

**STERLING TOOLS LIMITED**

CIN: L29222DL1979PLC009668



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

**Date: 30<sup>th</sup> August, 2025****Sub: Notice of the 46<sup>th</sup> Annual General Meeting along with the Annual Report for the financial year 2024-25 under Regulation 34 of SEBI (Listing Obligations & Disclosures Requirements), 2015**

Dear Sir/ Madam

With reference to the captioned subject, we are submitting herewith the Notice of Annual General Meeting ("AGM") along with the Annual Report for the Financial Year 2024-25, which is being sent to the Shareholders by Electronic Mode.

The 46<sup>th</sup> Annual General Meeting of the Company will be held on Thursday, 25<sup>th</sup> September 2025 at 10:00 AM (IST) through Video Conferencing/Other Audio Visual means.

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

<b>Events</b>	<b>Day and Date</b>	<b>Time (IST)</b>
Relevant Date/Record Date/Cut- off date to vote on AGM Resolution	Thursday, 18 <sup>th</sup> September 2025	NA
Book Closure Date for AGM and Final Dividend	Friday, 19 <sup>th</sup> September 2025 to Thursday, 25 <sup>th</sup> September 2025 (both days inclusive)	NA
Remote e-voting Start date and time	Monday, 22 <sup>nd</sup> September 2025	09.00 A.M.
Remote e-voting End date and time	Wednesday, 24 <sup>th</sup> September 2025	05:00 P.M.
AGM date and time	Thursday, 25 <sup>th</sup> September 2025	10:00 A.M.

The Annual Report containing the notice is also uploaded on the Company's website viz. <https://stlfasteners.com/assets/upload/investors/20250823175631-agm-annual-report-2024-25-251787316741.pdf>.

Kindly take the same on record.

Thanking You

For **STERLING TOOLS LIMITED**

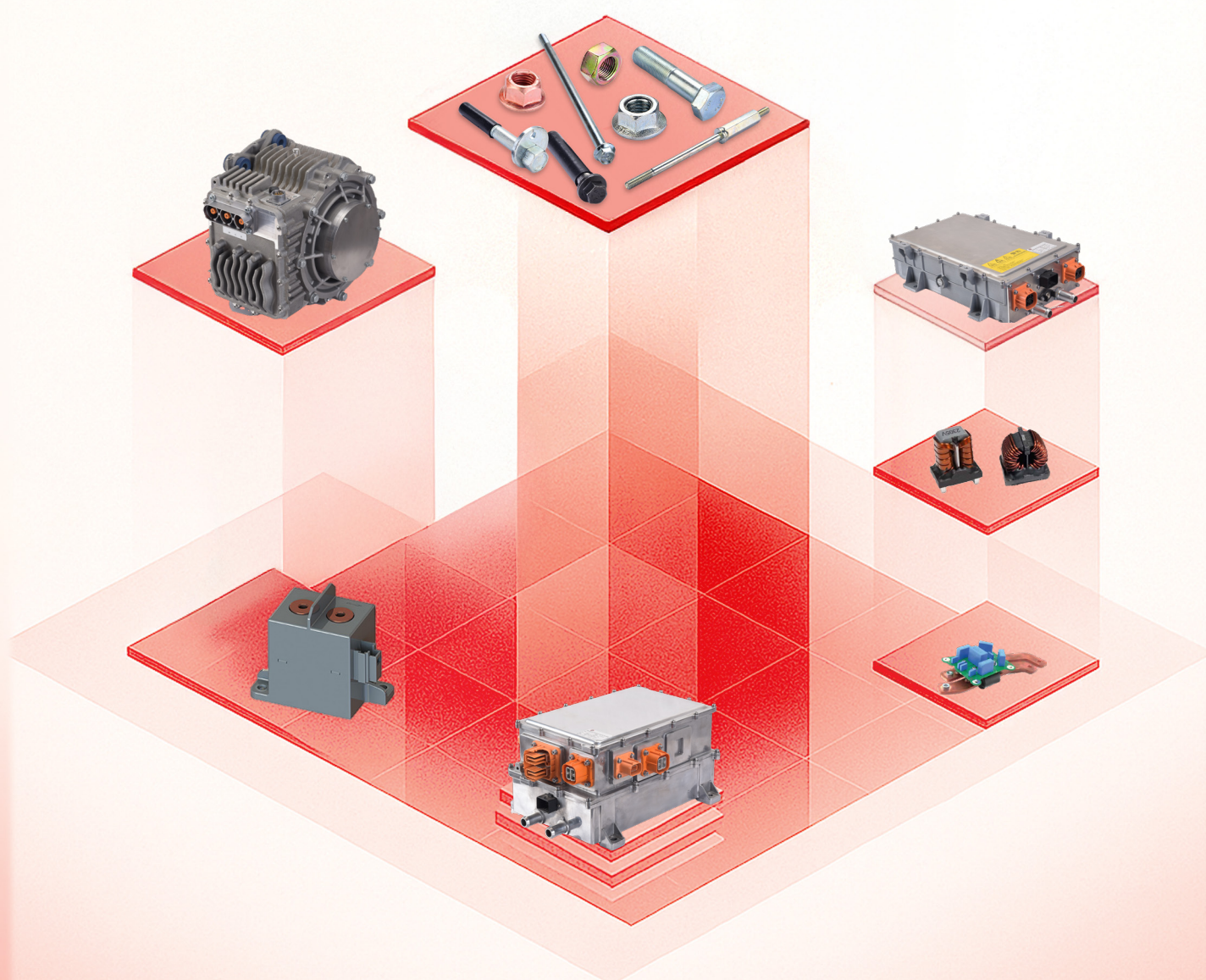
**Komal Malik**  
**Company Secretary & Compliance Officer**  
**M. No. F6430**

Enc: As Above

REGD OFFICE : DJ-1210, 12<sup>th</sup> Floor, DLF Tower -B,  
Jasola District Centre, New Delhi-110025  
Email-csec@stlfasteners.com

# STERLING TOOLS LIMITED

Annual Report **2024-25**



## **Diversification** Through **Innovation**





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



### Investor Information

**1,105 Cr.**

Market Capitalisation  
as of 31 March, 2025

**530759**

BSE Code

**₹ 2.5 per share** **STERTOOLS**

Dividend Declared

NSE Symbol

**L29222DL1979PLC009668**

CIN

**25<sup>th</sup> Sep 2025**

AGM Date

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### Notice for the AGM

### 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.



# Diversification Through Innovation

At Sterling Tools Limited, our journey is powered by customer insights, agility and a resolute commitment to innovation. From establishing ourselves as a trusted supplier to leading OEMs to making a growing impact in India's evolving EV landscape, we continue to work closely, with purpose and foresight with our customers.

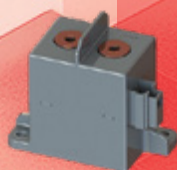
We remain attuned to shifting market dynamics, understanding stakeholder expectations and continually strengthen our capabilities to capitalise on emerging opportunities. This proactive mindset enables us to consistently deliver solutions that meet and exceed our clients' evolving needs.

This year, we achieved a significant milestone—crossing the ₹1,000 crore revenue mark for the first time in our history—underpinned by a diversified product mix, strong OEM relationships and robust operational efficiency. In order to become a future-ready organisation, we are making significant investments in next-generation products, including rare-earth magnet-free motor technologies.

**Our approach to diversification goes beyond just widening our product portfolio. It is about identifying high-impact, import-substitution opportunities where we can lead with first-mover advantage under the 'Make in India' vision and create long-term value for our stakeholders.**

We believe sustainable growth must be balanced, forward-looking and value-driven. As we step into a new era, our strategy is clear—stay ahead of the curve, diversify through innovation and scale with intent. The future belongs to those who act with clarity and conviction, and we remain confident in our ability to unlock new opportunities, forge impactful partnerships and expand our influence across industries.







## About Us

# Over four decades of driving transformation

STL is an organisation where innovation meets sustainability and operational excellence surpasses expectations. We deliver future-ready mobility solutions, prioritising advanced technology and agile execution. Drawing on our deep expertise, we respond to the evolving requirements of the automotive ecosystem and have emerged as a brand synonymous for quality and reliability.

We have grown to become one of India's largest manufacturers of automotive fasteners. Our fasteners business caters to major original equipment manufacturers (OEMs) across India, the USA, Europe, South America and the Middle East.

With a diversified, application-driven product portfolio that includes standard, chassis and engine fasteners, we cater to varied vehicle segments. We consistently strengthen our inherent capabilities to serve leading automotive brands across global markets.

# 46+

Years of legacy

# 04

Manufacturing facility

# 2<sup>nd</sup>

Largest manufacturers of fasteners for OEMs in India







## A new beginning

The rise of Electric Vehicles (EVs) is shaping the future of sustainable transportation and STL, through its wholly owned subsidiary Sterling Gtate E-Mobility Ltd. (SGEM), is aligned with this shift. SGEM has established itself as India's largest supplier of Motor Control Units (MCUs) for electric vehicles, serving the 2W, 3W and LCV/HCV segments with advanced, locally developed solutions tailored for both domestic and global markets.

### SGEM's product portfolio is expanding beyond MCUs to include

- Integrated motor and controller systems
- Magnet-free traction motors developed in partnership with UK-based Advanced Electric Machines (AEM)
- On-board chargers and DC/DC converters

# #1

Manufacturer of Motor Control units (MCUs) in India

# ~720K

MCUs Per Annum Capacity

# ~60+

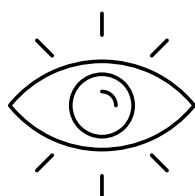
Personnel in Engineering

# 1

MCU manufacturing plant

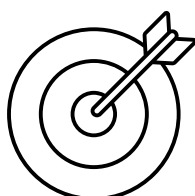
# 2

Tech centres



## 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.

# Key Milestones

## A legacy anchored in precision and excellence

### 1979-1981

Incorporated as Sterling Tools

Established our first manufacturing plant in DLF, Faridabad (Haryana)

### 1982-1999

Listed on the BSE and National Stock Exchange in 1995

Commenced supply to leading OEMs including Swaraj Tractors, Eicher Group, Escorts, Hero, HMT, Ashok Leyland, Isuzu, Maruti Suzuki, Mahindra & Mahindra and Tata Motors

### 1999-2019

Commissioned a wire drawing unit in Ballabhgarh (Faridabad, Haryana)

Set up a third manufacturing plant in Prithla (Palwal, Haryana)

Expanded operations with a fourth plant in Kolar (Bengaluru, Karnataka)

### 2020-2022

Diversified into electric vehicle components through our wholly owned subsidiary, Sterling Gtack E-Mobility Limited (SGEM)

Commissioned SGEM's first Motor Control Unit (MCU) manufacturing facility and tech centre in Faridabad





## 2023

Emerged as India's largest manufacturer of MCUs for EVs

Established a second tech centre for MCU development in Bengaluru

## 2025

Entered into a licensing agreement with AEM, UK to produce REM-free motors

Initiated Onboard Charges (OBC) and DC/DC business, secured first business nomination from a leading e-CV OEM

State-of-the-Art HVDC Contactor Facility Under Commissioning in Bengaluru – An Early Entrant in HVDC space, in collaboration with GLVAC YT, China

Completed a major expansion at SGEM, transforming it into an EV campus with an annual MCU capacity of 720,000 units and readiness for product diversification.

## 2024

Expanded its customer base with new clientele in the passenger vehicle segment

SGEMs MCU capacity enhanced to 6,00,000 units/annum

Sterling tools through its wholly owned subsidiary Sterling Tech-Mobility Ltd (STML) partnered with GLVAC YT, China to manufacture advance high voltage DC contactors and relays in India for electric & hybrid electric vehicle industry

Signed MoU with MOTIVELINK Co., Ltd., South Korea (Erstwhile Yongin Electronics Co. Ltd) to manufacture magnetic components for India's electric & hybrid electric vehicle industry

# Chairman's Message



## Dear Shareholders,

The progress this year, reflects the theme 'Diversification Through Innovation.' This is the principle guiding our strategic direction and defining our path forward. For the first time in our history, we have crossed the ₹1,000 crore revenue milestone. This landmark achievement is the result of a deliberate and agile strategy to transform our organisation, embrace the future of mobility, and create sustainable, long-term value for you, our trusted stakeholders.

### Navigating a Transformative Landscape

The Indian automotive industry is at an exhilarating crossroads, balancing the resilience of the traditional segments

with a determined shift towards electric mobility. We witnessed robust growth in the passenger vehicle and two-wheeler segments, while the government's unwavering support through initiatives like the FAME-II scheme, Production-Linked Incentives (PLI), and the overarching 'Atmanirbhar Bharat' vision has created a highly conducive environment for innovation and domestic manufacturing.

This dynamic landscape presents a dual opportunity for Sterling Tools. It allows us to fortify our leadership in the legacy fastener business while aggressively pioneering new-age solutions for the electric vehicle ecosystem. We see this not as a challenge of two different

worlds, but as a singular opportunity to build multifaceted, future-proof enterprise.

### A Year of Landmark Performance and Strategic Foresight

Amidst this evolving environment, your company delivered a strong and resilient performance. On a consolidated basis, our total income for FY25 grew by 10.6% to reach ₹1,038 crore. Our focus on operational excellence and a favourable product mix helped us enhance our adjusted EBITDA by 13.8% to ₹132.4 crore, with margins expanding to 12.8%. Consequently, our Profit After Tax stood at ₹58.3 crore. Reflecting this performance and our confidence





in the future, the Board is pleased to recommend a dividend of ₹2.5 per equity share.

Our standalone fastener business remains the backbone of our operations, recording a stable 6.2% growth in total income and an impressive 10.5% growth in profit after tax. This stability provides us with the financial strength to invest boldly in our future growth engines.

### Architecting Our Next Era of Growth

Our five-year vision is to evolve into a diversified automotive component powerhouse where, by 2030, new business verticals contribute 50% of total revenue. Our strategy is a series of initiatives and decisions towards this ambitious goal. We are not just adding new products; we are building a synergistic portfolio of high-technology, import-substituting components where we can establish a first/early-mover advantage.

### Powering the Electric Vehicle Revolution

Our EV components subsidiary, Sterling Gtate E-Mobility (SGEM), has been at the forefront of this transformation. While the transition of a key customer to in-house production presents a short-term challenge, it also served as a powerful catalyst, accelerating our stated strategy of customer and product diversification. We have redoubled our efforts to expand our Motor Control Unit (MCU) business across two-wheeler, three-wheeler, and commercial vehicle segments. Our facility at Faridabad has been developed as an EV Campus with a vision to add more products like Integrated MCU & Motors, DC/DC Convertors and, On-Board Charges.

More importantly, we have laid the groundwork for a comprehensive EV powertrain and power electronics portfolio through strategic global partnerships:

- A Ground-breaking Partnership for rare-earth-magnet free motors. We signed a Technology Licensing Agreement with UK-based

Advanced Electric Machines (AEM) to develop and manufacture permanent magnet-free traction motors.

This is a disruptive technology that could decouple India from the volatile, permanent magnet supply chain and positions us at the cutting edge of sustainable motor technology.

We expect to begin customer trials within a year.

- A pioneering partnership for the first time manufacture High Voltage DC Contactors in India: Through our subsidiary Sterling Tech-Mobility Ltd. (STML), we are establishing a facility in Bengaluru to manufacture HVDC Contactors and Relays in partnership with Kunshan GLVAC YT, China.
- A Component level localization venture: We have signed MoU with MOTIVELINK Co., Ltd. (Erstwhile Yongin Electronics Co. Ltd.) to manufacture magnetic components.
- Even as we diversify, we remain deeply committed to our legacy fastener business. We are focusing on increasing our share of wallet with existing customers and penetrating new accounts. Our engagement with a leading automotive manufacturer's automotive division is yielding strong results, and we are set to begin supplies to Hyundai and Kia this financial year, marking our entry into another leading passenger vehicle ecosystem.

### Investing in a Sustainable and Resilient Future

Our strategic ambitions are backed by tangible investments. In FY25, we undertook capital expenditure, primarily towards enhancing capacity at our SGEM facility, which is being developed into a comprehensive EV campus, and laying the groundwork for our new product lines.

Our vision of the future is intrinsically linked to responsible stewardship.

We are actively reducing our carbon footprint through the use of rooftop solar power and the implementation of dual-fuel systems for our generators. Water conservation and a relentless focus on the principles of reduce, reuse, and recycle are embedded in our daily operations. Our commitment extends to our people and communities, as we strive to create a safe, inclusive, and empowering workplace while contributing meaningfully to societal development.

### A Future Forged with Conviction

The road ahead is one of immense opportunity. While the ramp-up of our new businesses will be gradual, requiring extensive customer validation, the foundations we have laid this year are robust. We are building an organisation with high customer stickiness, deep technological moats, and a balanced growth profile.

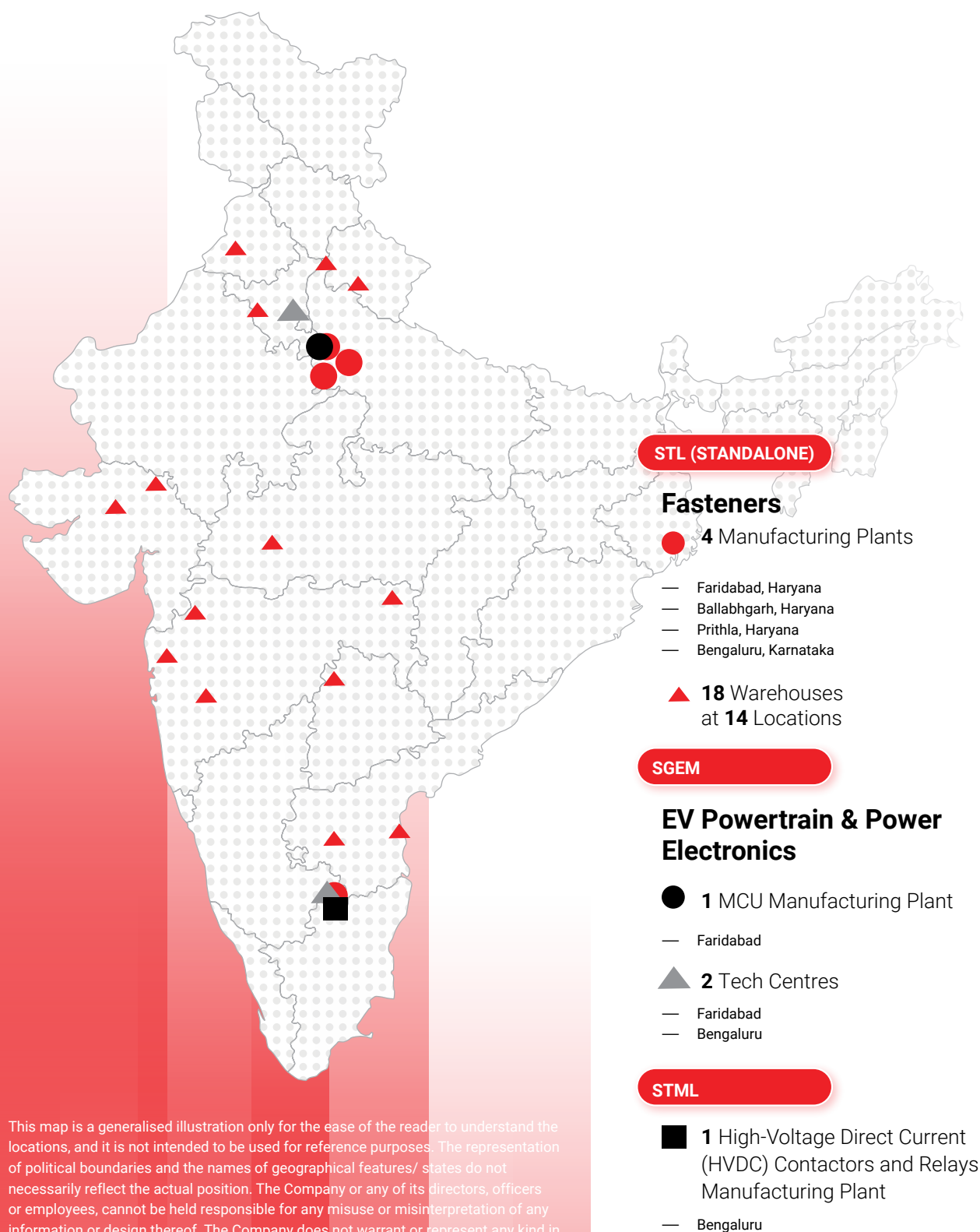
I want to extend my deepest gratitude to every member of the Sterling family. Your passion, resilience, and entrepreneurial spirit are our greatest assets.

