of section 135 of the Act. There is no shortfall in the current year.

b) Details of CSR expenses incurred:

Amount spent during the year ended 31 March 2024:

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	114.76	Others	114.76

Amount spent during the year ending 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

The aforesaid CSR expenditure amounting to ₹ 88.54 lakh (31 March 2023 - ₹ 50.17 lakh) pertains to contribution to Manohar Lal Foundation (formerly known as Sterling Tools Foundation), 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 Group has made provision of ₹ Nil (previous year- ₹ 24.96 lakh) for corporate social responsibility expenses.

Movement in the provision for corporate social responsibility

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	24.96	-
Add: provision made during the year	-	24.96
Less: amounts adjusted/utilised during the year	(24.96)	-
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.

e) The Holding Company have no ongoing projects as at 31 March 2024. However, there were on-going projects as at 31 March 2023.

44 Corporate social responsibility (Contd.)

Details of on-going projects are as follows:

Particulars	With the Company	In separate CSR unspent account
Balance as on 1 April 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**
Amount required to be spent during the year	89.80	-
Amount spent during the year	(89.80)	(24.96)
Balance as on 31 March 2024	**-**	**-**

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 are measured at fair value through other comprehensive income. Other than the aforementioned, all other financial assets and liabilities viz. 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 financials liabilities, including their levels of in the fair vale hierarchy:

As at 31 March 2024

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*	1,153.98	-	-	-	1,153.98	-	-	1,153.98	1,153.98
Financial assets which are measured at amortised cost for which fair values are disclosed									
Loans	-	-	10.40	-	10.40				
Other financial assets	-	-	708.55	-	708.55				
Trade receivables	-	-	8,964.74	-	8,964.74				
Cash and cash equivalents	-	-	2,460.58	-	2,460.58				
Other bank balance	-	-	8,038.78	-	8,038.78				
	1,153.98	**-**	**20,183.05**	**-**	**21,337.03**				

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

45 Fair value measurements (Contd.)

Particulars	FVOCI	Carrying amount				Fair value			
		FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value									
Other forward exchange contracts	-	8.23	-	-	8.23	-	8.23	-	8.23
Financial liabilities which are measured at amortised cost for which fair values are disclosed									
Borrowings	-	-	-	11,601.35	11,601.35				
Lease liabilities	-	-	-	151.98	151.98				
Trade payables	-	-	-	7,523.43	7,523.43				
Other financial liabilities	-	-	-	534.88	534.88				
	-	**8.23**	**-**	**19,811.64**	**19,819.87**				

Particulars	FVOCI	Carrying amount				Fair value			
		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 which are measured at amortised cost for which fair values are disclosed									
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 which are measured at amortised cost for which fair values are disclosed									
Borrowings	-	-	-	13,256.97	13,256.97				
Lease liabilities	-	-	-	20.90	20.90				
Trade payables	-	-	-	5,835.70	5,835.70				
Other financial liabilities	-	-	-	849.58	849.58				
	-	**-**	**-**	**19,963.15**	**19,963.15**				

*The equity securities which are not held for trading, and for which the Holding 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 Holding Company considered this to be more relevant.

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

45 Fair value measurements (Contd.)

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 2024 and 31 March 2023.

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 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: - 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 amortized cost, 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.

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

45 Fair value measurements (Contd.)

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- 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 automotive components 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 of other company. The Holding Company does not expect the counterparty to fail to meet its obligations.

Plan assets

The Holding Company has taken gratuity insurance policy from LIC of India for funding of its employee benefit obligations, LIC of India generally invest in securities of high credit rating.