I thank our customers and partners for their invaluable collaboration and trust. And to you, our shareholders, I am immensely grateful for your support as we navigate this exciting transformation. We are confident that we are on the right track, making prudent investments today to deliver exponential value in the years to come.

Sincerely,  
**Anil Aggarwal**  
Chairman

# Our Presence

## Diversifying our reach across the nation



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.





# Our Offerings

## Catering to diverse mobility requirements

### STL Fasteners



Axle Bolts



Engine Bolts



Special Fasteners



Standard Bolts



Wheel Bolts



Sealant Fasteners



Ball Joints



Banjo Bolts

### EV Powertrain & Power Electronics



MCUs for 2Ws & 3Ws



MCUs for LCVs



MCUs for MCVs & HCVs



Magnet Free Motors



DC-DC Converters



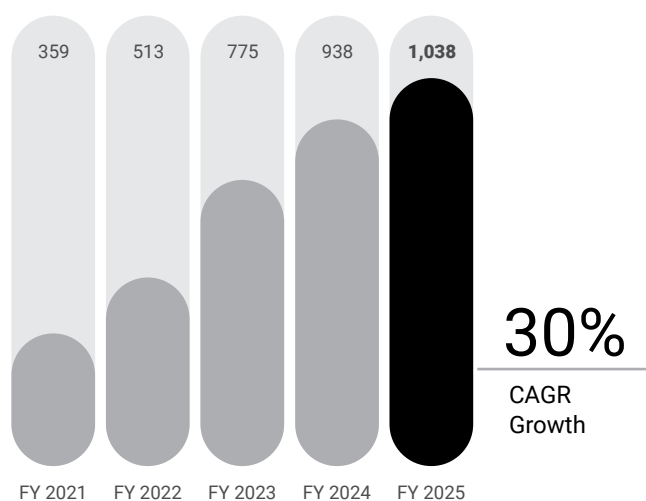
On-Board Chargers

# Financial Performance

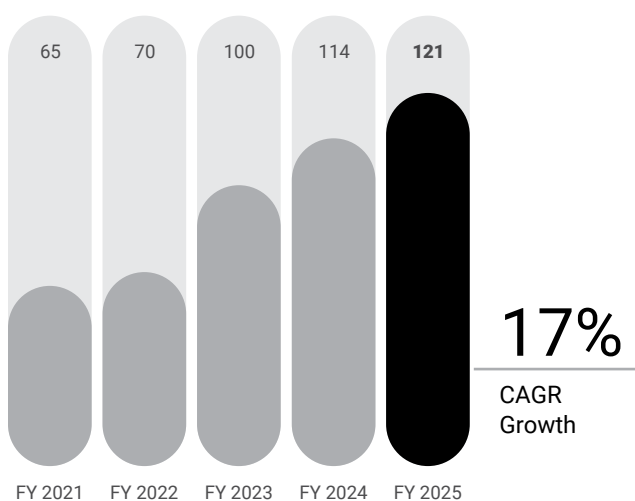
Strengthening foundation  
for long-term growth



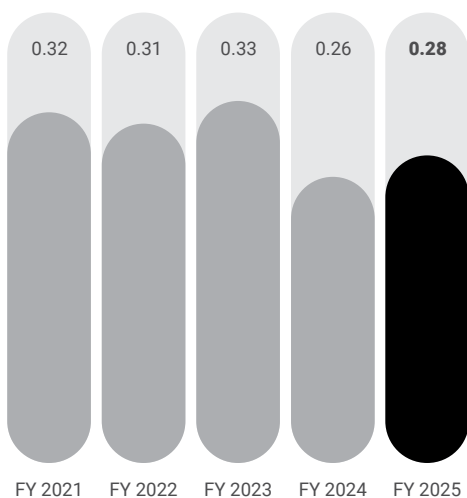
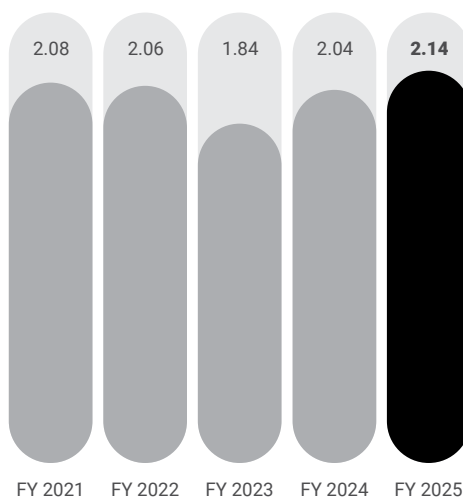
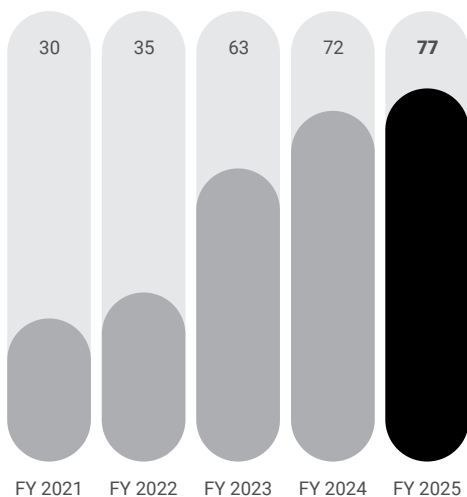
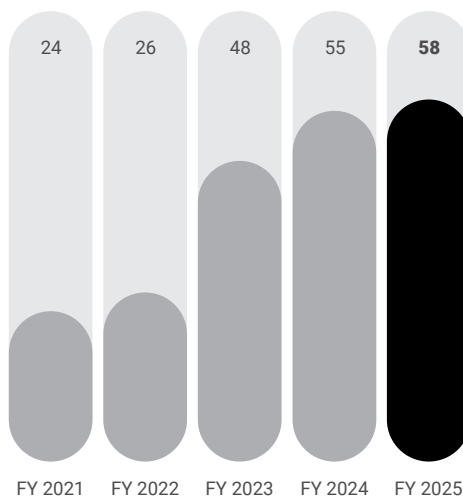
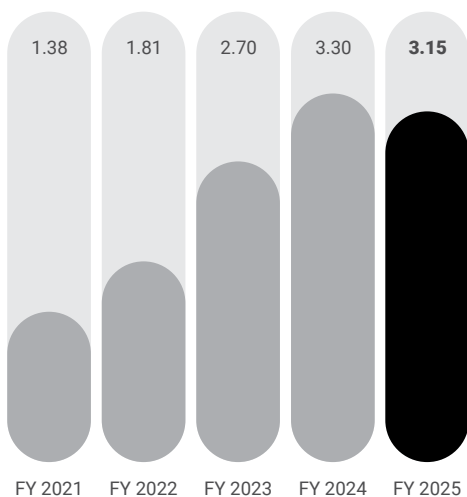
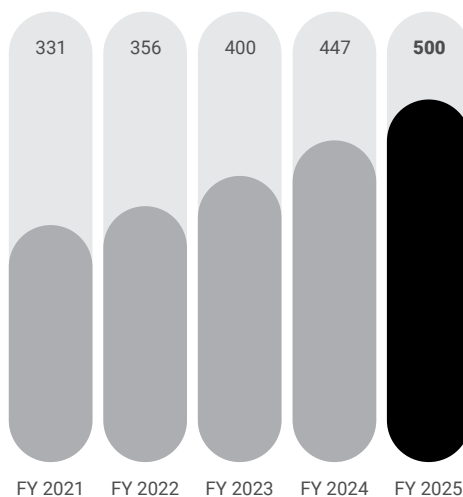
**Total income** (₹ in crores)



**EBITDA** (₹ in crores)





**Debt/Equity (Times)****Current Ratio (Times)****PBT (₹ in crores)****PAT (₹ in crores)****Net fixed asset turnover (Times)****Net worth (₹ in crores)**

# Operating Environment

## Bridging legacy and the future of mobility

The Indian automotive components industry is experiencing a major transformation, fueled by macroeconomic growth, heightened technological integration and government support. This shift presents both challenges and opportunities for market players to adapt and capitalise on new avenues for expansion. As a supplier of both conventional fasteners and advanced EV components, we are well-positioned to expand our horizons.







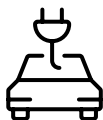
### Capitalising on positive growth momentum

India's automotive sector remains a key indicator for industrial growth, contributing approximately 49% to the country's manufacturing GDP. The combination of rising domestic demand, improving income levels and a strong export base is driving consistent growth across vehicle segments. As OEMs scale production and diversify their reach, the demand for high-quality, locally manufactured components has steadily surged. This presents a long-term growth opportunity for Tier 1 suppliers with deep engineering expertise and operational reliability.



### Digitalisation and process modernisation

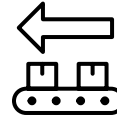
Digital transformation is becoming central to the operations of automotive supply chains. Automation, smart manufacturing and analytics-driven decision-making have become essential for scale, quality and responsiveness. Across our operations, we continue to adopt technologies that improve process visibility, traceability and product integrity.



### Transition to EVs

India's transition towards EVs is being led by rapid adoption in the 2W, 3W and LCV segments as well as government initiatives such as FAME II, state-level EV policies, and the Production Linked Incentive (PLI) scheme, Electronic Component Manufacturing Scheme (ECMS) for electric components.

For component suppliers like us, this shift allows us to support traditional OEM platforms while scaling up next-generation solutions such as Motor Control Units (MCUs), Integrated Motors & MCUs, Magnet-Free-Motors, On-Board-Chargers, Off-Board-Chargers, Magnet free Motors, DC/DC converters, HVDC contactors and magnetics. By making strategic investments in these areas, we are aligned with the industry's transformation roadmap.



### Infrastructure and supply chain transformation

The Government's focus on Make in India and infrastructure investment is catalysing improvements across logistics and industrial zones. Faster project clearances, enhanced power availability and the rollout of multimodal transport corridors are improving the operating conditions for auto ancillaries. This, coupled with global OEMs diversifying their sourcing base, is unlocking new opportunities for Indian suppliers to serve both domestic and export markets.

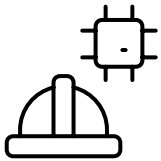
We are already experiencing increased customer demand in geographies beyond India, including the US, Europe and the Middle East, reinforcing our global competitiveness and supply chain resilience.



# Our Manufacturing Capabilities

## Powering growth through manufacturing prowess

The mobility landscape is evolving rapidly, driven by macroeconomic shifts, technology adoption and policy momentum. These changes are creating opportunities across both conventional and electric vehicle platforms. As a diversified group with capabilities in fasteners, EV components and power electronics, we are well-positioned to address these shifts through scale, engineering expertise and trusted customer relationships.



### Engineering-Led value creation

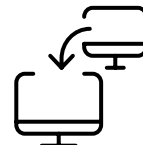
Our manufacturing strength is underpinned by concurrent engineering practices that enable us to co-develop solutions alongside our customers. We emphasize timely resolution of quality and delivery concerns and regularly share value engineering proposals.

Through VAVE (Value Analysis and Value Engineering), we have successfully reduced process complexity and cost, while preserving product functionality.



### Upholding quality through preventive practices

Our quality framework centres around preventive actions and in-process controls. Internal quality incident reduction plans are implemented across all units, supported by structured training at DOJO centres. This ensures that every new team member is fully equipped with the necessary knowledge and responsibilities from the outset.



### Supporting next generation platforms with advanced fasteners

To support the evolving needs of the mobility sector, we continue to strengthen our product portfolio with solutions designed for enhanced performance, durability and reliability. Our offerings are aligned to meet the requirements of both traditional and emerging vehicle platforms, enabling us to serve a broad spectrum of customer applications across markets and segments. Ensuring safety and well-being

We continue to refine our focus on workplace safety by placing a greater emphasis. We encourage all employees to respond to even minor incidents, building a culture of proactive safety awareness.





# Our Team

## Nurturing a skilled and engaged workforce

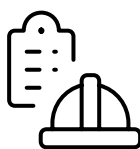
The driving force behind our success is our people—a team that consistently goes the extra mile to ensure we continue to enhance our business operations and innovate. As an organisation that recognises the meticulous hard work that our team brings to the table, we have focused on building a skilled, agile and engaged workforce. Our human resource practices are centred around inclusiveness, workplace safety, upskilling and employee well-being.



### Learning and development

We have sharpened our focus on workforce development by embedding a culture of continuous learning across the organisation. Our efforts are designed to equip individuals with functional knowledge and prepare them for broader roles aligned with our strategic direction.

During the year, our training interventions combine classroom sessions, digital learning modules on-the-job coaching and cross-functional exposure. These programmes enable young and high-potential employees to learn and improve. Functional teams received focused training to remain responsive and competitive in this rapidly evolving market.



### Health and safety

Creating a safe and supportive workplace continues to be a non-negotiable aspect of our operations. As we scale and modernise our facilities, our safety framework evolves to ensure every employee, contractor and visitor is protected through clearly defined policies, preventive protocols and training programmes.

We reinforced our safety infrastructure through regular audits, risk assessments and mock drills. Occupational health and safety sessions were conducted across all locations, supported by advanced safety equipment and systems. SHE (Safety, Health and Environment) team at plant levels ensured oversight and immediate resolution of safety-related matters. Through cross-functional engagement and incident reporting protocols, we strengthened safety performance indicators and guaranteed compliance with the best practices.

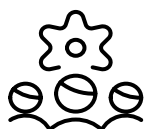


### Diversity, equity and inclusion

We are committed to fostering a workplace where every individual feels respected, heard and included. In FY25, we continued to strengthen our approach to Diversity Equity & Inclusion (DE&I) by taking key actions.

#### Key actions

- Enhancing gender diversity through targeted recruitment drives, particularly in functions traditionally underrepresented by women.
- Introducing structured awareness programmes and awareness sessions on unconscious bias, inclusive leadership and respectful workplace behaviour across all levels.
- Strengthening policies to promote pay equity, fair career progression and a transparent grievance redressal mechanism.
- Establishing employee resource groups and forums to encourage open dialogue and cross-functional collaboration.



### Employee well-being and engagement

We recognise that a well-balanced workforce is essential for achieving sustainable growth. Our engagement approach is designed to support employees in achieving both of their personal and professional objectives. We implemented ergonomic improvements across workspaces, introduced flexible work practices and strengthened support for work-life integration. Employees are encouraged to participate in knowledge-sharing sessions, cross-functional projects and team-building events that foster collaboration and inclusive workspace. Additionally, we celebrate contributions through structured award programmes, ranging from performance and spot recognitions to long-service milestones, creating a workplace where employees feel valued and inspired to grow.



### Digitalising the HR Experience

Our HR digital transformation is closely linked to business agility and workforce empowerment. We have progressively upgraded our systems to enhance efficiency, streamline employee lifecycle processes and deliver a more connected experience across all touchpoints.

We upgraded our Human Resource Management System (HRMS) to improve data management, attendance, payroll and self-service features. Onboarding and exit workflows were digitised for consistency and ease. We also launched mobile-enabled platforms to strengthen real-time employee connect, introduced e-learning solutions to support capability development and introduced online performance management tools.

Looking ahead, we plan to extend our digital HR architecture by introducing self-service helpdesks, advanced dashboards and collaboration tools that promote continuous engagement, faster response times and better decision-making across the organisation.





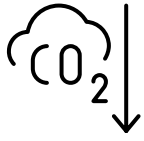
## Sustainability Initiatives

# Taking calculated steps, Making a lasting impact

In pursuit of a greener tomorrow, we have consistently embraced responsible practices to reduce our ecological impact. We understand that our action influence both the society and the environment, shaping the future for the generations to come. Guided by this understanding, we strive to balance between environmental stewardship and operational excellence. Over the year, we have advanced key initiatives across energy efficiency, emissions reduction, water conservation and resource circularity.







### Reducing carbon emissions

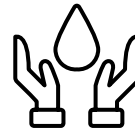
We have taken significant steps to reduce our carbon footprint by advancing cleaner energy adoption across our manufacturing plants. A dual-fuel project was successfully implemented at our Prithla and DLF facilities, equipping all diesel generators with dual-fuel kits. This upgrade allows the use of alternative fuel blends, lowering reliance on pure diesel and reducing direct CO<sub>2</sub> emissions.

To further minimise our carbon intensity, rooftop solar installations are now operational across all plants, supplying captive clean energy that helps offset grid power dependency and supports our long-term decarbonisation goals.



### Minimising Scope 2 emissions

Our hot water and cooling requirements are now fulfilled through internally developed systems, reducing the need for externally sourced energy. We have focused on reducing indirect emissions from internal utilities and process systems.



### Enhancing water conservation

Water stewardship continues to be a core aspect of our environmental strategy. We have installed effective filtration systems across our plants that significantly reduce freshwater consumption. These systems allow for greater reuse of water in non-critical operations, supporting both efficiency and sustainability. Our water management practices are aligned with the principles of circular use, ensuring that this crucial resource is strategically managed and utilised thoughtfully.



### Driving circularity

Across our operations, we actively champion the reduce-reuse-recycle approach to minimise consumption of natural resources and reduce waste. This strategy encompasses electricity usage, water consumption and material handling. Our teams are trained to identify opportunities where waste can be repurposed and resources recovered.

# Social

## Giving back to the society

We have always believed that true success lies in collective advancement; therefore, as an organisation, we strive to work together towards the greater good through thoughtfully designed initiatives that address the real needs of the society. These initiatives, spanning education, healthcare, skill-building or inclusive development, are designed to create long-term value by improving access, building capability and enhancing the quality of life for the underserved communities.

### Education and Skill Development

We work closely with schools in underserved areas to improve learning conditions and expand access to resources. The support was extended to orphanages and special-needs institutions, enabling them to strengthen their educational programmes and maintain essential infrastructure. STL in collaboration with Community-based organisation, is supporting education for underprivileged children by building a new school and expanding infrastructure at local schools. The initiative also focuses on onboarding additional educators, enhancing learning resources and extending efforts across health, livelihoods and community engagement.

### Sports for Youth Development

Recognising the importance of physical and mental well-being among youth, we partnered with platforms such as the Caddies Welfare Trust to promote sports in local communities. These efforts provide young individuals with a channel for personal growth, discipline and social connection.

### Health and Wellness

Improving access to healthcare remains a key area of focus. We supported life-changing medical interventions including cochlear implants for children with hearing impairments, critical heart treatments, and ongoing paediatric therapy for underprivileged families. Our efforts also contributed to strengthening healthcare infrastructure, making essential services more accessible to those in need.







# Governance

## Leading through responsible actions

Our organisation is governed by a strong governance structure that upholds transparency, accountability and honesty. In an era where intense competition shapes our operating landscape and compliance requirements are continually evolving, it is essential to place integrity at the fore. We regularly update our policies and processes to remain abreast of the latest developments, always prioritising the best interests of our stakeholders.