(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 2024			31 March 2023		
	Gross amount	Expected credit loss	Net amount	Gross amount	Expected credit loss	Net amount
Financial assets for which loss allowance is measured using 12 months expected credit loss model:						
Non-current investments	1,153.98	-	1,153.98	1,531.86	-	1,531.86
Other non-current financial assets	541.90	-	541.90	469.42	-	469.42
Current investments	-	-	-	500.08	-	500.08

45 Fair value measurements (Contd.)

Particulars	31 March 2024			31 March 2023		
	Gross amount	Expected credit loss	Net amount	Gross amount	Expected credit loss	Net amount
Cash and cash equivalents	2,460.58	-	2,460.58	460.24	-	460.24
Other bank balances	8,038.78	-	8,038.78	5,026.96	-	5,026.96
Current loans	10.40	-	10.40	25.60	-	25.60
Other current financial assets	166.65	-	166.65	152.28	-	152.28
	12,372.29	**-**	**12,372.29**	**8,166.44**	**-**	**8,166.44**
Financial assets for which loss allowance is measured using life time expected credit loss:						
Trade receivables	9,129.60	(164.86)	8,964.74	8,283.79	(147.29)	8,136.50
	9,129.60	**(164.86)**	**8,964.74**	**8,283.79**	**(147.29)**	**8,136.50**

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.

The expected credit loss on trade receivables has been determined as follows under the simplified approach:

Ageing as at 31 March 2024	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount as 31 March 2024	6,014.55	2,778.81	108.29	71.93	107.39	48.63	9,129.60
Expected loss rate	-	-	-	24%	98%	86%	
Expected credit losses	-	-	-	17.57	105.41	41.88	164.86
Carrying amount of trade receivables (net of impairment)	**6,014.55**	**2,778.81**	**108.29**	**54.36**	**1.98**	**6.75**	**8,964.74**

Ageing as at 31 March 2023	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount as 31 March 2023	5,548.62	2,536.92	39.97	108.51	12.89	36.88	8,283.79
Expected loss rate	-	-	-	97%	39%	100%	
Expected credit losses	-	-	-	105.41	5.05	36.83	147.29
Carrying amount of trade receivables (net of impairment)	**5,548.62**	**2,536.92**	**39.97**	**3.10**	**7.84**	**0.05**	**8,136.50**

For reconciliation of expected credit loss on trade receivables, refer note 11.

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.

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

45 Fair value measurements (Contd.)

As at 31 March 2024, the Group has a working capital of ₹ 20,644.95 lakh (31 March 2023 - ₹ 15,695.72 lakh) including cash and cash equivalents of ₹ 2,460.58 lakh (31 March 2023 - ₹ 460.24 lakh).

(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 2024	As at 31 March 2023
Non- derivative financial liabilities		
Floating-rate borrowings		
- Expiring within one year	16,147.45	7,694.12
- Expiring beyond one year	-	-

(ii) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March 2024

Contractual maturities of financial liabilities	Contractual cash flows					
	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	Total
Non-derivative financial liabilities						
Non current borrowings	768.75	717.26	615.78	430.74	3,500.94	6,033.47
Lease liabilities	6.96	7.14	14.24	14.00	138.20	180.54
Other non-current financial liabilities						
- Security deposits	-	-	-	-	45.76	45.76
Current borrowings						
- Working capital loans	6,276.84	-	-	-	-	6,276.84
Trade payables	7,523.43	-	-	-	-	7,523.43
Creditors for capital goods	172.38	-	-	-	-	172.38
Interest accrued but not due	35.34	-	-	-	-	35.34
Employee related payables	305.40	-	-	-	-	305.40
Unclaimed dividend	11.34	-	-	-	-	11.34
Derivative financial liabilities						-
Other forward exchange contracts	8.23	-	-	-	-	8.23
Total	**15,108.67**	**724.40**	**630.02**	**444.74**	**3,684.90**	**20,592.73**

31 March 2023

Contractual maturities of financial liabilities	Contractual cash flows					
	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	Total
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**

45 Fair value measurements (Contd.)

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.

(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 2024					
	EURO	JPY	USD	CNY	GBP	HKD
Financial assets						
Trade receivables	108.88	0.08	3.17	0.02	0.63	0.06
Financial liabilities						
Trade payables	-	-	45.12	2,340.18	-	-
Derivatives liabilities	-	-	8.23	-	-	-
Net exposure to foreign currency risk - assets / (liabilities)	**108.88**	**0.08**	**(50.18)**	**(2,340.16)**	**0.63**	**0.06**

Particulars	As at 31 March 2023					
	EURO	JPY	USD	CNY	GBP	HKD
Financial assets						
Trade receivables	133.82	-	-	-	-	-
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)**	**-**	**-**

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 (after 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 (after tax) and equity	
	Strengthening	Weakening
31 March 2024		
INR/EUR	5.44	(5.44)
INR/USD	(2.51)	2.51
INR/CNY	(117.01)	117.01
INR/GBP	0.03	(0.03)

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

45 Fair value measurements (Contd.)

5% movement	Profit and loss (after tax) and equity	
	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

(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 2024	31 March 2023
Financial assets:		
Fixed rate instruments		
- Fixed deposits	7,303.92	4,933.02
Total	**7,303.92**	**4,933.02**
Variable-rate instruments		
- Rupee term loans	5,289.18	5,945.62
- Working capital facilities	4,852.54	5,605.88
Total	**10,141.72**	**11,551.50**

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 (after 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 (after tax) and equity	
	100 bps increase	100 bps decrease
31 March 2024		
Rupee term loans	(38.97)	38.97
Working capital facilities	(39.51)	39.51
Cash flow sensitivity (net)	**(78.48)**	**78.48**

Particulars	Profit or loss (after tax) and equity	
	100 bps increase	100 bps decrease
31 March 2023		
Rupee term loans	(41.31)	55.21
Working capital facilities	(42.57)	56.89
Cash flow sensitivity (net)	**(83.88)**	**112.10**

45 Fair value measurements (Contd.)

(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. There were no investment in mutual funds/listed equity instruments as at 31 March 2024.

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 (after tax) and equity				Value of investment			
	For the year ended 31 March 2024		For the year ended 31 March 2023		As at 31 March 2024		As at 31 March 2023	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Investment in mutual funds and equity instruments	-	-	11.03	(11.03)	-	-	5.00	(5.00)

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 2024	31 March 2023
Total borrowings	11,601.35	13,256.96
Less : Cash and cash equivalents	2,460.58	460.24
Net debt	**9,140.77**	**12,796.72**
Total equity	**44,710.85**	**40,042.74**
Net debt to equity ratio	**0.20**	**0.32**

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(All amounts in lakhs of Indian Rupees, unless otherwise stated)

47 Interests in other entities

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 2024	31 March 2023	31 March 2024	31 March 2023	
Haryana Ispat Private Limited	India	100.00%	100.00%	-	-	Leasing of immovable property
Sterling Gtake E-Mobility Limited	India	100.00%	100.00%	-	-	Manufacturing and trading of motor control unit (MCU) used in automobile industry
Sterling Advanced Electric Machines Private Limited	India	100.00%	100.00%	-	-	Manufacturing of magnet free motor and associated powertrain components

48 Employee Stock Option Plan ('ESOP')

During the year ended 31 March 2024, the Holding Company vide resolution dated 30 October 2023, approved the 'STL-Employee Stock Option Plan-2023'. The Employee Stock Option Plan ('ESOP') is introduced to provide employees of the Group, with an additional incentive based on productivity and performance and thereby to motivate them to contribute to the overall corporate growth and profitability. The Holding Company aims to make the overall compensation structure attractive to attract, retain and suitably reward the employees and unify the interests of the Group's personnel and shareholders.

Under the plan, options granted to the employees shall vest on satisfying time-based eligibility criteria, which shall not be earlier than one year and not later than the maximum period of five years from the date of the grant of the options. The options which have vested can be exercised by the eligible employees within a period of ten years from the date of vesting. When exercisable, each option is convertible into one equity share.

Below is a summary of options granted under the plan:

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	No. of options	Weighted average exercise price (in ₹)	No. of options	Weighted average exercise price (in ₹)
Total no. of options granted till date	6,40,431		-	
Opening balance as at the beginning of the year	-	-	-	-
Granted during the year	6,40,431	2	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	-	-	-	-
Closing balance as at the end of the year	**6,40,431**	**2**	**-**	**-**
Exercisable as at the end of the year	-		-	
Weighted average share price at the date of exercise (₹)	-		-	
Weighted average remaining period (in years)	7.34 years		-	
Exercise price (₹)	2		-	-