### Code of Conduct

We ensure that our team adheres to the highest standards of integrity, ethics and professional conduct throughout the organisation. Serving as a comprehensive decision-making framework, our Code of Conduct promotes fairness, respect and compliance in all interactions— both internal and external. We reinforce these standards through ongoing awareness and training programmes, embedding ethical values into our day-to-day operations.

### Monitoring and enforcement

We employ a multi-layered approach to monitoring and enforcing our ethical standards by

- Monthly monitoring and reporting procedures
- Regular internal audits

### Ethical recruitment

We seek individuals whose values align with our organisational ethos. Our recruitment process involves structured interviews, detailed reference and background checks, designed to assess alignment.

### Board oversight

Our Board of Directors play a vital role in shaping and upholding the governance standards that guide our operations. They provide oversight on critical matters, ensuring that decisions are taken responsibly, with transparency and accountability.

As part of the mandate, the Board reviews and approves frameworks addressing insider trading, business risk assessment and management as well as sound financial policies. It actively oversees senior management performance, ensuring leadership accountability and strategic alignment with the long-term objectives.





# Board of Directors



**Mr. Anil Aggarwal**  
**Chairman & Whole Time Director**



**Mr. Atul Aggarwal**  
**Managing Director**



**Mr. Jaideep Wadhwa**  
**Non-Executive  
Non-Independent Director**



**Mr. Rakesh Batra**  
**Independent Director**



**Mr. Shailendra Swarup**  
**Independent Director**



**Ms. Rashmi Urdhwareshe**  
**Independent Director**



**Mr. Vijay Madhav Paradkar**  
**Independent Director**



**Mr. Sanjiv Garg**  
**Independent Director**



**Mr. Akhil Aggarwal**  
**Whole Time Director**



**Mr. Anish Agarwal**  
**Non-Executive  
Non-Independent Director**



# Corporate Information

## Registered Office

DJ-1210, 12<sup>th</sup> 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 Gtate E-Mobility Limited

(wholly owned subsidiary)

#### Works & Tech Centre

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

#### Tech Centre- Bengaluru

NO. 73 74 113 114, ND Fusion Mall,  
1ST PHASE, 16<sup>th</sup> Main Road, BTM Layout  
Stage 2, Bengaluru, Bengaluru Urban,  
Karnataka, 560076

### Sterling Tech-Mobility Limited

(wholly owned subsidiary)

Ground floor, 1<sup>st</sup> floor and 2<sup>nd</sup> floor,  
Plot No 67  
Hi-Tech Defence & Aerospace Park  
Rebinnamangala  
Bengaluru - 562149, Karnataka

## Bankers

HDFC Bank limited  
Punjab National Bank  
State Bank of India  
HSBC Bank India

## Board of Directors

### Mr. Anil Aggarwal

Chairman & Whole Time Director

### Mr. Atul Aggarwal

Managing Director

### Mr. Jaideep Wadhwa

Non-Executive  
Non-Independent Director

### Mr. Rakesh Batra

Independent Director

### Mr. Shailendra Swarup

Independent Director

### Ms. Rashmi Urdhwareshe

Independent Director

### Mr. Vijay Madhav Paradkar

Independent Director

### Mr. Sanjiv Garg

Independent Director

### Mr. Akhill Aggarwal

Whole Time Director

### Mr. Anish Agarwal

Non-Executive  
Non-Independent Director

## Chief Financial Officer

Mr. Pankaj Gupta

## Company Secretary & Compliance Officer

Ms. Komal Malik

## Auditors

### Statutory Auditors

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

### Internal Auditors

Profadds 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, 2<sup>nd</sup> Floor, Okhla Industrial Area  
Phase - II, New Delhi - 110020

# Board's Report

Dear Members,

Your directors are pleased to present the 46<sup>th</sup> Annual Report on the business and operations of Sterling Tools Limited ('the Company') and Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31<sup>st</sup> March 2025.

## Financial Summary & Highlights

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

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	64,478.34	60,813.75	1,02,629.95	93,197.17
Other Income	683.14	556.06	1,165.40	653.94
<b>Total Revenue</b>	<b>65,161.48</b>	<b>61,369.81</b>	<b>1,03,795.35</b>	<b>93,851.11</b>
Total Expenditure (excluding Depreciation and Finance Cost)	55,683.13	52,324.52	91,673.05	82,419.76
Profit before interest, depreciation, taxes and exceptional items	9,478.35	9,045.29	12,122.30	11,431.35
Less: Interest	585.19	748.38	976.99	946.23
Depreciation	3,090.21	3,123.97	3,481.79	3,305.10
<b>Add/(Less): Exceptional items</b>	<b>-</b>	<b>39.71</b>	<b>-</b>	<b>39.71</b>
<b>Profit Before Tax</b>	<b>5,802.95</b>	<b>5,212.65</b>	<b>7,663.52</b>	<b>7,219.73</b>
Less: Current Tax	1,489.07	1,471.26	1,956.29	1,958.85
Deferred Tax	26.91	(139.22)	(122.08)	(275.62)
<b>Profit for the Year</b>	<b>4,286.97</b>	<b>3,880.61</b>	<b>5,829.31</b>	<b>5,536.50</b>
Add/(Less): Other Comprehensive Income	(951.75)	(346.22)	(952.73)	(347.62)
<b>Total Comprehensive Income for the Year</b>	<b>3,335.22</b>	<b>3,534.39</b>	<b>4,876.58</b>	<b>5,188.88</b>

## Company's performance and outlook

### STANDALONE

The standalone performance for FY 2024-25 reflected a modest improvement. Revenue from operations increased to ₹644.78 crore and the company delivered an impressive profit after tax of ₹42.87 crore. The overall financial position remains stable, underscoring resilience and consistent operational performance.

### CONSOLIDATED

The consolidated results for FY 2024-25 reflect a strong performance. Revenue from operations rose significantly by 10% to ₹1,026 crore, with contribution from EV Business. Profit before tax increased by 6.15% to ₹76.63 crore, while profit after tax grew by 5.29% to ₹58.29 crore, highlighting the Company's solid financial health and the success of its strategic initiatives.

On a consolidated basis, the Company delivered a strong performance in FY 2024-25 and is well-positioned for future growth. SGEM achieved impressive financial and operational results, driven by its focus on innovation and sustainability. With a good market presence and forward-looking strategies, SGEM plans to expand its product range to stay competitive in the fast-growing electric vehicle industry.

The Company is focused on growing its market share by expanding its product range and securing new business in both ICE and EV segments. With over 46 years of experience and

strong financial stability, it is well-positioned to explore new opportunities and introduce innovative products through new ventures. The goal is to consistently deliver high-quality products to both existing and new customers, ensuring long-term growth and performance.

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 31<sup>st</sup> March 2025, includes the Profit and Loss Account for the subsidiaries i.e. Sterling Gtake E-Mobility Limited, Sterling Tech-Mobility Limited, Sterling E-Mobility Private Limited, Sterling Advanced Electric Machines Private Limited and Sterling Overseas Pte. Ltd. for the complete Financial Year ended 31<sup>st</sup> March 2025.





Further, the Hon'ble National Company Law Tribunal, New Delhi Bench, vide order dated 27<sup>th</sup> March 2025 ("Order"), has approved the Scheme of Amalgamation of Haryana Ispat Private Limited ("Wholly Owned Subsidiary") with the Company with effect from 1<sup>st</sup> April 2024 ("Appointed Date") and the Order was filed by the Company with the Registrar of Companies, NCT of Delhi and Haryana on 23<sup>rd</sup> April 2025.

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 of the Company during the year under review, the Board of Directors are pleased to recommend a final dividend of 125% i.e. ₹ 2.50/- (Rupees Two and Paise Fifty only) per equity share for the FY 2024-25, 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/public/f/pdfs/Dividend-Distribution-Policy.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 46<sup>th</sup> Annual General Meeting.

### Deposits

During the year under review, the Company has not accepted any deposits which fall 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.

- Number of cases of default in repayment of deposits or payment of interest thereon beginning of year- 0
- Maximum number of cases of default in repayment of deposits or payment of interest thereon during year- 0
- Number of cases of default in repayment of deposits or payment of interest thereon end of year- 0

### Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31<sup>st</sup> March 2025, 99.81 % of the Company's total paid-up Capital representing 3,61,15,287 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 either of the Depositories.

### Capital Structure and Listing

As of 31<sup>st</sup> March 2025, the Company has an Authorized Share Capital of ₹10,00,00,000 and a Paid-Up Share Capital of ₹7,23,68,636, with the Promoters and Promoter Group holding 65.02% 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 2025-26.

During the year under review, the Company has allotted 1,60,107 equity shares to Mr. Jaideep Wadhwa, Non-Executive Non-Independent Director of the Company, pursuant to the exercise of first tranche of ESOPs granted to him in the capacity of Managing Director of Sterling Gtake E-Mobility Limited, Wholly owned Subsidiary, in terms of the STL Employee Stock Option Plan, 2023 and vesting schedule thereof. Further, pursuant to the listing application by the Company in respect of the shares allotted to Mr. Jaideep Wadhwa, the said equity shares were listed and admitted to dealings on the National Stock Exchange of India Limited and BSE Limited effective from 17<sup>th</sup> March 2025. Furthermore, subsequent to the closure of the financial year, the Authorised Share Capital of the Company increased by ₹1,00,00,000 pursuant to the addition of the Authorised Share Capital of Haryana Ispat Private Limited following its amalgamation with and into the Company.

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

As on 31<sup>st</sup> March 2025, the Company has five wholly owned subsidiaries. During the year, the Company had the following subsidiary Companies, the status of which is mentioned thereto:

S. No	Name of the Entity	Nature of Relationship	Remarks
1	Sterling Gtake E-Mobility Ltd.	Wholly owned Subsidiary	Existing Subsidiary
2	Sterling Tech-Mobility Ltd.	Wholly owned Subsidiary	New Subsidiary
3	Sterling E-Mobility Private Ltd.	Wholly owned Subsidiary	New Subsidiary
4	Sterling Advanced Electric Machines Pvt. Ltd.	Wholly owned Subsidiary	Existing Subsidiary
5	Sterling Overseas Pte Ltd.	Wholly owned Subsidiary	New Subsidiary
6	Haryana Ispat Pvt. Ltd.	Wholly owned Subsidiary	Amalgamated w.e.f. the appointed date i.e. 1 <sup>st</sup> April 2024

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements as on 31<sup>st</sup> March, 2025 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 1<sup>st</sup> 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 filed a joint first motion application with Hon'ble NCLT on 29<sup>th</sup> February 2024. The Hon'ble NCLT vide its Order pronounced on 18<sup>th</sup> April 2024 has allowed the dispensation of the meetings of the shareholders and creditors of the Companies. The Companies had filed a second motion application with Hon'ble NCLT on 29<sup>th</sup> April 2024.

On 27<sup>th</sup> March 2025, the Hon'ble NCLT, New Delhi, approved the said Scheme of Amalgamation pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013. On April 2, 2025, the certified copies of the order approving the Scheme was received from the Hon'ble NCLT and the said Scheme became effective from 1<sup>st</sup> April 2024 i.e. the Appointed Date upon filing e-Form INC- 28 (Notice of Order of the Court) with the Registrar of Companies, National Capital Territory of Delhi and Haryana.

The aforesaid Scheme of Arrangement is available on the website of the Company at <https://stlfasteners.com/investors/corporate-governance>.

### 2. Update on new wholly owned subsidiaries of the Company

Pursuant to the approval of the Board of Directors at its meeting held on 10<sup>th</sup> May 2024, the Company acquired 100% equity shares of Sterling E-Mobility Private Limited and Sterling Tech-Mobility Limited from their respective promoters, thereby making both entities wholly owned subsidiaries of the Company with effect from 28<sup>th</sup> June 2024. Furthermore, as part of its overseas expansion into Singapore, the Company has incorporated a new wholly owned subsidiary in Singapore with name Sterling Overseas Pte Ltd., with effect from 23<sup>rd</sup> September 2024.

## 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.

A certificate from M/s. Dhananjay Shukla & Associates, Secretarial Auditors, regarding this plan and the resolution passed by members will be available for inspection on the Company's website under the "Investors" section on the date of the Annual General Meeting. There is no change in the Plan, the same follows the applicable regulations. A statement providing complete details as of 31<sup>st</sup> March 2025, 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>.

## 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 was no change in the nature of business of the Company during the FY 2024-25.

## Directors and Key Managerial Personnel

As on 31<sup>st</sup> March 2025, there were ten (10) Directors on the Board of the Company, consisting of five (5) Independent Directors, two (2) Non-Executive Directors, one (1) Managing Director, and two (2) Whole-Time Directors. Changes in the Board of Directors and KMP during the year under review are as follows:

- Mr. Sanjiv Garg (DIN: 00428757) appointed as a Non-Executive & Non-Independent Director w.e.f. 10<sup>th</sup> May 2024.
- Change in Designation of Mr. Anil Aggarwal from Chairman & Managing Director to Chairman & Whole Time Director of the Company effective from 11<sup>th</sup> May 2024
- Change in Designation of Mr. Atul Aggarwal from Whole Time Director to Managing Director and KMP of the Company effective from 11<sup>th</sup> May 2024.
- Appointment of Mr. Akhill Aggarwal as Whole-Time Director effective from 10<sup>th</sup> May 2024.
- Resignation of Mr. Abhishek Chawla as Company Secretary (KMP) and Compliance Officer of the Company effective from closure of business hours of 13<sup>th</sup> March 2025.

**Key Managerial Personnel (KMP) other than directors as mentioned above as of 31<sup>st</sup> March 2025 were:**

- Mr. Pankaj Gupta, Chief Financial Officer

Post closure of FY 2024-25, the Board of Directors of the Company in its meeting held on 7<sup>th</sup> August 2025 appointed Ms. Komal Malik as the Company Secretary and Compliance Officer, designated as KMP of the Company w.e.f. the said date.

In accordance with the provisions of the Companies Act, 2013, and in terms of Articles of Association of the Company, Mr. Jaideep Wadhwa, Non-Executive and Non-Independent Director is liable to retire by rotation and being eligible, has offered himself for re-appointment. The details pertaining to Mr. Jaideep Wadhwa being recommended for re-appointment are included in the notice of the ensuing Annual General Meeting of the Company. Furthermore, the first term of Mr. Rakesh Batra as an Independent Director is set to expire on 9<sup>th</sup> November 2025. Accordingly, the Board of Directors based on the performance evaluation and as recommended by the Nomination and Remuneration Committee, recommends his re-appointment for a second term of five consecutive years, commencing from 10<sup>th</sup> November 2025, for approval by the shareholders at the ensuing Annual General Meeting.

**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/re-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 five (5) times during the FY 2024-25, 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 has complied 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 is uploaded 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 5<sup>th</sup> 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 30<sup>th</sup> January, 2025, the independent directors evaluated the performance of non-independent directors, the board as a whole; and the Chairman of the Company, taking into account the views of executive Directors and non-executive Directors. Additionally, the information flow between Management and the Board was assessed for quality, quantity, and timeliness.

Thereafter, the Nomination and Remuneration Committee evaluated the performance of the Board, Independent Directors, Key Managerial Personnel, and Senior Management, considering criteria such as preparedness, meaningful contributions, and key result areas and the Board of Directors of the Company reviewed the performance as evaluated by the Nomination and Remuneration Committee and the Independent Directors. Further the Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.



Based on the evaluation, the performance of the Board, Individual Directors, KMP, and SMP was considered to be highly satisfactory.

### Particulars of contracts or arrangements with Related Parties

All Related Party Transactions that were entered into during the financial year ended on March 31, 2025 were on an arm's length basis and in the ordinary course of business and not material in nature under Section 188(1) of the Act and the Listing Regulations and hence a disclosure in Form AOC-2 in terms of clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required. Details of the transactions with Related Parties are provided in note no. 43 of the accompanying Standalone and Consolidated Financial Statements of the Company in compliance with the provision of Section 134(3)(h) of the Act.

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 Chandio & Co., LLP Chartered Accountants as Statutory Auditors for a period of 5 (Five) years in the AGM of the Company held on 22<sup>nd</sup> September 2022.

#### Statutory Auditors' Report

There has been no qualification, reservation or adverse remark reported by the Statutory Auditors in its reports on standalone and consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2025 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 31<sup>st</sup> March, 2025.

The Securities and Exchange Board of India (SEBI) has amended Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 whereby Shareholders, on the recommendation of Board of Directors, may appoint or re-appoint a Secretarial Audit firm as Secretarial Auditors for not more than two terms of five consecutive years, in the Annual General Meeting. Accordingly, the Board of Directors recommends to the Shareholders, the appointment of M/s Dhananjay Shukla & Associates, Company Secretaries, as Secretarial Auditors, for a term of five consecutive years, from the financial year 2025-26 till the financial year 2029-30. The Company has received consent and eligibility certificates from M/s Dhananjay Shukla & Associates, Company Secretaries, to serve as Secretarial Auditors of the Company. M/s Dhananjay Shukla & Associates, Company Secretaries, holds a valid Peer Review Certificate, issued by the Institute of Company Secretaries of India.

#### 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-II**. The observation made by the Secretarial Auditor for the Committee and Board and composition were duly complied by appointment of Mr. Sanjiv Garg and reconstitution of Committee w.e.f May 8, 2025 and May 10, 2025 respectively. Further post resignation of Mr. Abhishek Chawla as Company Secretary & Compliance Officer on 13<sup>th</sup> March 2025, the search for a suitable successor took slightly longer than prescribed. The Board appointed Ms. Komal Malik as Company Secretary & Compliance Officer on 7<sup>th</sup> August 2025, restoring compliance.

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 Gtack E-Mobility Limited is also attached as **Annexure III**.

#### Annual Secretarial Compliance Report

Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2025 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from Mr. Santosh Kumar Pradhan, Practicing Company Secretaries and the same was filed with Stock Exchange(s) within the prescribed timeline. The Annual Secretarial Compliance Report 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 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 31<sup>st</sup> March 2025.

#### 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 year ended 31 March 2025, a matter was informed by one of the workers to the management relating to an incident of theft of inventory of raw material by certain employees at a plant location. The financial impact of the matter based on the investigation conducted by the management is ₹35.79 Lakhs, however the Company has written off the aforesaid inventory. Further such employees have been terminated from employment services, and the Company has taken legal action against them.

Furthermore, M/s Dhananjay Shukla & Associates, Company Secretaries, Secretarial Auditors of the Company and M/s Jitender Navneet & Co., Cost Accountants, Cost Auditors of the Company, have not reported any incidence of fraud in the reports issued by them.

#### 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 31<sup>st</sup> March, 2025, 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 and have issued an attestation report on 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 audit during the year was conducted by M/s Profadds 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 31<sup>st</sup> March, 2025, 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 prioritizes 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. Furthermore, in the opinion of the Board, there is no element of risk, which may threaten the existence of the Company.

#### 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/investors/corporate-policies>.

#### 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 merits and sustained high performance. The Company's human resource management culture emphasizes enabling employees to develop their skills, grow in their careers, and navigate 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. As of 31<sup>st</sup> March 2025, the Company had a total of 626 permanent employees, comprising 616 Males and 10 Females.

### Particulars of Employees

The details regarding the ratio of the remuneration of each director to the median employee's remuneration and other details except the statement showing the names of the top ten employees in terms of remuneration drawn, as per the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided as **Annexure IV**.

In terms of proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the statement showing the names of the top ten employees in terms of remuneration drawn 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 of CSR policy and initiatives undertaken by the company on CSR activities during the year

The 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-V** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The policy on CSR is available on the website of the Company, <https://stlfasteners.com/investors/corporate-policies>. Further the implementation and monitoring of CSR Policy is in compliance with the provisions of the Companies Act, 2013.