48 Employee Stock Option Plan ('ESOP') (Contd.)

The fair value of the options, calculated by the external valuer, was estimated on the date of grant by an independent valuer using the Black Scholes option pricing model, with the following significant assumptions:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Exercise price (₹)	2	-
No. of options granted	6,40,431	
Fair value of option on grant date (₹)	355.60 to 360.80	-
Expected volatility (%)	47.60% to 48.70%	-
Average exercise period	5 years	-
Total expected option life	6 to 9 years	-
Dividend yield (%)	0.50%	-
Risk free interest rate (%)	7.20% to 7.30%	-
Share price at the grant date	373.10	-
Average vesting period (in years)	1 to 4 years	

Expected volatility during the expected life of the options is estimated using the historical volatility of the Holding Company during the period equivalent to the expected life of the options from the grant date. As the options are vesting on graded basis, the expected volatility has been estimated for each tranche of the options vested using the historical volatility of the Company during the period equivalent to the expected life of each tranche of the options.

The related compensation cost has been calculated using fair value method as described above and the Group has recorded an expense of ₹ 199.69 lakhs during the year (31 March 2023: ₹ Nil) under 'employee benefits expense' in accordance with Ind AS 102, Share based payments.

49

The Board of Directors of the Holding Company have considered and approved the amalgamation of Haryana Ispat Private Limited, a wholly owned subsidiary, by way of a scheme of amalgamation in its meeting dated 1 February 2024. Thereafter, the scheme has been filed at the Delhi Bench of the Hon'able National Company Law Tribunal ('the NCLT') and the approval of the NCLT is awaited.

50

As per Section 128 of the Companies Act, 2013 read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 with reference to use of accounting software by the Group for maintaining its books of account, has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such change were made and ensuring that the audit trail cannot be disabled is applicable with effect from the financial year beginning on 1 April 2023.

The Holding Company uses an accounting software for maintenance of books of account, which records the logs for all the transactions and edit logs for the changes therein. However, the edit logs of events for the changes directly at the database level was enabled at certain specific areas/tables.

Further, accounting software used for payroll processing of the Holding Company is operated by a third party software service provider and the availability of audit trail (edit logs) at the database levels are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information).

Further, the subsidiary company, Sterling Gtake Emobility Limited uses an accounting software for maintenance of books of accounts, which has a feature of recording edit logs and the same has been enabled through out the year.

With respect to the other two subsidiaries, Haryana Ispat Private Limited and Sterling Advanced Electric Machines Private Limited, the books of accounts of such companies is maintained manually and provisions of section 128 of the Act are not applicable.

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

51 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 2024	Year ended 31 March 2023
Revenue by geography		
Domestic	91,358.45	75,140.93
Export	932.07	1,145.78
	92,290.52	**76,286.71**
Customer wise		
Related party	-	-
Non-related party	92,290.52	76,286.71
	92,290.52	**76,286.71**
Revenue by time		
Revenue recognised at point in time	92,290.52	76,286.71
	92,290.52	**76,286.71**

(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 2024	Year ended 31 March 2023
Amounts included in contract liabilities at the beginning of the year	211.51	236.69
Performance obligations satisfied in previous years	-	-
	211.51	**236.69**

(c) Assets and liabilities related to contracts with customers

Description	As at 31 March 2024		As at 31 March 2023	
	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	-	310.84	-	211.51
Contract liabilities - Security deposit	54.40	-	47.90	-

(d) Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

Description	31 March 2024	31 March 2023
Opening balance of contract liabilities	**259.41**	**272.44**
Amount of revenue recognised against opening contract liabilities	(211.51)	(236.69)
Addition in balance of contract liabilities for current year	317.34	223.66
Closing balance of contract liabilities	**365.24**	**259.41**

There has been no significant changes in contract assets/liabilities during the year.

51 Disclosures pursuant to Ind AS 115, Revenue from Contracts with Customers, are as follows: (Contd.)

(e) Reconciliation of revenue recognised in Consolidated Statement of Profit and Loss with contract price

Description	Year ended 31 March 2024	Year ended 31 March 2023
Contract price	97,198.47	77,792.96
Less: Discounts and freight	4,907.95	1,506.25
Revenue from operations as per Consolidated Statement of Profit and Loss	**92,290.52**	**76,286.71**

(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 recognized 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 recognize 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 recognizes 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.

52 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Act:

(I) For the financial year ended 31 March 2024

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	39,897.14	89.23%	3,876.08	70.01%	(346.22)	99.60%	3,529.86	68.04%
Subsidiaries (Indian)								
Haryana Ispat Private Limited	12.09	0.03%	(3.92)	-0.07%	-	-	(3.92)	-0.08%
Sterling Gtake E-Mobility Limited	4,800.90	10.74%	1,664.62	30.07%	(1.40)	0.40%	1,663.22	32.05%

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

52 (Contd.)

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
Sterling Advanced Electric Machines Private Limited	0.72	0.00%	(0.28)	-0.01%	-	0.00%	(0.28)	-0.01%
Total	**44,710.85**	**100%**	**5,536.50**	**100%**	**(347.62)**	**100%**	**5,188.88**	**100%**

(II) For the financial year ended 31 March 2023

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%	4,034.30	84%	50.33	98.40%	4,084.63	84.41%
Subsidiaries (Indian)								
Haryana Ispat Private Limited	16.01	0.04%	5.46	0%	-	-	5.46	0.11%
Sterling Gtake E-Mobility Limited	2,937.98	7.34%	748.04	16%	0.82	1.60%	748.86	15.48%
Total	**40,042.74**	**100%**	**4,787.80**	**100%**	**51.15**	**100%**	**4,838.95**	**100%**

53 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 financial year 2023-24, which is subject to the approval of the members at the ensuing Annual General Meeting.

54 Other statutory information

(i) 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.

(ii) The Group has not been declared willful defaulter by any bank or financial institutions or other lenders.

(iii) 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.

(iv) 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.

(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.

Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2024

(All amounts in lakhs of Indian Rupees, unless otherwise stated)

54 Other statutory information (Contd.)

(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.

55 Previous period/year figures have been regrouped/reclassified, where necessary, to conform to the current period's classification. The impact of such reclassification/regrouping is not material to the consolidated financial statements.

As per our report of even date attached.

For **Walker Chandiok & 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 : 00027214

Atul Aggarwal
Director
DIN : 00125825

Pankaj Gupta
Chief Financial Officer

Abhishek Chawla
Company Secretary
Membership No. A34399

Place: Faridabad
Date: 10 May 2024

STERLING TOOLS LIMITED

CIN No.: L29222DL1979PLC009668

Regd. Office: DJ-1210, 12th Floor, DLF Tower-B, 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-Fifth Annual General Meeting of the Members of **Sterling Tools Limited** will be held on Friday, 13th September, 2024 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 31st March 2024 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 31st March, 2024 containing the Balance Sheet as at 31st March 2024 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 Financial Year 2023-24

To declare dividend on equity shares for the financial year ended 31st March, 2024, 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 only) per equity share of face value of ₹ 2/- (Two Rupees only) 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 31st March 2024 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. Atul Aggarwal (DIN 00125825) 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. Re-appointment of Mr. Shailendra Swarup (DIN 00167799) as a Non-executive Independent Director of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 12th August, 2024 and 13th August, 2024 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Shailendra Swarup (DIN 00167799), whose current period of office is expiring on 16th December, 2024 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Act read with the Listing Regulations, as amended from time to time, and has attained the age of 79 years and being eligible for re-appointment for second term under the provisions of the Act, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a

Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as a Non-executive Independent Director of the Company, who shall not be subject to Retire by rotation, to hold office for second term of five consecutive years with effect from 17th December, 2024 on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To ratify the remuneration of the Cost Auditors for the Financial Year 2024-25:

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 31st March, 2025, amounting to ₹ 1,60,000/- (Rupees One Lakh Sixty Thousand only), plus taxes as applicable and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized 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**

(Abhishek Chawla)
Company Secretary
Membership No. A34399
House No. 004, Tower B 12A,
RPS Savana, Faridabad-121003

Date: 13th August, 2024
Place: Faridabad

Registered Office:
DJ-1210, 12th Floor,
DLF Tower-B, Jasola District Centre,
New Delhi – 110025

Notice (Contd.)

NOTES:

1. **Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022, 09/2023 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, 28th December, 2022 and 25th September, 2023 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 May 12, 2020, January 15, 2021, May 13,2022, January 5, 2023, October 6, 2023, and October 7, 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 45th 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 DJ-1210, 12th Floor, DLF Tower-B, Jasola District Centre, New Delhi – 110025.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Business, i.e., Item Nos. 4 & 5, to be transacted AGM is annexed hereto.