### 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. The status of the complaints, during the year under review is as below:

- Number of sexual harassment complaints received during the year – Nil
- Number of complaints disposed of during the year- Nil
- Number of cases pending for more than 90 days- Nil

### Disclosure under the Maternity Benefit Act, 1961

The Directors hereby confirm that the Company is in full compliance with the provisions of the Maternity Benefit Act, 1961 and affirm that

- the Company provides maternity leave in accordance with the requirements of the Act;
- all necessary facilities and entitlements mandated by the law are extended to women employees;
- no discriminatory practices are adopted against women employees on account of maternity or childbirth.

### 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 the Notes to the financial statements.

### Credit Rating

The ICRA Limited ("ICRA"), the credit rating agency has reaffirmed the Long-Term Credit rating AA- Outlook Positive 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 31<sup>st</sup> March 2025, the Gross Fixed Assets including intangible assets stood at ₹55,294.20 Lacs and Net Fixed Assets stood at ₹ 25,993.30 Lacs. Additions during the year amounted to ₹3,367.97 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 31<sup>st</sup> March 2025 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	₹2.95 Lacs
2	Underlying shares transferred to IEPF	9300 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 31<sup>st</sup> March 2025, 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 31<sup>st</sup> March 2025 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.

### Annual Return

As provided under section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the Annual Return in the prescribed form MGT-7 as on 31<sup>st</sup> March, 2025 is available on the Company's website at [www.stlfasteners.com/investors/](http://www.stlfasteners.com/investors/).

### Business Responsibility and Sustainability Report (BRSR)

The Company takes pride in presenting its third BRSR for the FY 2024-25. 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 the 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 FY 2024-25 has been developed and forms part of this report. The Company has strengthened its existing 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-VI** 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 taking any additional measures considered necessary to prevent pollution, maximize recycling, 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 emissions 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 31<sup>st</sup> March, 2025.

## Significant and Material Orders passed by the Regulators or Courts

During the year under review, 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/>.

## OTHER DISCLOSURES

### During the financial year under review:-

- The Company has not issued any equity shares with differential rights as to dividend, voting, or otherwise.
- Except as disclosed in this report and the financials of the Company, there was no issue of shares (including sweat equity shares) to employees of the Company under any other scheme. The equity shares so issued ranked pari-passu with the existing fully paid-up equity shares in all respects as to dividend, etc.
- The Company does not have any scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Neither the Managing Director nor the Wholtime Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- There was no instance of one-time settlement with any Bank or Financial Institution.
- The Company does not have any shares in an unclaimed suspense demat account.

## Acknowledgements

The Directors express deep gratitude to our customers for their sustained support and feedback, which have helped the company 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**

Date:- 7<sup>th</sup> August, 2025  
Place:- Faridabad

**Anil Aggarwal**  
Chairman & Whole Time Director  
DIN:00027214

**Atul Aggarwal**  
Managing Director  
DIN:00125825



# 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

#### Sterling Gtake E-Mobility 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	Sterling Gtake E-Mobility Limited
3	Date since when the subsidiary was acquired	12 <sup>th</sup> March, 2020
4	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31 <sup>st</sup> March, 2025
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	4,732.30
8	Total Assets	18878.18
9	Total Liabilities	11300.28
10	Investments	NIL
11	Turnover/ Other Income	38660.69
12	Profit before taxation	2011.55
13	Provision for taxation	352.64
14	Profit after taxation	1658.92
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.	2
2	Name of the Subsidiary	Sterling Advanced Electric Machines Private Limited
3	Date since when the subsidiary was acquired	08 <sup>th</sup> December 2023
4	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31 <sup>st</sup> March, 2025
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	2.50
7	Reserves & Surplus	(0.96 )
8	Total Assets	1.89
9	Total Liabilities	0.35
10	Investments	NIL
11	Turnover	NIL
12	Profit before taxation	(1.00 )
13	Provision for taxation	(0.32)
14	Profit after taxation	(0.68 )
15	Proposed Dividend	NIL
16	Extent of Shareholding (in %)	100%



### Sterling Tech-Mobility 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 Tech-Mobility Limited
3	Date since when the subsidiary was acquired	28 <sup>th</sup> June 2024
4	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31 <sup>st</sup> March, 2025
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	1,401.00
7	Reserves & Surplus	(118.23)
8	Total Assets	2,246.44
9	Total Liabilities	963.67
10	Investments	NIL
11	Turnover	17.54
12	Profit before taxation	(131.74)
13	Provision for taxation	(33.28)
14	Profit after taxation	(98.46)
15	Proposed Dividend	NIL
16	Extent of Shareholding (in %)	100%

### Sterling E-Mobility Private Limited

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

1	Sl. No.	4
2	Name of the Subsidiary	Sterling E-Mobility Private Limited
3	Date since when the subsidiary was acquired	28 <sup>th</sup> June 2024
4	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31 <sup>st</sup> March, 2025
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	5.10
7	Reserves & Surplus	(2.44)
8	Total Assets	2.97
9	Total Liabilities	0.30
10	Investments	NIL
11	Turnover	NIL
12	Profit before taxation	(0.81)
13	Provision for taxation	(0.81)
14	Profit after taxation	(0.00)
15	Proposed Dividend	NIL
16	Extent of Shareholding (in %)	100%

**Sterling Overseas Pte. Ltd**

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

1	Sl. No.	5
2	Name of the Subsidiary	Sterling Overseas Pte. Ltd
3	Date since when the subsidiary was acquired	23 <sup>rd</sup> September 2024
4	The reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31 <sup>st</sup> March, 2025
5	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	USD, 1USD= ₹ 85.58
6	Share Capital	0.84
7	Reserves & Surplus	(17.63)
8	Total Assets	11.33
9	Total Liabilities	28.12
10	Investments	NIL
11	Turnover	NIL
12	Profit before taxation	(17.44)
13	Provision for taxation	NIL
14	Profit after taxation	(17.44)
15	Proposed Dividend	NIL
16	Extent of Shareholding (in %)	100%

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

- Names of subsidiaries which are yet to Commence during the year : Sterling Advanced Electric Machines Private Limited and Sterling E-Mobility Private Limited.
- Names of subsidiaries which have been liquidated or sold during the year : Nil

**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

**Sterling Tools Limited**

Date:-7<sup>th</sup> August, 2025  
Place:- Faridabad

**Anil Aggarwal**  
Chairman & Whole time Director  
DIN-00027214

**Atul Aggarwal**  
Managing Director  
DIN- 00125825

# Annexure-II to Board's Report

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March 2025

[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: DJ-1210, 12<sup>th</sup> Floor, DLF Tower-B,  
Jasola District Centre, New Friends Colony, South 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 31<sup>st</sup> March 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March 2025 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 regarding the Companies Act and dealing with client.
- 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
- vi) 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 except reported hereunder:-

*The Company submitted the Corporate Governance Report for the Quarter ended 30<sup>th</sup> September 2024 to National Stock Exchange of India Limited ("NSE") by a delay of 1 day as a result of which the NSE imposed of penalty of Rs. 2000 per day plus GST.*

#### **We 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 except reported hereunder: -*

The composition of the Board was not as per the Regulation 17(1) of the Securities & Exchange Board of India (Listing Obligation & Disclosures Requirements) Regulation, 2015 from 1<sup>st</sup> April 2024 till 9<sup>th</sup> May 2024 due to absence of requisite number of non-executive Independent Directors on the Board. The company streamlined its compliances by the appointment of one more Non-Executive Independent Director namely Mr. Sanjiv Garg with effect from ("w.e.f") from 10<sup>th</sup> May 2024.

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 except reported above with respect to the composition of the Board. During the review period, the designation of Mr. Anil Agarwal was changed from Chairman & Managing Director to Chairman & Whole Time Director and designation of Mr. Atul Agarwal was changed from Whole Time Director to Managing Director. Further, Mr. Akhill Agarwal was appointed as the Whole Time Director of the company w.e.f 10<sup>th</sup> May 2024, earlier he was a Non-Executive Director of the company. The first term of Five years of Mr. Shailendra Swarup, Independent Director, was about to complete on 17<sup>th</sup> December 2024 and the Company made re-appointment of Mr. Shailendra Swarup at its Annual General Meeting held on 13<sup>th</sup> September 2024 for a period of 5 years from 17<sup>th</sup> December 2024 till 16<sup>th</sup> December 2029.

*We further report that, the Composition of the committees of the Boards namely Nomination & Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee was not in compliance of the provisions of the Companies Act and SEBI (LODR) Regulation 2015 from*

*1<sup>st</sup> April 2024 till 7<sup>th</sup> May 2024, then the committees were re-constituted on 8<sup>th</sup> May 2024.*

*Further during the review period, Mr. Abhishek Chawla, Company Secretary Cum Compliance officer of the company, resigned w.e.f 13<sup>th</sup> March 2025 and no new appointment has been made in his place till 6<sup>th</sup> August 2025. Pursuant to the Regulation 6 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") , the new appointment should have been made within three months.*

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 also on the basis of the quarterly compliance certificate(s) given by the Chief Financial Officer(CFO) and other departmental heads and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Management has adequate systems and processes and control mechanism exist in the company to monitor and ensure compliances with applicable General Laws like Labour laws and Environmental laws and other applicable laws forming part of this report.

**We further report that**, during the audit period the Company has not undertaken any activity having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. except given hereunder: -

1. The Board of the Directors of the company has passed a resolution dated 1<sup>st</sup> 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 the Scheme was approved by the Hon'ble National Company Law Tribunal ("NCLT"), Delhi Bench by its order dated March 27, 2025.
2. The Company through its wholly owned subsidiary namely Sterling Tech Mobility Limited, has entered into Technical Collaboration Agreements on 2<sup>nd</sup> December 2024 with Zhejiang Meishuo Electric Technology Co. Ltd., China, to locally manufacture latching relays for power transmission applications.
3. The Company through its wholly owned subsidiary namely Sterling Tech Mobility Limited, has entered into Technical Collaboration Agreements on 6<sup>th</sup> November 2024 with Kunshan GLVAC Yuanlong New Energy Technology Co. Ltd., China, a wholly owned subsidiary of China's Kunshan Guoli Electronic Technology Co. Ltd. to manufacture high-voltage DC contactors and relays.

4. The Company has signed an Memorandum of understanding (MOU) with MotiveLink Co. Ltd. (formerly known as Yongin Electronics Co. Ltd., South Korea) to produce magnetic components required for various applications.

**We further report that**, during the audit period, the Company has undertaken the following important decisions/corporate actions, in pursuance of the above referred laws, rules, regulations, guidelines, etc.

1. The company has established a new wholly owned overseas subsidiary in Singapore namely Sterling overseas Pte. Limited which was incorporated on 23<sup>rd</sup> September 2024 having paid up share capital of USD 1,000, consisting of 100 ordinary shares of USD 10 each.
2. The company has acquired 2 new wholly owned subsidiary companies namely Sterling E Mobility Private Limited and Sterling Tech Mobility Limited. The company has passed resolutions in its Board meetings to make investment of Rs. 5 Lakhs in Sterling E Mobility Private Limited and Rs. 30 Crores in different tranches in Sterling Tech Mobility Limited during the audit period pursuant to Section 179 to be read with Section 186 of the Companies Act, 2013.
3. The company allotted 160107 equity shares of face value Rs. 2 pursuant STL Employees Stock Option Scheme 2023 to Mr. Jaideep Wadhwa as a result of which the issued and paid up share capital of the company has been increased

from INR 7,20,48,422 (Seven Crores Twenty Lakhs Forty-Eight Thousand Four Hundred and Twenty-Two), comprising 3,60,24,211 (Three Crores Sixty Lakhs Twenty-Four Thousand Two Hundred and Eleven) equity shares of INR 2 each, fully paid-up, to INR 7,23,68,636 (Seven Crores Twenty-Three Lakhs Sixty-Eight Thousand Six Hundred and Thirty-Six), comprising 3,61,84,318 (Three Crores Sixty-One Lakhs Eighty-Four Thousand Three Hundred and Eighteen) equity shares of INR 2 each, fully paid-up.

4. The company has declared the dividend of Rupees 2 (Two) per equity share on the face value of Rs. 2 per share in its Annual General Meeting held on 25<sup>th</sup> September 2024.
5. During the period under Audit, the Registered Office of the Company has been shifted from Unit No. 515, DLF Tower-A, Jasola District Centre, New Delhi-110025 to DJ 1210, Twelfth Floor, DLF Tower-B, Jasola District Centre, New Delhi-110025 with effect from 13<sup>th</sup> August 2024.

We further report that during the audit period, there has been no instance of -

1. Public/Right/Preferential issue of Shares/debentures/ sweat equity etc.
2. Redemption/Buyback of Securities.
3. Major decisions taken by members in pursuance of Section 180 of the Companies Act, 2013.

For **Dhananjay Shukla & Associates**  
Company Secretaries

**Dhananjay Shukla**

Managing Partner

FCS-5886, CP No. 8271

Peer Review No. No.2057/2022

UDIN: F005886G000972115

Date: 7<sup>th</sup> August, 2025

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)  
Regd. Office: DJ-1210, 12<sup>th</sup> Floor, DLF Tower-B,  
Jasola District Centre, New Friends Colony, South 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**

Managing Partner

FCS-5886, CP No. 8271

Peer Review No. No.2057/2022

UDIN: F005886G000972115

Date: 7<sup>th</sup> August, 2025

Place: Gurugram

# Annexure-III to Board's Report

## FORM NO. MR - 3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31<sup>ST</sup>, 2025

[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 Gtate 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 Gtate 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 31<sup>st</sup>, 2025 ("**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.

#### Auditor's 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. Anil Aggarwal (DIN: 00027214) was appointed as an Additional Non-Executive & Non-Independent Director of the Company w.e.f. August 05, 2024, and was further regularized as Non-Executive Non-Independent Director and Chairman of the Company in the Annual General Meeting held on September 12, 2024.

- b. Ms. Rashmi Urdhwareshe (DIN: 08668140) was appointed as Woman Director in the capacity of Non-Executive Independent Director of the Company w.e.f. from October 21, 2024.

- (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 following events occurred in the Company having major bearing on the Company's affairs:

- a) That the Company has altered the object clause of its Memorandum of Association pursuant to a special resolution passed by the shareholders at their meeting held on June 10, 2024, to include business activities relating to the design, manufacture, promotion, and trading of Motor Control Units, Motors, Lithium-Ion Cells and other associated components for Electric and Hybrid Vehicles.
- b) That the Board of Directors of the Company at their meeting held on January 31, 2025, had accorded their consent for change the name of the Company from "Sterling Gtack E-Mobility Limited" to "Sterling E-Mobility Solutions Limited" which is subject to the approval of Shareholders and Registrar of Companies, NCT of Delhi & Haryana.

**For PI & Associates,**  
Company Secretaries

**Ankit Singhi**  
(Partner)

FCS No.: 11685

CP No.: 16274

Date: 31.07.2025

Place: New Delhi

Peer Review No.: 1498/2021

UDIN: F011685G000901475

#### **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.

To,  
The Members  
**Sterling Gtack 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: F011685G000901475

Date: 31.07.2025  
Place: New Delhi



## Annexure-IV to Board's Report

### Particulars 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 & Whole Time Director	62.51
Mr. Atul Aggarwal	Managing Director	61.63
Mr. Akhill Aggarwal	Whole Time Director	14.25

**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 & Whole Time Director	15%
Mr. Atul Aggarwal, Managing Director	15%
Mr. Akhill Aggarwal (Whole time Director w.e.f. 1st Jul 2024)	NA
Mr. Pankaj Gupta, Chief Financial Officer	5.5%

- c. **The Percentage increase in the median remuneration of employees in the financial year:** 7.75%.

- d. **The number of permanent employees on the rolls of Company:** 626

- 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 8.92%.

- 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	Chairman & Whole Time Director	3,40,96,874	Otherwise	B.Com. and 48 Years	30.09.1994	67	N.A.	16.89	Yes
2	Mr. Atul Aggarwal	Managing Director	3,36,20,006	Otherwise	M.B.A. and 35 Years	30.09.1994	61	N.A.	26.25	Yes
3	Mr. Amitrajit Sinha	Chief Manufacturing Officer	1,09,88,975	Otherwise	BE and 33 Years	01.08.2005	58	Sundram Fasteners Ltd	Nil	No

- 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:

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. Akhil Aggarwal	Whole Time Director	77,76,016	Otherwise	Graduate (Economics & Business) and 15 Years	01.07.2024	38	N.A.	7.35	Yes

- 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 Board of Directors  
**Sterling Tools Limited**

Date:- 7<sup>th</sup> August, 2025  
Place:- Faridabad

**Anil Aggarwal**  
Chairman & Whole Time Director  
DIN:00027214

**Atul Aggarwal**  
Managing Director  
DIN:00125825





# Annexure-V to Board's Report

## Annual Report on CSR Activities for FY 2024-25

### 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. The foundation focuses on various areas, including healthcare, sanitation, education (via scholarships, smart classrooms, and improved infrastructure in government schools), rehabilitation of the destitute, sports and educating the needy about government schemes and plans.

A comprehensive CSR policy, approved by the CSR Committee and the Board of Directors on November 5, 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. The implementation and monitoring of CSR Policy is in compliance with the provisions of the Companies Act, 2013.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Aggarwal	Chairman & Whole Time Director	1	1
2	Mr. Jaideep Wadhwa	Non-Executive Non-Independent Director	1	1
3	Ms. Rashmi Urdhwaresh*	Non-executive Independent Director	1	1

\* Ms. Rashmi Urdhwaresh was appointed as Member with effect from 9<sup>th</sup> May 2024.

### 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)
a) Average net profit of the Company as per section 135(5)	4948.57
b) Two percent of average net profit of the Company as per section 135(5)	98.97
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).	98.97

6.

(₹ in Lacs)

a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	98.96
b) Amount spent in Administrative Overheads	0.01
c) Amount spent on Impact Assessment, if applicable	NA
d) Total amount spent for the Financial Year (a+b+c)	98.97

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:**

Sl. 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		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount	Date of Transfer		
1	2021-22	Nil	Nil	Nil	Nil	Nil	Nil	NA
2	2022-23	24.96	Nil	Nil	Nil	Nil	Nil	NA
3	2023-24	Nil	24.96	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

**9. 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 Board of Directors  
**Sterling Tools Limited**

Date:- 7<sup>th</sup> August, 2025  
Place:- Faridabad

**Anil Aggarwal**  
Chairman & Whole Time Director  
DIN:00027214

**Atul Aggarwal**  
Managing Director  
DIN:00125825



## Annexure-VI 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	983kwp rooftop solar plant planned for three NCR plants
2. The steps taken by the Company for utilizing alternate sources of energy	Compressor heat recovery system installed to tap waste heat for liquid waste evaporation system at Prithla Plant.
3. The capital investment in energy conservation equipment's	Heat Treatment Furnace Bricklining improved with Special Coating to reduce heat loss and energy consumption.

### (B) Technology absorption-

1. the efforts made towards technology absorption	1. SCADA in the Annealing process to effectively manage quality and process efficiency. 2. Heat treatment furnace upgraded with addition of safety thermocouples in both hardening and tempering.
2. Benefits derived like product improvement, cost reduction, product development or import substitution	Led several cost reduction and process improvement projects, delivering substantial monetary savings
3. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Nil
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	₹ 33.09 Lakhs

### (C) Foreign exchange earnings and Outgo-

1. The Foreign Exchange earned in terms of actual inflows during the year	₹ 1109.69 Lacs
2. the Foreign Exchange outgo during the year in terms of actual outflows	₹ 2637.24 Lacs

For and on behalf Board of Directors

**Sterling Tools Limited**

Date:- 7<sup>th</sup> August, 2025  
Place:- Faridabad

**Anil Aggarwal**  
Chairman & Whole Time Director  
DIN:00027214

**Atul Aggarwal**  
Managing Director  
DIN:00125825

# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Sterling Tools Limited ("STL" or "the Company") takes pride in upholding the highest standards of corporate governance, a core principle for over four decades. Its strong governance framework, zero-tolerance approach to non-compliance, and commitment to transparency have been key in building lasting trust with stakeholders.

At the core of STL's corporate philosophy is a firm belief in adhering to ethical as well as the 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 FY 2024-25, the Company engaged with its members, seeking their feedback through Postal Ballot 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 year under review, the Board of the Company was further strengthened with the appointment of Mr. Sanjiv Garg as a Non-Executive Independent Director. In addition, there were changes in the designations of certain Directors: Mr. Anil Aggarwal was re-designated from Chairman and Managing Director to Chairman and Whole-Time Director; Mr. Atul Aggarwal was elevated from Whole-Time Director to Managing Director; and Mr. Akhill Aggarwal was re-designated from Non-Executive Non-Independent Director to Whole-Time Director.

As of 31<sup>st</sup> March 2025, the Board of Directors comprised 3 (three) Executive Directors, 2 (two) Non-Executive Non-Independent Directors, and 5 (five) Non-Executive Independent Directors, including 1 (one) Independent Woman Director.

The details of each member of the Board as on 31<sup>st</sup> March 2025, 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 Directorships in other Public Companies	No. of Board Committees of other Public Companies in which Chairman/Member	
			Chairman	Member
Mr. Anil Aggarwal (DIN 00027214)	Executive-Chairman & Whole Time Director (Promoter)	2	Nil	Nil
Mr. Atul Aggarwal (DIN 00125825)	Executive- Managing Director (Promoter)	4	Nil	1
Mr. Jaideep Wadhwa (DIN 00410019)	Non-Executive Non-Independent	1	Nil	Nil
Mr. Akhill Aggarwal (DIN 01681666)	Executive- Whole Time Director (Promoter)	2	Nil	Nil
Mr. Anish Agarwal (DIN 07056465)	Non-Executive Non-Independent (Promoter)	2	Nil	Nil
Mr. Sanjiv Garg (DIN 00428757)	Non-Executive Independent	2	Nil	Nil
Mr. Shailendra Swarup (DIN 00167799)	Non-Executive Independent	2	1	3
Mr. Rakesh Batra (DIN 06511494)	Non-Executive Independent	1	Nil	Nil
Ms. Rashmi Urdhwarshie (DIN 08668140)	Non-Executive Independent	8	2	6
Mr. Vijay Madhav Paradkar (DIN : 00149410)	Non-Executive Independent	Nil	Nil	Nil



**Notes :**

- A. In FY 2024-25, Mr. Sanjiv Garg, a Non-Executive Independent Director, was appointed as an Additional Director on 10<sup>th</sup> May 2024, and regularized as an Independent Director by shareholders on 28<sup>th</sup> June 2024.
- B. None of the Directors on the Board is a member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees (as specified in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) across all the listed Companies in which the person is a director. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2025 have been made by the Directors.
- C. Only Public Limited Companies (both listed and unlisted) other than Sterling Tools Limited have been considered for directorship and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded.
- D. Only the Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning the committee positions of public companies other than Sterling Tools Limited.
- E. The Chairmanship of the Director in the Committees includes the membership as well. .
- F. No director on the board holds directorships in more than ten public companies.
- G. None of the Independent Directors serves as an Independent Director in more than seven listed entities.
- H. 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 31<sup>st</sup> March 2025, 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	Nil	Executive-Chairman & Whole Time Director
Mr. Atul Aggarwal	Delton Cables Limited	Non-Executive Independent
	Ester Industries Limited	Non-Executive Independent
Mr. Jaideep Wadhwa	Nil	NA
Mr. Akhill Aggarwal	Nil	NA
Mr. Anish Agarwal	Nil	NA
Mr. Sanjiv Garg	Nil	NA
Mr. Rakesh Batra	Nil	NA
Mr. Shailendra Swarup	Jagran Prakashan Limited	Non-Executive Independent
	Gujarat Fluorochemicals Limited	Non-Executive Independent
Ms. Rashmi Urdhwaresh	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	Nil	NA

**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 FY 2024-25, the Board met 5 times on 10<sup>th</sup> May 2024, 13<sup>th</sup> August 2024, 14<sup>th</sup> November 2024, 4<sup>th</sup> February 2025 and 18<sup>th</sup> March 2025. The attendance of all the directors at Board Meetings held during the year and attendance at the last Annual General Meeting (AGM) held on 13<sup>th</sup> September 2024 are detailed below:

Name of the Director	No. of Board Meeting required to attend in FY 2025	No. of Board Meeting attended in FY 2025	Whether attended last AGM held on 13 <sup>th</sup> September, 2024
Mr. Anil Aggarwal	5	5	Yes
Mr. Atul Aggarwal	5	5	Yes
Mr. Jaideep Wadhwa	5	5	Yes
Mr. Akhill Aggarwal	5	5	Yes

Name of the Director	No. of Board Meeting required to attend in FY 2025	No. of Board Meeting attended in FY 2025	Whether attended last AGM held on 13 <sup>th</sup> September, 2024
Mr. Anish Agarwal	5	5	Yes
Mr. Sanjiv Garg	4	4	Yes
Mr. Rakesh Batra	5	5	Yes
Mr. Shailendra Swarup	5	5	Yes
Ms. Rashmi Urdhwareshe	5	5	Yes
Mr. Vijay Madhav Paradkar	5	5	Yes

## 2.5 Board Meetings and Procedures thereof:

At Sterling Tools Limited, Board Meetings serve as open forums for Board 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:

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

## 2.7 Details of shareholding of Directors as on 31<sup>st</sup> March, 2025 are given as under:

Name of the Director	No. of Equity Shares (Face Value ₹ 2/-)	% of Holding
Mr. Anil Aggarwal	61,10,583	16.89
Mr. Atul Aggarwal	94,99,574	26.25
Mr. Akhill Aggarwal	26,60,957	7.35
Mr. Anish Agarwal	27,01,957	7.47
Mr. Jaideep Wadhwa	1,51,760	0.42
Mr. Sanjiv Garg	Nil	Nil
Mr. Rakesh Batra	Nil	Nil
Mr. Shailendra Swarup	Nil	Nil
Ms. Rashmi Urdhwareshe	Nil	Nil
Mr. Vijay Madhav Paradkar	Nil	Nil



## 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 .

- Corporate Management & Leadership Quality
- Automobile & Auto Ancillary Industry Knowledge
- Finance, Accounting & Internal Controls
- Sales, Marketing & International Business
- Investment, Acquisition & Fund Management
- 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	✓	✓	✓	✓	✓	✓
Mr. Sanjiv Garg	✓	✓	-	-	✓	✓
Mr. Rakesh Batra	✓	✓	✓	-	✓	✓
Mr. Shailendra Swarup	✓	✓	-	-	✓	✓
Ms. Rashmi Urdhwareshe	✓	✓	✓	-	-	✓
Mr. Vijay Madhav Paradkar	✓	✓	✓	✓	✓	-

## 2.9 Confirmation regarding independence of Board:

The Company strongly believes that Independent Directors play an important role in the affairs of the Company through their valuable contribution and bring transparency and effectiveness into the functioning of the Company. In the opinion of the Board, all the existing Independent Directors and the one who are proposed to be 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 2024-25, a separate meeting of Independent Directors was held on 30<sup>th</sup> January 2025 without the attendance of Non-Independent Directors and members of management. In the said meeting the Independent Directors evaluated the performance of non-independent directors, the board as a whole; and 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 conveyed their high level of satisfaction with the governance processes followed by the Company. They also appreciated the timely and comprehensive information provided to them.

## 2.11 Familiarization program for Independent Directors:

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

- The Company's market conditions, operational models, and significant recent developments.
- Overall industry growth vis-à-vis the Company's growth, focusing on automotive industry trends.
- Present and future business projections, strategic initiatives, and key goals.
- Regulatory updates and amendments to various enactments.
- Code of Conduct and Insider Trading Policies.
- 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/familiarization-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:

As on 31<sup>st</sup> March 2025, the Audit Committee of the Company comprised 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 2024-25, the Audit Committee met 4 times on 10<sup>th</sup> May 2024, 12<sup>th</sup> August, 2024, , 13<sup>th</sup> November, 2024 and 3<sup>rd</sup> February, 2025. The Composition of the Committee as on 31<sup>st</sup> March, 2025 and detail of the meetings attended during the year by the members of the Committee are as given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Rakesh Batra	Chairman	Non-Executive Independent	4
Mr. Atul Aggarwal	Member	Managing Director	4
Mr. Shailendra Swarup	Member	Non-Executive Independent	4
Ms. Rashmi Urdhwarshie	Member	Non-Executive Independent	4

\* Mr. Atul Aggarwal and Ms. Rashmi Urdhwarshie appointed as members w.e.f. 08<sup>th</sup> May, 2024. Mr. Rakesh Batra appointed as Chairman w.e.f. 8<sup>th</sup> May, 2024.

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. Rakesh Batra, Chairman of the Audit Committee was present at the last Annual General Meeting held on 13<sup>th</sup> September 2024.

### 3.2 Nomination and Remuneration Committee:

As on 31<sup>st</sup> March, 2025, the Nomination and Remuneration Committee of the Company comprised of Three Directors, all are Independent Directors. Further, the Board of Directors of the Company in its meeting held on 13<sup>th</sup> May, 2025 has appointed Mr. Anil Aggarwal, Chairman and Whole-Time Director of the Company as member of the Committee. The Committee's constitution and terms of reference are in compliance with provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations.

## 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 FY 2024-25, the Committee met only three times: on 10<sup>th</sup> May 2024, 12<sup>th</sup> August, 2024, and 3<sup>rd</sup> February, 2025. The Composition of the Committee as on 31<sup>st</sup> March, 2025 and detail of the meetings attended during the year by the members of the Committee are as given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Vijay Madhav Paradkar	Chairman	Non-Executive Independent	3
Mr. Rakesh Batra	Member	Non-Executive Independent	3
Mr. Shailendra Swarup	Member	Non-Executive Independent	3

The Nomination and Remuneration Committee is 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 30<sup>th</sup> January 2025, 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

As on 31<sup>st</sup> March, 2025, the Stakeholders' Relationship Committee of the Company comprised 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 FY 2024-25, the Committee meeting was held on 3<sup>rd</sup> February 2025. The Committee is headed by an Independent Director, the Composition of the Committee as on 31<sup>st</sup> March 2025 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. Vijay Madhav Paradkar	Member	Non-Executive Independent	1
Mr. Atul Aggarwal	Member	Managing Director	1

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

### Details of Compliance Officer

Mr. Abhishek Chawla, Company Secretary & Compliance Officer of the Company, has resigned with effect from the closure of business hours of 13<sup>th</sup> March 2025. In the absence of a qualified Company Secretary as the Compliance Officer of the Company, Mr. Pankaj Gupta, Chief Financial Officer of the Company was taking care of all the compliances.

Furthermore, the Board of Directors of the Company in its meeting held on 7<sup>th</sup> August 2025 appointed Ms. Komal Malik as the Company Secretary and designated her as a Key Managerial Personnel and Compliance Officer of the Company w.e.f. said date.

The Company Secretary oversees the grievance redressal division designated for registering investor complaints and can be reached at:

5A DLF Industrial Estate, Faridabad-121003

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

Email: [csec@stlfasteners.com](mailto:csec@stlfasteners.com)

For any grievances, shareholders may also contact MAS Services Limited, the Registrar & Share Transfer Agent of the Company, at T-34, 2<sup>nd</sup> 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 2024-25	1
The number of shareholder's complaints solved to the satisfaction of shareholders.	1
Number of pending shareholders' complaints	0

Further, as on 31<sup>st</sup> March 2025 no request for transfer/transmission was pending for approval.

### 3.4 Risk Management Committee

As on 31<sup>st</sup> March 2025, the Risk Management Committee of the Company comprised of six members, including one Independent Director. 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.

- 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 2024-25, the Committee met twice on 13<sup>th</sup> April 2024 and 28<sup>th</sup> October 2024. The Composition of the Committee as on 31<sup>st</sup> March 2025 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 & Whole Time Director	2
Mr. Atul Aggarwal	Member	Managing Director	2
Mr. Rakesh Batra	Member	Non-Executive Independent	2
Mr. Jaideep Wadhwa <sup>1</sup>	Member	Non-Executive Non-Independent	2
Mr. Akhill Aggarwal	Member	Whole Time Director	1
Mr. Pankaj Gupta	Member	Chief Financial Officer	2

**Note :** <sup>1</sup>Ceased to be the member on 13<sup>th</sup> May 2025.

Further, the Board of Directors of the Company in its meeting held on 13<sup>th</sup> May 2025 appointed Mr. Vijay Madhav Paradkar, Non-Executive Independent Director of the Company as member of the Committee.

## 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:

- Formulating and recommending to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
- Recommending the amount of expenditure to be incurred on the activities referred to in clause (1).
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy of the Company can also be viewed at <https://stlfasteners.com/investors/corporate-policies>.

### Composition and Meetings of Corporate Social Responsibility Committee

During FY 2024-25, the Committee met once on 30<sup>th</sup> January 2025 . The Composition and attendance of each Member is given below:

Name of Directors	Designation	Category	No. of Meetings attended
Mr. Anil Aggarwal	Chairman	Chairman & Whole Time Director	1
Mr. Jaideep Wadhwa	Member	Non-Executive Non-Independent	1
Ms. Rashmi Urdhwareshe	Member	Non-Executive Independent	1

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company along with the initiatives undertaken by the Company on CSR activities during the year is provided as an Annexure to the Board 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:

- 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 and to open and closure of Bank account with various banks.





- To deal with Govt. Authorities for various business matters.
- To file/defend any legal cases.
- To appoint any Legal Counsel, Consultant etc.
- To furnish indemnity bond/affidavits for the purpose of imports & exports and other compliances related to the same.
- To invest company funds in purchasing or leasing land, within a limit of 15 Crores.
- To make investments upto 5 Crores, between two quarterly board meetings, either through equity and/or unsecured loans in the subsidiary companies.

#### Composition and Meetings of Management Committee

During FY 2024-25, the meeting of the Committee convened eight times on the following dates: 16<sup>th</sup> May, 2024,, 23<sup>rd</sup> July, 2024, 24<sup>th</sup> September, 2024, 12<sup>th</sup> November, 2024, 11<sup>th</sup> December, 2024, 23<sup>rd</sup> January, 2025, 28<sup>th</sup> February, 2025, and 21<sup>st</sup> March, 2025 . 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 & Whole Time Director	7
Mr. Atul Aggarwal	Member	Managing Director	8
Mr. Akhill Aggarwal	Member	Whole Time Director	4

#### 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	Managing Director
Mr. Jaideep Wadhwa	Member	Non-Executive Non-Independent Director
Mr. Rakesh Batra	Member	Non-Executive Independent Director
Mr. Akhill Aggarwal	Member	Whole Time Director

During the Financial Year 2024-25, 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 & Whole Time Director
Mr. Atul Aggarwal	Member	Managing 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 2024-25 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.	Pankaj Gupta	Chief Financial Officer
2.	V K Puri	Purchase Head
3.	Amandeep Chhabra	Sales & Marketing Head
4.	Ram Avtar Aggarwal	Admin. Head
5.	R. Jayaraman	Design Head
6.	Anupam Roop Rai	Human Resource Head
7.	Chandrakant Poojari	IT Head

## 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 25<sup>th</sup> September 2020, which cover the terms and conditions of such appointment.

Details of the remuneration paid to Executive Directors during the year 2024-25 are given below:

(Amount in ₹ Lacs)

Name of the Director	Salary and other Allowances	Commission	Perquisites	Total
Mr. Anil Aggarwal	271.73	65	4.24	340.97
Mr. Atul Aggarwal	261.51	65	9.69	336.20
Mr. Akhill Aggarwal	77.76	-	-	77.76

- The service contract of Executive Directors is for a period of five years in accordance with the provisions of the Companies Act, 2013.
- The services of the 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 the 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 2024-25, 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
Mr. Vijay Madhav Paradkar	2.50	NA	0.50	1.50	NA	NA	NA	0.50
Mr. Sanjiv Garg	2.00	NA	NA	NA	NA	NA	NA	0.50
Mr. Rakesh Batra	2.50	2.00	NA	1.50	NA	1.00	NA	0.50
Mr. Shailendra Swarup	2.50	2.00	0.50	1.50	NA	NA	NA	0.50
Ms. Rashmi Urdhwaresh	2.50	2.00	NA	NA	0.50	NA	NA	0.50
<b>Total</b>	<b>12.00</b>	<b>6.00</b>	<b>1.00</b>	<b>4.50</b>	<b>0.50</b>	<b>1.00</b>		<b>2.50</b>

**ESOPs to Directors:** During the year under review, the Company has allotted 1,60,107 equity shares to Mr. Jaideep Wadhwa, Non-Executive Non-Independent Director of the Company, pursuant to the exercise of ESOPs out of 6,40,431 ESOPs granted to him in the capacity of Managing Director of Sterling Gtack E-Mobility Limited, Wholly owned Subsidiary, in terms of the STL Employee Stock Option Plan, 2023 and vesting schedule thereof. 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 2024-25. 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 uploaded 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 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, 2025. 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 2024-25	NIL
2. Number of complaints disposed of during the financial year 2024-25	NIL
3. Number of complaints pending as on end of the financial year 2024-25	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
2023-24	13.09.2024 (45 <sup>th</sup> AGM)	10:00 A.M.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	Re-appointment of Mr. Shailendra Swarup (DIN 00167799) as a Non-executive Independent Director of the Company and Ratification of the remuneration of the Cost Auditors for the Financial Year 2024-25
2022-23	18.09.2023 (44 <sup>th</sup> 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 (43 <sup>rd</sup> 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

#### Special Resolutions passed at the last 3 AGMs:

FY	Date	Time	Special Businesses
2023-24	13.09.2024 (45 <sup>th</sup> AGM)	10:00 A.M.	Re-appointment of Mr. Shailendra Swarup (DIN 00167799) as a Non-executive Independent Director of the Company
2022-23	18.09.2023 (44 <sup>th</sup> AGM)	10:00 A.M.	None
2021-22	22.09.2022 (43 <sup>rd</sup> 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.

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

During FY 2024-25, following Special Resolutions were passed through Postal Ballot process, the details whereof including voting pattern are as under:

#### A. Details of Postal ballot conducted vide Notice dated 10<sup>th</sup> May 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	Change in designation of Mr. Anil Aggarwal from Chairman cum Managing Director to Chairman and Whole Time Director of the Company	36024211	25570936	25570259	99.997	677	0.003	28 <sup>th</sup> June 2024
2	Change in designation of Mr. Atul Aggarwal from Whole Time Director to Managing Director of the Company	36024211	25571076	25570399	99.997	677	0.003	28 <sup>th</sup> June 2024
3	Appointment of Mr. Akhill Aggarwal (DIN: 01681666) as Whole Time Director of the Company and payment of remuneration thereof	36024211	25570936	25570159	99.997	777	0.003	28 <sup>th</sup> June 2024
4	Appointment of Mr. Sanjiv Garg as Non-Executive Independent Director	36024211	25570936	25570159	99.997	777	0.003	28 <sup>th</sup> June 2024





For the above Postal Ballot, Mr. Santosh Kumar Pradhan, Practicing Company Secretary, Ghaziabad, was appointed as the Scrutinizer to conduct the aforesaid Postal Ballot 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, 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 the postal ballot:**

No special Resolution is proposed to be conducted through postal ballot process.

## 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](http://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 apprise 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- <https://stlfasteners.com/investors/intimations-to-stock-exchanges>.