4. A statement giving relevant details of the directors seeking appointment/ reappointment under Item No. 3 & 4 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith as **Annexure-I**.

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 Scrutinizer to scrutinize 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/ authorization etc., authorizing its representative to attend AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer by email through its registered email address to santosh@kritiadvisory.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 authorized 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 to 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 before 5:00 P.M. (IST) of Wednesday, 11th September, 2024 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 Saturday, 7th September, 2024 to Friday, 13th September, 2024 (both days inclusive) for the purpose of annual closure of books.

13. Dividend on Company's Equity Shares for the year ended 31st March 2024, 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 dematerialized 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 Friday, 6th September, 2024.

    (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 Friday, 6th September, 2024.

    (iii) The Dividend, if approved, will be payable as per the stipulated timeline under section 123 of the Companies Act, 2013.

14. The Securities and Exchange Board of India ('SEBI'), vide its various circulars has mandated 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.

    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 1st 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;
    vi. Cancelled cheque ;
    vii. 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.

15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 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 dematerialized form. Members may also visit website of depositories viz. National Securities Depository Limited ("NSDL") at https://nsdl.co.in/faqs/faq.php or Central Depository Services (India) Limited ("CDSL") at https://www.cdslindia.com/Investors/open-demat.html for further understanding the demat procedure. 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.

    Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization 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 Ltd, 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 dematerialize their holdings at the earliest.

Notice (Contd.)

16. 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.

17. 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.

18. 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 2023-24 and login details for e-voting.

    I. 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.

    II. Demat Holding

    Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

19. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 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 to obtain 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 45th AGM and Annual Report 2023-24 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 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 45th AGM along with Annual report 2023-24 shall only be sent to those Members who request for the same.

20. 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 6th September 2024, such person may obtain the User ID and Password from RTA by e-mail request on investor@masserv.com

21. With a view to helping us 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.

22. 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.

23. Members of the Company are informed that pursuant to section 124 and other applicable provisions of the Companies Act, 2013 and the relevant rules, 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 2016-17 has already been transferred to IEPF. Members who have not encashed their dividend warrant(s), for the years 2017-18 to 2022- 23 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
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	27/10/2029
2022-2023 Final	18/09/2023	20/10/2030

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.

24. In terms of SEBI Circular dated 9th 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.

25. 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.

    Further, dividend to the security holders holding shares in physical mode shall be paid only through electronic mode. 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. Updating 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.

    Shareholders are requested to ensure that their bank account details in their respective demat accounts are updated to enable the Company to provide timely credit of dividend in their bank accounts.

26. 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 w.e.f. 1st 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 2023-24 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 if 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.

27. The documents referred to 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.

28. 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

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are interested under Section 189 of the Act shall be available for inspection upon login at NSDL e-voting system at https://www.evoting.nsdl.com.

29. 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 45th Annual General Meeting (AGM) through electronic voting system, to members holding shares as on Friday, 6th September, 2024 (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 Tuesday, 10 September 2024 at 9:00 A.M. (IST) and ends on Thursday, 12 September 2024 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) Friday, 06 September 2024, may cast their vote electronically. The voting right of shareholders/Members shall be in proportion to their share in the paid- up equity share capital of the Company as on the cut-off date, being Friday, 06 September 2024.

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 December 9, 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.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are 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 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 hold 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 company name or e-Voting service provider i.e. 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.

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Type of shareholders	Login Method
	4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play  
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www. cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the Evoting is in progress as per the information provided by company. On clicking the Evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www. cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. 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.

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.com or call at toll free no.: 1800 1020 990 and 1800 2244 30
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

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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 user 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. a .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.com 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.com

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 mode 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 (A) 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.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members 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 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.

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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 abhishekc@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 for as the Scrutinizer for providing facility to the members of the Company to scrutinize 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 scrutinizer, 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 two 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 authorized 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 Scrutinizer 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 authorized 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. Friday, 13th September, 2024.