The details of investor presentations and Press releases made to Institutional Investors during the Financial Year 2024-25 are as detailed below:

- Press release on MOU entered with South Korea's MOTIVELINK Co., Ltd., South Korea (Erstwhile Yongin Electronics Co. Ltd): 18<sup>th</sup> April 2024
- Press release on appointment of key leadership on the Board of the Company: 11<sup>th</sup> May 2024
- Q4 & FY24 Results Presentation and Press release: 11<sup>th</sup> May 2024
- Q1 FY25 Results Presentation and Press release: 13<sup>th</sup> August 2024
- Press Release on Technical Collaboration Agreement with Kunshan GLVAC Yuantong New Energy Technology Co., Ltd. ('GLVAC YT'), a wholly owned subsidiary of China's Kunshan Guoli Electronic Technology Co., Ltd. ('GLVAC')
- Q2 & H1 FY25 Results presentation and Press release: 14<sup>th</sup> November 2024
- Press Release on reaffirmation of Company's rating by ICRA Limited with revision in Outlook from Stable to Positive: 19<sup>th</sup> November 2024
- Press Release on Technical Collaboration Agreement through its subsidiary Sterling Tech Mobility Limited with Zhejiang Meishuo Electric Technology Co., Ltd., China: 2<sup>nd</sup> December 2024
- Q3 & 9M FY25 Results presentation and Press release: 4<sup>th</sup> February 2025

The same is 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 : Thursday, 25<sup>th</sup> September, 2025
- Time : 10:00 A.M.
- Venue : The Company is conducting meeting through VC / OAVM pursuant to the latest MCA Circular dated 19<sup>th</sup> September 2024 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 : 2024-25 (1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025)

### 3) Dividend Announcement: The Board of Directors of Sterling Tools Limited has proposed a dividend of ₹ 2.50/- per equity share (125%) for the financial year ended 31<sup>st</sup> March, 2025, 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 Friday, 19<sup>th</sup> September 2025 to Thursday, 25<sup>th</sup> September 2025 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 within 30 days from the date of declaration:
- 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 Thursday, 18<sup>th</sup> September 2025.
- 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 Thursday, 18<sup>th</sup> September 2025.
- 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](http://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](http://www.nseindia.com)
- Listing fees as applicable have been paid to both the Stock Exchanges.
- 7) Name of Depositories for dematerialization of equity shares** : ● **ISIN** : INE334A01023
- **Depository**:  
National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL)
- 8) Registrar and Transfer Agent** : **MAS Services Limited**  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020  
Fax: +91 11 2638 7384  
Mobile: - +91-8929884917  
Email: [info@masserv.com](mailto:info@masserv.com) Visit: [www.masserv.com](http://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](mailto: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 and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, the transfer of securities held in physical form is no longer permitted. Consequently, the Company has not accepted any transfer requests for shares held in physical form since that date, except for those lodged prior to April 1, 2019, which were subsequently returned due to deficiencies in documentation.
- SEBI, through its circular dated September 7, 2020, had initially set March 31, 2021, as the deadline for the re-lodgement of such transfer deeds. However, based on representations received from investors, Registrar and Transfer Agents (RTAs), and listed companies highlighting that several investors were unable to meet the earlier deadline, SEBI has now granted a final opportunity for re-lodgement.
- Accordingly, SEBI, via its circular dated July 2, 2025 (SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97), has announced the opening of a six-month special window — from **July 7, 2025, to January 6, 2026** — during which eligible shareholders may re-lodge their previously rejected or unattended transfer deeds, provided these were originally submitted prior to April 1, 2019.
- It is important to note that all such transfers will be processed exclusively in dematerialized form, in compliance with the prescribed procedure for transfer-cum-demat requests.
- 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 has been sending periodic communications to all members holding shares in physical form, in compliance with SEBI Circulars issued from time to time.

**10) Dematerialization of Shares**

The Shares of the Company are in Compulsory Demat segment as on 31<sup>st</sup> March 2025.

The summarised position of shareholders in Physical and Demat segment as on 31<sup>st</sup> March 2025 is as under:

Type of shareholding	No. of shareholders	Physical Shares	Demat Shares
Equity	40,602	69,031	3,61,15,287
Preference		N.A.	

**11) Distribution of shareholding as on 31<sup>st</sup> March 2025**

Number of Share Holders	% To Total	Share Holding of face Value of ₹2/-	No. of shares	Amount in ₹	% To Total
40,236	99.099	1 to 5,000	46,61,937	93,23,874	12.884
197	0.485	5,001 to 10,000	7,26,820	14,53,640	2.009
105	0.259	10,001 to 20,000	7,49,734	14,99,468	2.072
15	0.037	20,001 to 30,000	1,93,977	3,87,954	0.536
6	0.015	30,001 to 40,000	1,08,894	2,17,788	0.301
10	0.025	40,001 to 50,000	2,29,980	4,59,960	0.636
12	0.030	50,001 to 100,000	4,11,444	8,22,888	1.137
21	0.052	100,001 and above	2,91,01,532	5,82,03,064	80.426
<b>40,602</b>	<b>100.000</b>	<b>Total</b>	<b>3,61,84,318</b>	<b>7,23,68,636</b>	<b>100.000</b>

Face Value of each share ₹ 2/-

**12) Shareholding Pattern:**

Particulars	As on 31 <sup>st</sup> March 2025		As on 31 <sup>st</sup> March 2024	
	No. of shares	% to total Capital	No. of shares	% to total Capital
Promoters	2,35,27,237	65.02	2,36,93,030	65.77
Mutual Funds	10,32,904	2.85	18,47,759	5.13
Alternate Investment fund	-	-	1,29,900	0.36
NRIs and OCBs	23,07,246	6.38	20,45,169	5.67
Body Corporate	2,25,410	0.62	5,37,417	1.49
Indian Public	89,00,169	24.60	75,84,949	20.96
IEPF	1,91,352	0.53	1,85,987	0.52
<b>Total</b>	<b>3,61,84,318</b>	<b>100.00</b>	<b>3,60,24,211</b>	<b>100.00</b>

**13) Outstanding GDRs/ ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:** : The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on 31<sup>st</sup> March, 2025, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

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

**15) 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.

**16) 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

- 17) 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.
- 18) Address for correspondence** : Investors and Shareholders are requested to send all correspondence to the Registrar & Transfer Agent at MAS Services Limited, T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

## 8. Statutory Auditors and their Fee:

M/s Walker Chandio & Co., LL.P., the Chartered Accountants are the Statutory Auditors of the company. During the Financial Year 2024-25, the total fees paid by the Company to them is as below:

Statutory Audit	: ₹ 36.55 Lacs
Other than Audit	: ₹ 3.55 Lacs
Reimbursement of Expenses	: ₹ 3.47 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 one of the most reputed credit rating agency has reaffirmed the Long-Term Credit rating AA- Outlook positive 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 2024-25 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. There were no materially significant related party transactions made by the Company 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

During the year under review, no penalties or strictures were imposed by the SEBI, or any other statutory authority. However, the Stock Exchange(s) levied fines amounting to ₹4,60,200 for improper composition of the Board (1<sup>st</sup> April 2024 to 9<sup>th</sup> May 2024), ₹1,74,640 for improper composition of the Nomination and Remuneration Committee (1<sup>st</sup> April

2024 to 7<sup>th</sup> May 2024), ₹1,74,640 for improper composition of the Stakeholders Relationship Committee (1<sup>st</sup> April 2024 to 7<sup>th</sup> May 2024), and ₹2,360 for a one-day delay in filing the Corporate Governance Report for the quarter ended 30<sup>th</sup> September 2024. The delay in compliance regarding the composition of the Board and Committees was due to the expiry of the terms of three Non-Executive and Independent Directors on 31<sup>st</sup> March 2024, and despite efforts, a suitable replacement for one independent director could not be appointed in time.

### 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 FY 2024-25 on behalf of M/s Walker Chandio & Co., LLP and there is no Audit Qualification by the Statutory Auditors.





b. Presentation by Internal Auditors

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

### 10.7 Subsidiary Companies

As on 31<sup>st</sup> March, 2025, the Company has five Wholly owned Subsidiaries:

- 1 Sterling Gtake E-Mobility Ltd.
- 2 Sterling Tech-Mobility Ltd.
- 3 Sterling E-Mobility Private Ltd.
- 4 Sterling Advanced Electric Machines Pvt. Ltd.
- 5 Sterling Overseas Pte Ltd.

Sterling Gtake E-mobility Limited, incorporated in Delhi on 10<sup>th</sup> January 2020, is the Material Subsidiary of the Company. Furthermore, M/s S.R. Dinodia & Co, LLP were appointed as the Statutory Auditors of Sterling Gtake E-mobility Limited on 30<sup>th</sup> September 2020. The policy of Materials subsidiary is being uploaded on the website at <https://stlfasteners.com/assets/upload/investors/20240111111425-stl-policyonmaterialsubsidiary-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](https://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 2024-25.

## 11. Report on Corporate Governance

This Corporate Governance Report forms part of the Annual Report. The Company is fully compliant with the

corporate governance requirements as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, except for certain delayed compliances as mentioned earlier in this report.

## 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 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, Atul 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<sup>st</sup> March 2025 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<sup>st</sup> March 2025.

Date: 13.05.2025  
Place: Faridabad

Sd/-  
**Atul Aggarwal**  
Managing Director  
DIN No. 00125825

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. DJ-1210, 12<sup>th</sup> floor,

DLF Tower -B, Jasola District Centre,

New Friends Colony, South 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. DJ-1210, 12<sup>th</sup> floor, DLF Tower -B, Jasola District Centre, New Friends Colony, South 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2025 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 Urdhwaresh	08668140	01/02/2024
9.	Mr. Vijay Madhav Paradkar	00149410	25/03/2024
10.	Mr. Sanjiv Garg	00428757	10/05/2024

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: F006973G000920127

Place: Ghaziabad

Date: 02.08.2025

# Compliance Certificate

## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

The Members,

**Sterling Tools Limited,**

(CIN: L29222DL1979PLC009668)

Unit No. DJ-1210, 12<sup>th</sup> floor,

DLF Tower -B, Jasola District Centre,

New Friends Colony, South Delhi-110025

I have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said Company with the Stock Exchanges, for the year ended 31<sup>st</sup> March 2025.

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 31<sup>st</sup> March, 2025 except for the Composition of Board of Directors as required in Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1<sup>st</sup> April, 2024 to 9<sup>th</sup> May, 2024 and the composition of Nomination & Remuneration Committee as required in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the composition of Stakeholders' Relationship Committee as required in Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1<sup>st</sup> April, 2024 to 7<sup>th</sup> May, 2024 respectively.

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)

**Santosh Kumar Pradhan**

FCS-6973

C.P. No. 7647

P.R.C. No. 1388/2021

UDIN: F006973G000920127

Place: Ghaziabad

Date: 02.08.2025





# Business Responsibility & Sustainability Report

## 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	<b>Sterling Tools Limited</b> or "The Company"
3	Year of incorporation	1979
4	Registered office address	DJ-1210, 12 <sup>th</sup> Floor, DLF Tower-B, Jasola District Centre, New Delhi – 110025
5	Corporate address	Plot No. 5A, DLF Industrial Estate, Faridabad-121003
6	E-mail	<a href="mailto:csec@stlfasteners.com">csec@stlfasteners.com</a>
7	Telephone	0129-2270621
8	Website	<a href="http://www.stlfasteners.com">www.stlfasteners.com</a>
9	Financial year for which reporting is being done	FY 2024-2025
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and Bombay Stock Exchange Limited
11	Paid-up Capital	Rs.723.69 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:	Pankaj Gupta Chief Financial Officer <b>Tel:</b> 0129-2270621 <b>Email:</b> <a href="mailto:csec@stlfasteners.com">csec@stlfasteners.com</a>
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/Assessment Provider	The data provided in the BRSR Report has not been assured by any external agency.
15	Type of Assurance/Assessment 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	98.95%

#### 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	98.95%

### 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)	26
International (No. of Countries)	13

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

1.70 % of the total turnover of the Company is contributed through exports.

##### c. A brief on types of customers.

The Company is part of a diversified automotive group and is the leading producer of cold forged hi-tensile fasteners. It currently meets the fastener requirements of all major and well-known automotive Original Equipment Manufacturers (OEMs) in India. The Company has a distinguished and respected customer base. In the Commercial Vehicle segment, it supplies to major manufacturers like TATA Motors, Ashok Leyland, and Daimler. In the Passenger Car segment, its customers include Maruti Suzuki, Hyundai, and Mahindra. In the Two-Wheeler segment, the Company provides fasteners to Suzuki Motorcycles, Hero MotoCorp, and Honda Motorcycles and Scooters. In the Tractor segment, it manufactures components for Mahindra, John Deere, and Escorts. The Company also supplies parts to off-highway vehicle manufacturers such as JCB. With its high-quality cold forged hi-tensile fasteners, the Company plays a key role in supporting India's top vehicle manufacturers across various segments.

### 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)	390*	380	97.44%	10	2.56%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	<b>Total employees (D + E)</b>	<b>390</b>	<b>380</b>	<b>97.44%</b>	<b>10</b>	<b>2.56%</b>
WORKERS						
4.	Permanent (F)	236	236	100%	0	0%
5.	Other than Permanent (G)	1199	1161	96.83%	38	3.17%
6.	<b>Total workers (F+G)</b>	<b>1435</b>	<b>1397</b>	<b>97.35%</b>	<b>38</b>	<b>2.65%</b>

\*Includes Directors & KMPs as well

##### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D+E)	0	0	0%	0	0%
Differently Abled Workers						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	Total differently abled workers (F+G)	0	0	0%	0	0%

**21. Participation/Inclusion/Representation of women:**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel*	3	0	0%

\* Managing Director (MD) is also a KMP and has been considered under both the categories of BOD and KMP. During the year, one of the KMP (Company Secretary) ceased to be associated with the Company with effect from 13<sup>th</sup> March, 2025.

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

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24* (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33.24%	20.00%	32.90%	23.55%	40.00%	23.89%	25.23%	71.43%	26.30%
Permanent Workers	0.85%	0%	0.85%	0.84%	0%	0.84%	0.82%	0%	0.82%

\* The previous year's values have been revised and regrouped wherever required.

**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 Gtack E-Mobility Limited	Subsidiary	100%	No
2	Sterling Advanced Electric Machines Private Limited	Subsidiary	100%	No
3	Sterling Overseas Pte. Limited	Subsidiary	100%	No
4	Sterling E-Mobility Private Limited	Subsidiary	100%	No
5	Sterling Tech-Mobility 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 ₹): 64,478.34 Lakhs

(iii) Net worth (in ₹): 46,701.56 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 2024-25 (Current Financial Year)			FY 2023-24 (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
(other than Shareholders)	Yes, Stakeholder Relationship Committee	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes, Stakeholder Relationship Committee	1	Nil	All concerns were closed	4	Nil	All concerns were closed
Employees and Workers	Yes, Grievance Policy	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 2024-25 (Current Financial Year)			FY 2023-24 (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
Customers	Yes, <a href="mailto:marketing@stlfasteners.com">marketing@stlfasteners.com</a>	229	Nil	All concerns were closed	214*	Nil	All concerns were closed
Value chain partners Others (Suppliers and Government and Regulatory Bodies)	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.						
	-	Nil	Nil	Nil	Nil	Nil	Nil

\* The previous year's values have been revised and regrouped wherever required.

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. The 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](mailto:csec@stlfasteners.com), [marketing@stlfasteners.com](mailto:marketing@stlfasteners.com)

## 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	Risk & Opportunity	Global climate change regulations, stakeholder expectations, and physical climate risks can disrupt operations and supply chains. Transition to low-carbon pathways creates new business opportunities.	Adoption of renewable energy, energy efficiency measures, climate-resilient infrastructure.	Negative: Higher compliance costs and capex; Positive: Cost savings from efficiency and enhanced brand value.
2	Emissions	Risk & Opportunity	Regulatory compliance on GHG and air pollutants is tightening, non-compliance may attract penalties and reputational damage.	Monitoring and reduction of Scope 1 & 2 emissions, technology upgrades, and emission controls.	Negative: Potential penalties, carbon pricing impact; Positive: Savings from reduced energy/ emission intensity.
3	Water management	Risk & Opportunity	Manufacturing is water-intensive, and water scarcity poses operational and reputational risks.	Water efficiency projects, rainwater harvesting, wastewater recycling, zero liquid discharge initiatives.	Negative: Production disruptions in case of shortages; Positive: Cost savings and long-term water security.





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	Diverse and inclusive workforce promotes innovation, improves retention, and enhances reputation.	Implementation of equal opportunity policies, employee training, and diversity targets.	Positive: Higher employee productivity, improved employer brand, and talent retention.
5	Responsible supply chain	Responsible supply chain	Global customers demand sustainable and ethical sourcing; lapses can cause reputational and business risks, while responsible practices enhance competitiveness.	Supplier Code of Conduct, supplier audits, capacity building, sustainable sourcing initiatives.	Negative: Audit and compliance costs; Positive: Stronger supplier relationships, access to global markets.
6	Community engagement	Opportunity	Strong community relations build goodwill, reduce social risks, and improve business continuity.	CSR initiatives in health, education, skills development, and livelihood support.	Positive: Enhanced license to operate, reduced disruptions, and long-term reputational benefits.
7	Manufacturing efficiency	Opportunity	Efficiency improvements lower costs, reduce emissions and waste, and enhance competitiveness.	Lean manufacturing, process optimization, and circular economy practices.	Positive: Reduced operational costs, improved profitability, and long-term competitiveness.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
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: <a href="https://stlfasteners.com/investors/">https://stlfasteners.com/investors/</a> . Rest of the Policies are available on the 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.	IATF 16949: 2016 ISO 45001: 2018 ISO 14001: 2015 ISO 9001: 2015 ISO 17025 ISO 27001: 2022								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>The company has identified key environmental and social performance indicators and is currently formulating a comprehensive ESG roadmap. This roadmap will define clear commitments, goals, and measurable targets across the following strategic areas:</p> <ul style="list-style-type: none"> <li>• Comprehensive assessment of GHG emissions (Scope 1 &amp; 2)</li> <li>• Implementation of zero liquid discharge systems across majority manufacturing sites</li> <li>• Advancement of diversity and inclusion initiatives</li> <li>• Enhancement of employee learning and development programs</li> <li>• Sustainable and efficient water resource management</li> <li>• Adoption of responsible waste management practices</li> <li>• Strengthening supply chain accountability and sustainability</li> <li>• Active and transparent stakeholder engagement</li> <li>• Promotion of employee health, safety, and well-being</li> <li>• Promoting innovation in products and processes</li> <li>• Empowerment and development of local communities</li> </ul>								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The Company strengthened its ESG commitment by conducting detailed assessments across all manufacturing units. Carbon footprints were calculated, and sustainability goals were set for the next three years. A monitoring framework is in place, with plans to begin regular reporting on progress against these targets.								



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Governance, leadership, and oversight</b>									
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)	<p>This report aligns with the nine principles of the National Guidelines on Responsible Business Conduct (NGRBCs), offering a comprehensive view of the company's sustainability efforts. It reflects a strong commitment to responsible business practices across operations, highlighting progress in ESG challenges, measurable targets, and meaningful outcomes.</p> <p>The company is dedicated to promoting economic development while enhancing community well-being. With a focus on inclusive growth, efforts are directed toward environmental sustainability, access to education, and skill development. Initiatives like integrating solar energy across facilities reflect the company's response to climate challenges.</p> <p>Through CSR programs, the company supports marginalized communities by promoting education for differently abled children and providing skill development for sustainable livelihoods. These efforts are underpinned by strong corporate governance rooted in integrity, accountability, and transparency, ensuring compliance and long-term value creation for society and the environment.</p>								
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.								

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	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	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.																	

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

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is 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	<ul style="list-style-type: none"> <li>• Economic Outlook</li> <li>• Business of the Company</li> <li>• Strategy discussion</li> <li>• Regulatory updates</li> <li>• Key Company Highlights</li> <li>• Industry Outlook</li> </ul>	100%
Employees other than BoDs and KMPs	120	<p>The trainings may be categorized as below:</p> <ol style="list-style-type: none"> <li>1. Training on behavioral development (POSH, 5'S awareness, Statutory Compliance management etc.)</li> <li>2. Employee Health and Safety trainings</li> <li>3. IT related trainings (PMS module, Cyber-attack awareness etc.)</li> <li>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.)</li> <li>5. Other technical trainings (PPAP, 4M Change Management, CQI, Data management, Control Plan, Product Knowledge, Microstructure Checking etc.)</li> </ol>	95%
Workers	33	<p>The training can be categorized as below:</p> <ol style="list-style-type: none"> <li>1. Training on Behavioral development (5'S awareness, Motivational trainings etc.)</li> <li>2. Employee Health and Safety trainings (First Aid, Safety awareness and Emergency etc.)</li> <li>3. Trainings on quality matters (IATF, Kaizen and Presentation Skills/ Machine Setting, Awareness on MSA etc.)</li> <li>4. Other technical trainings (Perpetual Inventory, Rework Analysis, Daily MIS, Maru-A and Understanding Drawing and Control Plan etc.)</li> </ol>	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					
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				

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.

The Company maintains a robust Anti-Corruption and Anti-Bribery policy that reflects its commitment to integrity and transparency. It adopts a zero-tolerance stance against corruption, bribery, and any form of unethical conduct. Strong internal controls are in place to ensure that neither the Company nor its employees engage in such practices. This policy is easily accessible to all employees via the Company's Intranet.

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 2024-25 (Current Financial Year)	FY 2023-24 (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 2024-25 (Current Financial Year)		FY 2023-24 (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:**

	<b>FY 2024-25 (Current Financial Year)</b>	<b>FY 2023-24 (Previous Financial Year)</b>
Number of days of accounts payables	21	24

**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:**

<b>Parameter</b>	<b>Metrics</b>	<b>FY25 (Current Financial Year)</b>	<b>FY24 (Previous Financial Year)</b>
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%
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	11%	12%
	b. Number of dealers / distributors to whom sales are made	133	136
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	33%	32%
Shares of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0%	0.03%
	b. Sales (Sales to related parties / Total Sales)	0.05%	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.

\*\*The previous year's values have been revised and regrouped wherever required.

**Leadership Indicators**

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

<b>Total number of awareness programmes held</b>	<b>Topics / principles covered under the training</b>	<b>%age of value chain partners covered (by value of business done with such partners) under the awareness programmes</b>
25	Focused training sessions were held to strengthen logistics quality and compliance. Key areas covered included proper material packaging, defect-free dispatches, adherence to vehicle load limits, and ensuring all vehicle certifications are up to date. The initiative aimed to improve safety, reduce errors, and ensure regulatory compliance.	5-10%

**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**

- 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	100%	Nil	The Company has implemented a Single Station Digital Servo Controller to perform precise end-of-life testing of components. This advanced technology significantly enhances product quality and reliability, contributing to reduced material waste and operational inefficiencies.
Capex	2.66%	27.09%	The Company enhanced environmental controls at its Bangalore Plant by installing a Fume Extractor Unit and upgrading the Scrubber capacity. To reduce dependence on non-renewable energy, 900 KWP solar panels shall be installed at NCR plants during the next financial year. Additionally, a Digital Servo Controller was installed for improved component end-of-life testing, supporting product quality and resource efficiency.

- Does the entity have procedures in place for sustainable sourcing?**

The Company systematically evaluates its direct material suppliers and value chain partners across key criteria such as reliability, product quality, and operational dependency to ensure consistent performance and supply chain excellence.

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

- 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.

- 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.
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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 consecutive FY.

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

Name of Product / Service	Description of the risk / concern	Action Taken
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Not Applicable

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 2024-25 Current Financial Year	FY 2023-24 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 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Battery waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

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

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



**PRINCIPLE 3**

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

**Essential Indicators****1. a. Details of measures for the well-being of employees**

Category	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	380	380	100%	380	100%	0	0%	0	0%	0	0%
Female	10	10	100%	10	100%	10	100%	0	0%	10	100%
Total	390	390	100%	390	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	236	236	100%	236	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	236	236	100%	236	100%	0	0%	0	0%	0	0%
Other than Permanent workers											
Male	1161	1119	96.38%	1119	96.38%	0	0%	0	0%	0	0%
Female	38	38	100%	38	100%	38	100%	0	0%	0	0%
Total	1199	1157	96.50%	1157	96.50%	38	100%*	0	0%	0	0%

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

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

	<b>FY 2024-25</b> <b>Current Financial Year</b>	<b>FY 2023-24</b> <b>Previous Financial Year</b>
Cost incurred on well- being measures as a % of total revenue of the Company	0.11%	0.12%

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

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 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%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	7.7%	0.42%	Yes	11.37%	0.40%	Yes
Others - Please specify	Nil	Nil	NA	Nil	Nil	NA

### 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.			
<b>Total</b>	-	-	-	-

### 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 2024-25 (Current Financial Year)			FY 2023-24 (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)
<b>Total Permanent Employees</b>	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						
<b>Total Permanent Workers</b>						
Male						
Female						

**8 Details of training given to employees and workers:**

Category	FY 2024-25 Current Financial Year					FY 2023-24 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)
<b>Employees</b>										
Male	380	259	68.16%	122	32.11%	366	195	53.28%	248	67.76%
Female	10	2	20%	0	0%	10	9	90.00%	5	50.00%
<b>Total</b>	<b>390</b>	<b>261</b>	<b>66.92%</b>	<b>122</b>	<b>31.28%</b>	<b>376</b>	<b>204</b>	<b>54.26%</b>	<b>253</b>	<b>67.29%</b>
<b>Workers</b>										
Male	236	236	100%	137	58.05%	237	237	100%	237	100%
Female	0	0	0	0	0%	0	0	0%	0	0%
<b>Total</b>	<b>236</b>	<b>236</b>	<b>100%</b>	<b>137</b>	<b>58.05%</b>	<b>237</b>	<b>237</b>	<b>100%</b>	<b>237</b>	<b>100%</b>

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

Category*	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
<b>Employees</b>						
Male	380	380	100%	366	366	100%
Female	10	10	100%	10	10	100%
<b>Total</b>	<b>390</b>	<b>390</b>	<b>100%</b>	<b>376</b>	<b>376</b>	<b>100%</b>
<b>Workers</b>						
Male	236	236	100%	237	237	100%
Female	0	0	100%	0	0	0%
<b>Total</b>	<b>236</b>	<b>236</b>	<b>100%</b>	<b>237</b>	<b>237</b>	<b>100%</b>

\*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?**

As part of its commitment to an integrated management system, all the Company's plants are certified under ISO 45001, demonstrating adherence to international standards for occupational health and safety management. This certification underscores the Company's strong focus on safeguarding the physical and mental well-being of all employees and workers. To support this, a comprehensive Health and Safety Policy has been established, outlining the Company's commitment to maintaining a safe, healthy, and supportive work environment. This policy is readily accessible to all employees through the Company's Intranet, ensuring transparency and widespread awareness across the organization.

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

The Company places the highest priority on the health and safety of its employees by implementing a robust Hazard Identification and Risk Assessment (HIRA) process. This proactive approach enables the regular identification of work-related hazards and risks, ensuring timely and effective management. In alignment with ISO 45001 standards, the Company conducts systematic risk assessments to identify potential hazards and develop comprehensive mitigation plans. These processes are established collaboratively by Manufacturing Heads and Plant Heads, following thorough risk analyses. Mitigation plans are continuously reviewed and updated to reflect any changes in materials, facility layouts, or operational processes, thereby maintaining a safe working environment. Additionally, Material Safety Data Sheets (MSDS) are prepared and utilized as key tools during ongoing risk assessments to further support workplace safety.

**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 2024-25 Current Financial Year	FY 2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

\* 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:

- Training: Training is 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.
- Medical rooms: These are equipped with basic emergency care equipment and medicines.
- Mock Drills: Periodic mock drills are conducted to ensure Safety measures at each unit.
- Action Plans: Well organized action plans and phase wise execution are ensured to eliminate the hazards and risks associated with Health, Safety and Environment.
- Safety Audit Process: These are regularly conducted internally.

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

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 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%, All Plants were assessed by statutory authorities
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.

We are committed to ensuring every worker works in a safe and transparent environment. ESG implementation is anyway underway for STL, and we shall adhere to its conclusions effectively in due course of time.



## 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.

### 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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (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 a case-to-case basis. The agreements are made on mutually agreed-upon duration and are 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 Working Conditions	Majority of sourcing supplier assessment through screening and regular compliance

### 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	<ul style="list-style-type: none"> <li>Compliance of law</li> <li>strategic decision making</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>Review Meetings</li> <li>Training programmes</li> <li>Performance appraisals</li> <li>Employee Engagement Activities</li> <li>Internal communication through emails, and Notice Board</li> </ul>	Continuous Process	<ul style="list-style-type: none"> <li>Empowering work environment</li> <li>Rewards and recognition</li> <li>Personal development and growth</li> <li>Motivational Schemes</li> </ul>
Investors & Shareholders	No	<ul style="list-style-type: none"> <li>Press releases and publications</li> <li>Quarterly Presentation of results,</li> <li>Newspaper Publications</li> <li>Investor conferences</li> <li>Stock Exchange Announcement</li> <li>Chorus Call</li> </ul>	Periodic	<ul style="list-style-type: none"> <li>Financial Results</li> <li>Business updates</li> <li>Response to the queries</li> <li>New business growth</li> </ul>
Customers	No	<ul style="list-style-type: none"> <li>Market surveys</li> <li>Personal visits and Exhibitions.</li> <li>trials and events</li> <li>Feedback mechanisms</li> <li>Communication through e- mail, one-to-one meetings, conference.</li> </ul>	Continuous Process	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Complaint resolution</li> <li>On-time delivery.</li> </ul>
Suppliers and Service Providers	No	<ul style="list-style-type: none"> <li>Supplier engagement and assessments process.</li> <li>Email &amp; phone calls, mails</li> </ul>	Continuous Process	<ul style="list-style-type: none"> <li>Planning and execution of work orders</li> <li>Delivery Schedule</li> <li>Product Development</li> </ul>
Government and Regulatory Bodies	No	<ul style="list-style-type: none"> <li>Official communication channels</li> <li>Regulatory audits/ inspections</li> <li>Good governance</li> </ul>	Continuous Process	<ul style="list-style-type: none"> <li>Statutory compliance, including environmental, social and governance compliance</li> </ul>
Communities	Yes	<ul style="list-style-type: none"> <li>CSR Activities</li> </ul>	Continuous Process	<ul style="list-style-type: none"> <li>Healthcare and Sanitisation Promoting</li> <li>Promoting Education</li> <li>Promoting Sports</li> <li>Empowering Underprivileged section of the society and support to destitute (Rehabilitation)</li> </ul>

**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 has rooted itself in the impact it creates and intends to create on the life of its stakeholders. The company is managing the change from the current shareholders to the stakeholder's mindset throughout the organization. The Board openly discusses all policies related to best practices, Enviro- Socio impact through Governance and is in the phase of identifying and reversing its Carbon Footprint to better marks of impact. The Board has appointed third party experts to identify its current Environmental Impact and suggest better practices. The CSR committee has committed to acting towards Environmental Impact through initiatives such as Biogas plant installation, cow and community welfare, introducing clean fuel in targeted communities. These instances are examples that the Company is in the phase of developing internal mechanisms

**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 its various CSR initiatives.

**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 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. of employees workers covered (B)	% (B/A)	Total (C)	No. of employees workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	390	390	100%	376	376	100%
Other than Permanent	0	0	0%	0	0	0%
<b>Total Employees</b>	<b>390</b>	<b>390</b>	<b>100%</b>	<b>376</b>	<b>376</b>	<b>100%</b>
<b>Workers</b>						
Permanent	236	236	100%	237	112	47.25%
Other than Permanent	1199	1199	100%	1167	374	32.05%
<b>Total Workers</b>	<b>1435</b>	<b>1435</b>	<b>100%</b>	<b>1404</b>	<b>486</b>	<b>34.62%</b>

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

Category	FY 2024-25					FY 2023-24				
	Current Financial Year					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	380	0	0%	380	100%	366	0	0%	366	100%
Female	10	0	0%	10	100%	10	0	0%	10	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	236	0	0%	236	100%	237	112	47.26%	125	52.74%
Female	0	0	0%	0	0%	0	0	0%	0	0
Other than permanent										
Male	1161	585	50.39%	576	49.61%	1112	667	59.98%	445	40.02%
Female	38	25	65.79%	13	34.21%	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)*	3	3,36,20,006	0	-
Key Managerial Personnel	1	98,41,600	0	-
Employees other than BoD and KMP	376	6,11,994	10	6,46,500
Workers	236	5,13,366	0	-

#Median remuneration is calculated only for individuals on the payroll as of 31 March 2025.

\*Managing Director's remuneration considered in the calculation of median remuneration of the Board of Directors and excluded from that of KMP.

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

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Gross wages paid to females as % of total wages	1.24%	1.27%

## 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 reprisal/retaliation.

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

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/>)

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

	FY 2024-25 Current Financial Year			FY 2023-24 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:**

	FY 2024-25 Current Financial Year	FY 2023-24 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 a comprehensive POSH (Prevention of Sexual Harassment) policy in line with legal and ethical standards, aimed at fostering a safe, respectful, and inclusive workplace. An Internal Complaints Committee (ICC) has been established in accordance with statutory requirements to handle complaints related to harassment, discrimination, and unfair practices. The process ensures complete confidentiality, fair investigation, and protection against any form of retaliation, thereby empowering employees to voice concerns without fear.

In addition to the POSH framework, the Company has put in place a well-structured grievance redressal system that facilitates transparent and accessible reporting of complaints. This system is overseen by a dedicated team responsible for promptly analyzing and addressing issues raised by employees and workers. The mechanism ensures timely resolution, encourages open communication, and reinforces the Company's commitment to employee well-being, workplace equity, and a culture of accountability.

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

Yes, the Company's business agreements and contracts incorporate a standard clause requiring full compliance with all applicable laws, regulations, international conventions, and internal policies. By embedding these requirements into contractual obligations, the Company ensures that ethical standards and legal compliance are maintained across all partnerships and business activities.

**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	Nil
Others – please specify	

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

No significant risk or concern was found.

## Leadership Indicators

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

The Company periodically familiarizes employees and workers with 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 suppliers 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 were no significant risks/ concerns identified from assessments of the specified value chain partners

## 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	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>From Renewable Sources</b>		
Total electricity consumption (A) (Unit: GJ)	9079.51	9,101.51
Total Fuel consumption (B) (Unit: GJ)	0	0
Energy Consumption through other sources (C) (Unit: GJ)	0	0
<b>Total energy consumed from renewable sources (A+B+C) (Unit: GJ)</b>	9079.51	9,101.51
<b>From non-renewable sources</b>		
Total electricity consumption (D) (Unit: GJ)	1,61,190.70	1,59,685.45
Total fuel consumption (E) (Unit: GJ)	81,858.44	69,666.94
Energy consumption through other sources (F) (Unit: GJ)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F) (Unit: GJ)</b>	2,43,049.15	2,29,352.39
<b>Total energy consumed (A+B+C+D+E+F) (Unit: GJ)</b>	2,52,128.65	2,38,453.89
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations). (Unit: J/Rs)	0.00003910	0.00003921
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total energy consumed / Revenue from operations adjusted for PPP) (Unit: GJ/Rs)	0.0008079	0.0008101**
<b>Energy intensity in terms of physical output (GJ/MT)</b>	7.18	7.004

\*The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.66 as per the 2025 update.

\*\* The previous year's values have been revised and regrouped wherever required.

**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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	38,626	69,189
(iii) Third party water	81,967	47,451
(iv) Seawater / desalinated water	0	0
(v) Others	2,497	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>1,23,090</b>	<b>1,16,640</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>1,04,991</b>	<b>97,542</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.00001628	0.00001604
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total water consumption / Revenue from operations adjusted for PPP)	0.00033641	0.00033138**
<b>Water intensity in terms of physical output</b>	2.99	2.86
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity		

\*The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.66 as per the 2025 update.

\*\* The previous year's values have been revised and regrouped wherever required.

**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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>(i) To surface Water</b>		
- No treatment	0	0
- With treatment (please specify level of treatment)	0	0
<b>(ii) To Ground Water</b>		
- No treatment	0	0
- With treatment (please specify level of treatment)	0	0
<b>(iii) To Seawater</b>		
- No treatment	0	0
- With treatment (please specify level of treatment)	0	0
<b>(iv) Sent to third parties</b>		
- No treatment	0	0
- With treatment (please specify level of treatment)	0	0
<b>(v) Others</b>		
- No treatment	0	0
- With treatment (please specify level of treatment)	18,099	19,098*
<b>Total water discharge (in KL)</b>	<b>18,099</b>	<b>19,098</b>

\* The previous year's values have been revised and regrouped wherever required.

**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.

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

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	MT	7.29	6.12
SOx	MT	3.33	2.28
Particulate matter (PM)	MT	48.40	43.85
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please Specify	-	-	-

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

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

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	4,773.60	4,938.76
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	32,551.57	31,759.30
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of Turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MTCO <sub>2</sub> Eq./ Rs.	0.0000058	0.00000603
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MTCO <sub>2</sub> Eq./ Rs.	0.0001196	0.0001247**
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>		1.062	1.078
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	-

\*The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.66 as per the 2025 update.

\*\* The previous year's values have been revised and regrouped wherever required.

**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.

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

Initiative undertaken FY 24-25	Details of Initiative	Outcome of the Initiatives
Reduction in PNG consumption	Lowering operating temperature of hot water generator to save energy.	Reduction in PNG consumption resulting in reduced carbon footprint.
Capacity Increase in Heat Treatment Section in DLF Plant	Relocation of furnace from Prithla Plant to DLF Plant	Improved productivity, reduced transit expenses, and lower indirect CO <sub>2</sub> emissions
Retrofit of Hot Water Generator (HWG)	Replacement of worn-out spares and blower suction system in Bangalore Plant	Reduction in energy consumption resulting in reduced carbon footprint and air emissions
Optimizing Forklift Operation	Improvement of trolley system between processes to reduce usage of Forklift	Reduction in carbon footprint and air emissions
Lighting System Upgrade	Replacing CFL lamps with energy-efficient LED lamps	Reduction in energy consumption resulting in reduced carbon footprint
Replacement of Roof Transparent Sheets	Improved daylight efficiency in forging/heat treatment area	Reduction in energy consumption resulting in reduced carbon footprint
Auto Control on Street Lights	Installation of timer circuits for street light control	Reduction in energy consumption resulting in reduced carbon footprint



Initiative undertaken FY 24-25	Details of Initiative	Outcome of the Initiatives
Scrubber Efficiency Improvement	Introduction of Variable Frequency Drives (VFD) on plating-1 blower	Reduction in energy consumption resulting in reduced carbon footprint
Overhauling of Furnace	New brick lining and additional ceramic coating	Reduction in energy consumption resulting in reduced carbon footprint
Tree Plantation	50 trees planted around the Plant	Offsetting some carbon footprint
Optimum usage of AC	Fixed the temperature of the AC to 25 degree Celsius	Reduction in energy consumption resulting in reduced carbon footprint

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	2.58	25.72
E-waste (B)	0	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)	1,492.61	1,985.20
Other Non-hazardous waste generated (H). Please specify, if any.	3,131.03	3,185.91
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>4,626.22</b>	<b>5,197.33</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	<b>0.000000717</b>	0.00000085
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.00001482	0.00001593*
<b>Waste intensity in terms of physical output</b>	0.13	0.15
<b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	3,039.67	3,044.17
(ii) Landfilling	1,468.78	1,689.16
(iii) Other disposal operations	117.77	464.38
<b>Total</b>	<b>4,626.22</b>	<b>5,197.71</b>

\*The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.66 as per the 2025 update.