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 directors are liable to retire by rotation at the ensuing AGM:

A. Mr. Atul Aggarwal

Annexure-I

Details of Directors seeking appointment / re-appointment in the Annual General Meeting scheduled on Friday, 13th September 2024 (Pursuant to Regulation 36(3) of the SEBI (LODR) regulations, 2015 and Secretarial Standards are as follows:

Name	Mr. Atul Aggarwal	Mr. Shailendra Swarup
DIN	00125825	00167799
Age	60 Years	79 Years
Qualification and Experience (including expertise in specific functional area) / Brief Resume	Mr. Atul Aggarwal is a Graduate of Shri Ram College of Commerce, Delhi, and MBA from University of North Carolina at Chapel Hill. He is leading STL's Market Development, Finance, IT & HR functions and has been responsible for the transformation of the Company into a leading auto Component Company.	Mr. Shailendra Swarup, holds a bachelor's degree in arts and is also a law graduate. He is a Corporate Lawyer and has also been practicing as an Advocate in the Delhi High Court and the Supreme Court for over 56 years. He is acting as an Independent Director on the Board of various listed as well as unlisted entities.
Skills and Capabilities	Mr. Atul Aggarwal has at different times lead STL's Market Development, Finance, IT & HR functions and has been responsible for the transformation of the Company into a leading auto component company in India. He has handled his various responsibilities with dedication and a high degree of competence.	Detailed in Explanatory Statement (Item no. 4)
Date of first appointment on the Board	30th September, 1994	17th December, 2019
Directorships held in other companies	1. Sterling Gtake E- Mobility Limited 2. Sterling Advanced Electric Machines Private Limited 3. Sterling Automobiles Private Limited 4. Jaycee Automobiles Private Limited 5. Ester Industries Limited 6. Delton Cables Limited	1. Bengal & Assam Company Limited 2. Jagran Prakashan Limited 3. Gujarat Fluorochemicals Limited 4. Dev Valley Devcon Private Limited 5. Vis Legis Consult Private Limited. 6. Kangaroo Properties And Services Private Limited
Resignations from the Listed Companies in the past three years	NIL	1. J.K. Paper Limited 2. Subros Limited
Chairman / member of the Committee of the Board of Directors of the Company as on date of Appointment	1. Audit Committee – Member 2. Stakeholders Relationship Committee – Member 3. Share Transfer Committee – Member 4. Risk management Committee-Member	1. Audit Committee – Member 2. Stakeholders Relationship Committee – Chairman 3. Nomination and Remuneration Committee -Member
Memberships/ Chairmanships of committees of other companies	**A. Ester Industries Limited** 1. Audit Committee- Member 2. Nomination and Remuneration Committee- Member	**A. Bengal & Assam Company Limited** 1. Audit Committee- Member 2. Risk Management Committee- Chairman

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Name	Mr. Atul Aggarwal		Mr. Shailendra Swarup	
	B. Delton Cables Limited 1. Nomination and Remuneration Committee- Member		**B. Jagran Prakashan Limited** 1. Audit Committee- Member 2. Nomination and Remuneration Committee- Member **C. Gujarat Fluorochemicals Limited** 1. Audit Committee – Member 2. Stakeholders Relationship Committee – Chairman 3. Nomination and Remuneration Committee -Member 4. Risk Management Committee- Member 5. CSR Committee- Member	
Number of Equity Shares held in the Company	9665367 Equity Shares of ₹ 2/- each.		NIL	
Relationship between Directors and other KMPs inter-se	Brother of Chairman and Whole Time Director – Anil Aggarwal		None	
Number of meetings of the Board, Audit Committee and the Stakeholders' Relationship Committees attended during the last financial year (FY 2023-24)	**Meeting**	**No.**	**Meeting**	**No.**
	Board Meeting	4	Board Meeting	4
	Audit Committee	He was not member in FY24	Audit Committee	4
	Stakeholders' Relationship Committees	1	Stakeholders' Relationship Committees	1
Remuneration (including sitting fees, if any) last drawn in financial year (FY 2023-24)	Remuneration including Commission, Perquisites and other allowances paid during the Financial year 2023-24 is ₹ 2,75,45,546		Sitting fees as may be approved by the Board from time to time.	
Remuneration proposed to be paid and Terms and conditions of Appointment/ Re-appointment	The remuneration will be in accordance with the terms and conditions approved by the members through special resolutions dated 25th September 2020 and 28th June 2024 (Basic Salary: ₹ 156 Lacs per annum, Perquisites and Allowances: ₹ 6.5 Lacs per annum, Commission: 1% of the profit, and other terms as referred to in the said resolutions).		Detailed in Explanatory Statement (Item no. 4)	

By Order of the Board
For **Sterling Tools Limited**

(Abhishek Chawla)
Company Secretary
Membership No. A34399
House No. 004, Tower B 12A,
RPS Savana, Faridabad-121003

Date: 13th August, 2024
Place: Faridabad

Registered Office:
DJ-1210, 12th Floor,
DLF Tower-B, Jasola District Centre,
New Delhi – 110025

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

Re-appointment of Mr. Shailendra Swarup (DIN 00167799) as a Non-executive Independent Director of the Company

At the Annual General Meeting held on 25th September 2020, Mr. Shailendra Swarup was appointed as an Independent Director of the Company for a period of five consecutive years w.e.f. 17th December 2019. Since Mr. Shailendra Swarup is completing his first term as an Independent Director of the Company on 16th December 2024, he is eligible for re-appointment for the second term.

Based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors in their respective meetings held on 12th August and 13th August 2024, subject to the approval of Members and pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure, and the outcome of the performance evaluation of the Independent Directors, Mr. Shailendra Swarup (DIN 00167799) is to be re-appointed as an Independent Non-Executive Director of the Company for a second term of five years w.e.f. 17th December 2024 to 16th December 2029. Also, in the best interest of the Company, it is desirable to continue availing his services. His presence on the Board of the Company adds more value to the deliberations at the Committee and Board meetings.

Mr. Shailendra Swarup holds a bachelor's degree in arts and is also a law graduate. He is a Corporate Lawyer and has been practicing as an Advocate in the Delhi High Court and the Supreme Court for over 56 years. He is acting as an Independent Director on the Board of various listed as well as unlisted entities. Mr. Swarup was a Member of the Task Force on Corporate Governance constituted by the Confederation of Indian Industry. He was a member of the Ganguly Committee constituted by the Reserve Bank of India in the year 2002 on Corporate Governance of public sector banks and financial institutions with particular emphasis on the role of Independent Directors. As of now, he does not hold any shares of the Company.

As per Regulation 17(1A) of SEBI Listing Regulations, consent of the Members by way of Special Resolution is also required for appointment of a Non-Executive Director beyond the age of seventy-five years. The Special Resolution under Item No 4, once passed, shall also be deemed as your approval under the provisions of Regulation 17(1A) of SEBI Listing Regulations for appointment of Mr. Shailendra Swarup as Independent Director beyond the age of seventy-five years. Further, Mr. Shailendra Swarup shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Mr. Shailendra Swarup, being eligible for re-appointment as Independent Director for the second term, providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from Mr. Shailendra Swarup confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(b) of the Listing Regulations, as amended from time to time. Mr. Shailendra Swarup is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Mr. Shailendra Swarup to be re-appointed as an Independent Non-Executive Director of the Company as per the provisions of the Companies Act, 2013.

A copy of the draft letter for re-appointment of Mr. Shailendra Swarup setting out the terms and conditions of re-appointment is available for inspection between 11:00 a.m. and 1:00 p.m. during office hours on all working days except Sundays and holidays at the Registered Office of the Company. Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Accordingly, the consent of the Members is sought to pass a Special Resolution as set out in this item of the Notice for the re-appointment of Mr. Shailendra Swarup as an Independent Director of the Company.

Except for Mr. Shailendra Swarup, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 4. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Notice (Contd.)

Item No. 5

The Board of Directors, 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 31st March, 2025, at an Annual Fee of ₹ 1.60 Lacs plus applicable Taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit.

In accordance with the provisions of Section 148 of the companies 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 31st March, 2025.

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. 5 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, Faridabad-121003

Date: 13th August, 2024
Place: Faridabad

Registered Office:
DJ-1210, 12th Floor,
DLF Tower-B, Jasola District Centre,
New Delhi – 110025

Notes

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

a K&A creation | www.kalolwala.com