\*\* The previous year's values have been revised and regrouped wherever required.

**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 Company places strong emphasis on waste management at the source, adhering to the principles of Reduce, Reuse, and Recycle (3Rs). Various improvement initiatives are underway to minimize the generation of both hazardous and non-hazardous waste, recognizing waste reduction as a key component of the Company's environmental performance and review metrics. Hazardous waste is managed in compliance with all applicable legal requirements, using environmentally sound disposal methods. Non-hazardous waste is directed to authorized recyclers approved by the Company, ensuring responsible reuse. In addition, to minimize water wastage, the Company has installed Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) at select facilities, enabling the reuse of treated water for non-potable applications.

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
The nature of business does not require EIA, 2006 assessment.					

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,

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:** 1) DLF Faridabad, 2) WDU, Ballabhgarh , 3) Kolar-Bengaluru, 4) Prithla - Palwal
- (ii) **Nature of operations:** Manufacturing of cold tensile fasteners
- (iii) **Water withdrawal, consumption, and discharge in the following format:**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	38,626	69,189
(iii) Third party water	81,967	47,451
(iv) Seawater / desalinated water	0	0
(v) Others	2,497	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>1,23,090</b>	<b>1,16,640</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>1,04,991</b>	<b>97,542</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.00001628	0.00001604
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total water consumption / Revenue from operations adjusted for PPP)	0.00033641	0.00035928**
<b>Water intensity in terms of physical output</b>	2.99	2.86
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0



Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
(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	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	18,099	19,098**
<b>Total water discharged (in kilolitres)</b>	<b>18,099</b>	<b>19,098</b>

\*The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.66 as per the 2025 update.

\*\* The previous year's values have been revised and regrouped wherever required.

**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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> Equivalent	During the reporting year, the Company initiated preliminary assessments of its Scope 3 emissions. Key emission categories are being identified based on relevance and data availability, and the Company is working towards establishing a structured framework for comprehensive Scope 3 accounting in the coming year.	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.
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity</b> (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 FY 24-25	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Reduction in PNG consumption	Lowering operating temperature of hot water generator to save energy.	Reduction in PNG consumption resulting in reduced carbon footprint.
2	Capacity Increase in Heat Treatment Section in DLF Plant	Relocation of furnace from Prithla Plant to DLF Plant	Improved productivity, reduced transit expenses, and lower indirect CO <sub>2</sub> emissions



Sr. No	Initiative undertaken FY 24-25	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
3	Retrofit of Hot Water Generator (HWG)	Replacement of worn-out spares and blower suction system in Bangalore Plant	Reduction in energy consumption resulting in reduced carbon footprint and air emissions
4	Optimizing Forklift Operation	Improvement of trolley system between processes to reduce usage of Forklift	Reduction in carbon footprint and air emissions
5	Lighting System Upgrade	Replacing CFL lamps with energy-efficient LED lamps	Reduction in energy consumption resulting in reduced carbon footprint
6	Replacement of Roof Transparent Sheets	Improved daylight efficiency in forging/heat treatment area	Reduction in energy consumption resulting in reduced carbon footprint
7	Auto Control on Street Lights	Installation of timer circuits for street light control	Reduction in energy consumption resulting in reduced carbon footprint
8	Scrubber Efficiency Improvement	Introduction of Variable Frequency Drives (VFD) on plating-1 blower	Reduction in energy consumption resulting in reduced carbon footprint
9	Overhauling of Furnace	New brick lining and additional ceramic coating	Reduction in energy consumption resulting in reduced carbon footprint
10	Tree Plantation	50 trees planted around the Plant	Offsetting some carbon footprint
11	Optimum usage of AC	Fixed the temperature of the AC to 25 degree Celsius	Reduction in energy consumption resulting in reduced carbon footprint
12	Rainwater utilization	Installation of rainwater collection tank; filtered rainwater reused in plant operations	Reduction in ground water depletion
13	Diesel Wastage Reduction	Replacement of damaged diesel pipelines	Reduction in land contamination

**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

**8. How many Green Credits have been generated or procured:**

a. By the listed entity	None
b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners	This information is currently unavailable, as the Company has not conducted any such assessment so far.

**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 several suggestions with respect to the industry in general, and our activities as is. Further, the Company is a part of different forums, where we participate in various meetings, where we present our perspectives on improving Industry practice and creating tangible beneficial impact.					

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### Essential Indicators

- 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.					

- 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.						

- 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:

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

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (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	95.88%	98.39%

- 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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)*
Rural	-	-
Semi-Urban	-	-
Urban	83.58%	85.84%
Metropolitan	16.42%	14.16%

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

\* The previous year's values have been revised and regrouped wherever required.



## 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 coming years.			

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 currently have a defined policy however, it continues to engage with local and small-scale vendors wherever feasible and is evaluating options to formalize inclusive procurement practices.

- (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 centre 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's Sales 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
Safe and responsible usage	are not meant for the end customers directly.
Recycling and/or safe disposal	

#### 3. Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (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 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.

#### 7. Provide the following information relating to data breaches:

- Number of instances of data breaches:** Nil
- Percentage of data breaches involving personally identifiable information of customers:** Nil
- 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. While the Company does not directly offer essential services, it maintains transparent communication channels with its customers and stakeholders. In the event of any foreseeable delays or disruptions in the supply of products or services, the Company proactively communicates through official emails, customer service teams, and digital platforms to minimize inconvenience and maintain trust. 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

## ECONOMIC OVERVIEW

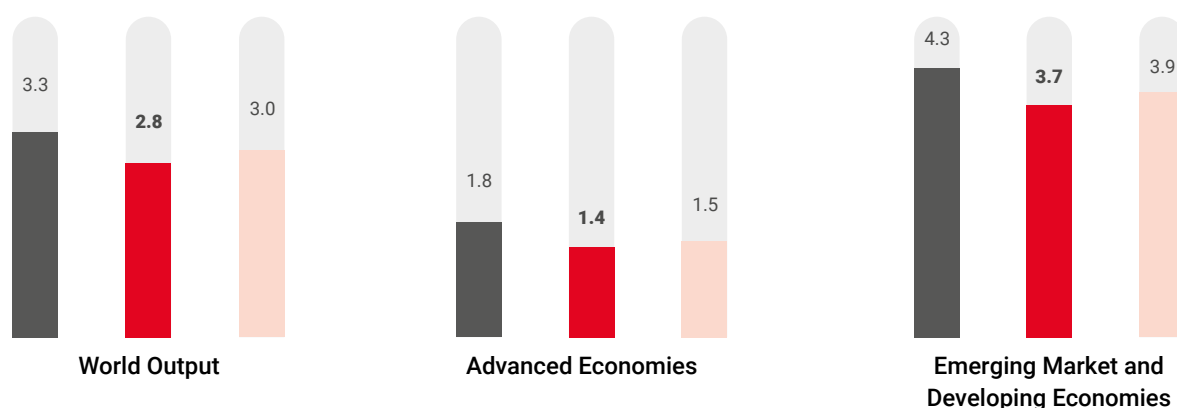
### GLOBAL ECONOMY

In CY24, global economies contended with a challenging backdrop marked by geopolitical tensions, trade-related uncertainties and extended periods of tight monetary policy. Despite these hurdles, worldwide economic growth remained steady at 3.3%, driven largely by emerging markets, while advanced economies struggled against persistent obstacles.<sup>1</sup> Europe showed clear signs of stagnation, with major economies experiencing economic strain. In contrast, the US economy demonstrated resilience, maintaining consistent growth supported by robust consumer spending and strong corporate earnings. China's economy recorded subdued growth as issues in its property market persisted.

Inflationary pressures moderated during the year, with global inflation estimated to decline to 5.7% in CY24.<sup>2</sup> As inflation began to ease, central banks worldwide shifted toward expansionary monetary measures, which helped bolster business confidence and spur consumer demand. Nonetheless, the recent introduction of new US tariff regulations continues to threaten the stability of global trade flows.

Looking ahead, the global economic outlook for CY25 and beyond appears stable. Growth is forecast at 2.8% for CY25 and 3.0% for CY26, underpinned by a more predictable macroeconomic environment. Inflation is projected to fall further, reaching 4.3% in CY25 and 3.6% in CY26. Investment activity, which showed promising improvements in CY24, is expected to accelerate, supported by declining inflation, enhanced liquidity and a more favourable investment climate.

Global GDP Growth Projection (%)



(P) Projected | Source: IMF World Economic outlook April- 2025

■ CY 2024 ■ CY 2025 (P) ■ CY 2026 (P)

### INDIAN ECONOMY

During the year under review, India emerged as the world's fourth-largest economy, with its GDP surpassing the \$4 trillion milestone and overtaking Japan.<sup>3</sup> The economy grew at a rate of 6.5% in FY 2024-25, reinforcing its position among the fastest-growing major economies globally. This strong performance was driven by sustained domestic consumption, steady expansion in manufacturing activities, structural reforms and the rapid evolution of the digital ecosystem. Government-led infrastructure

development and supportive policy interventions contributed significantly to growth across services and industry sectors.

Inflation moderated from 5.4% in the previous fiscal to 4.6%, thereby improving consumer confidence and driving retail demand across rural and urban markets.<sup>4</sup> The Reserve Bank of India infused ₹1.5 trillion into the banking system to maintain adequate liquidity and stimulate economic activity.<sup>5</sup> Rural consumption remained resilient, supported by stable agricultural output and welfare initiatives, while rising urban incomes and evolving consumer preferences further bolstered expenditure.

<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>

<sup>2</sup>[https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC/ADVEC/WEOWORLD](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD)

<sup>3</sup><https://www.newsonair.gov.in/india-becomes-worlds-4th-largest-economy-surpasses-japan-niti-aayog/>

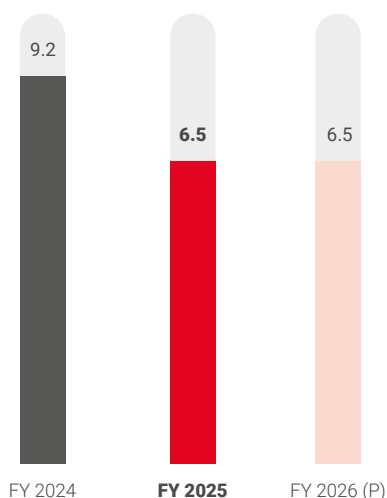
<sup>4</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2122148>

<sup>5</sup><https://www.livemint.com/economy/rbi-1-5-trillion-liquidity-boost-how-will-it-help-dollar-rupee-rate-cut-mint-primer-11738086455919.html>



The outlook for FY 2025–26 remains constructive, with GDP growth projected at 6.5%. Continued policy support, including tax reforms and the extension of income tax exemptions, is expected to enhance disposable income levels and spur consumption. In addition, the Reserve Bank of India's reduction in the repo rate is by 50 basis points to 5.50%, with a view of increasing liquidity in the economy encourage credit growth and improve overall market sentiment.<sup>6</sup> Sustained investments across manufacturing, trade and financial services are expected to reinforce India's growth trajectory, positioning the economy to navigate global challenges while maintaining its momentum.

**GDP growth trend in India (in %)**



(P)Projected

Source: MoSPI Second Advances Estimates

## INDUSTRY OVERVIEW

### INDIAN AUTOMOBILE INDUSTRY<sup>7</sup>

India's automotive sector continued its growth momentum, recording a 7.3% increase in domestic sales and a 19.2% hike in exports. This growth was driven by robust customer demand, substantial infrastructure investment and government policies advocating sustainable mobility. Passenger Vehicles (PVs) hit a record of 4.3 million units in sales, with Utility Vehicles (UVs) being the primary growth drivers. The two-wheeler segment expanded by 9.1%, supported by rising rural demand and improved consumer confidence. Three-wheelers also achieved their highest ever sales of 7.4 lakh units, led by urban mobility requirement and easier access to financing.

While commercial vehicle sales saw a modest decline of 1.2%, the segment benefitted from widening road networks and rising demand for mass mobility solutions. Exports performed notably across all segments, particularly for PVs and two-wheelers, reflecting India's growing competitiveness in overseas markets. Electric Vehicle (EV) adoption accelerated as well, with registrations rising by 16.9% year-on-year, supported by new government initiatives.

Looking ahead, the Indian automotive industry is well-positioned to sustain its growth trajectory in FY 2025-2026. Stable macroeconomic conditions, ongoing infrastructure development and proactive government measures including income tax reforms are expected to enhance consumer confidence and improve access to vehicle financing. A forecasted normal monsoon may further stimulate rural demand, especially for two-wheelers and entry-level vehicles. Additionally, continued focus on exports and the Government of India's commitment to promoting sustainable mobility through enhanced EV policies and incentives will further support industry expansion.

## Production Sales Trend

(in Numbers)

Category	2020-2021	2021-22	2022-23	2023-24	2024-25
Passenger vehicles	30,62,280	36,50,698	45,87,116	49,01,840	50,61,164
Commercial Vehicles	6,24,939	8,05,527	10,35,626	10,67,504	10,32,645
Three Wheelers	6,14,613	7,58,669	8,55,696	9,96,159	10,50,020
Two Wheelers	1,83,49,941	1,78,21,111	1,94,59,009	2,14,68,527	2,38,83,857
Quadricycles	3,836	4,061	2,897	5,006	6,488
<b>Grand Total</b>	<b>2,26,55,609</b>	<b>2,30,40,066</b>	<b>2,59,40,344</b>	<b>2,84,39,036</b>	<b>3,10,34,174</b>

Source: SIAM

### ELECTRIC VEHICLES (EV) INDUSTRY<sup>8</sup>

The Indian Electric Vehicles industry achieved strong growth in FY 2024-2025, crossing the milestone of 2 million units sold, representing a 15.68% year-on-year increase over the previous fiscal Year. The two-wheeler segment continued to dominate, accounting for over 59.4% of the total EV sales, while electric three-wheelers and four wheelers saw a substantial 6.6% jump, emphasizing the growing demand for clean last-mile connectivity.

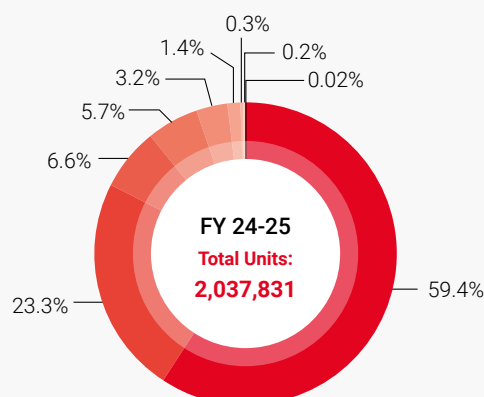
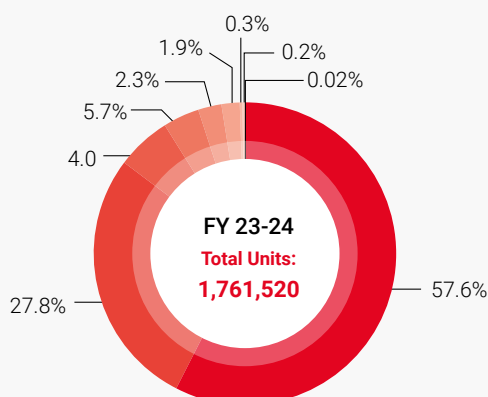
This momentum is supported by a suite of government policies the FAME-II subsidy, the Production Linked Incentive (PLI) scheme for advanced automotive technology and battery manufacturing and reduced customs duties on imported Completely Knocked Down (CKD) EV kits. These policies have collectively narrowed the price gap between EVs and traditional petrol vehicles. Additional measures, such as GST reductions and state-level incentives including road tax waivers, are further improving EV affordability and accessibility.

<sup>6</sup><https://www.pib.gov.in/PressNoteDetails.aspx?Noteld=154573&ModuleId=3>

<sup>7</sup><https://www.siam.in/pressrelease-details.aspx?mpgid=48&pgidtrail=50&pid=579>

<sup>8</sup><https://evreporter.com/wp-content/uploads/2025/05/EVreporter-India-EV-Report-FY24-25.pdf>

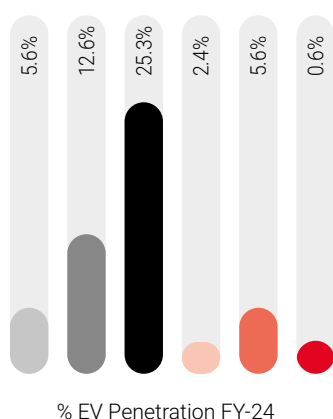
## Vehicle Category-wise EV Sales India



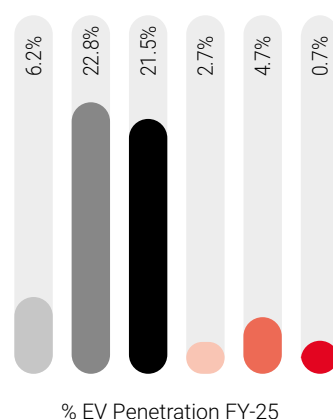
Source: EVreporter

e-2W e-Rickshaw e-3W Pax (LSM) e-4W e-Cart e-3W Goods (LSN) e-Goods e-Bus Others

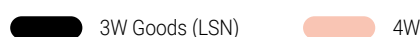
## India EV penetration for Different Vehicle Segments



% EV Penetration FY-24



% EV Penetration FY-25



Source: EVreporter

## INDIAN AUTO COMPONENT INDUSTRY

The Indian automotive components sector is a key pillar of the nation's manufacturing base, catering to both domestic vehicle market and international supply chains. The sector produces a wide array of products such as engine components, transmission units, electronics and more catering to Original Equipment Manufacturers (OEMs) and the aftermarket segment. Its growth is intrinsically tied to the broader expansion of the motor vehicle industry, supported by expanding consumer demand, mounting vehicle exports and rapid technological advancements.

The sector has demonstrated notable resilience in the face of setbacks such as global supply chain disruptions, regulatory shifts and evolving market dynamics. India's auto component makers are emphasising on innovation, quality enhancement and cost competitiveness to cater to the changing demands of domestic as well as overseas customers. The industry has also invested

significantly in research and development, especially in areas such as electric mobility and smart automotive technologies.

As the world's fourth-largest automobile manufacturer, India's auto industry is strongly linked with multiple key sectors, from steel and electronics to IT and logistics and sustains millions of jobs throughout the country. Despite its strong manufacturing base, India's contribution to the world's auto component trade, particularly in high-value domains, remains modest, reflecting immense untapped potential. The Government of India has initiated a number of strategic programmes-like Make in India, Atmanirbhar Bharat, the FAME India Scheme and Production Linked Incentive (PLI) schemes-to encourage indigenous manufacturing, stimulate innovation and accelerate the transition toward electric and sustainable mobility solutions.

India's automotive components industry is projected to register a revenue growth of 7-9% in the current fiscal, in line with the growth



achieved last year. This will be primarily driven by continued strong demand from the two-wheeler (2W) and passenger vehicle (PV) segments—particularly utility vehicles—which together contribute nearly 50% of the sector's revenue. A modest improvement in sales of commercial vehicles and tractors (which together make up around 17% of the revenue mix) will add further momentum. Meanwhile, the aftermarket segment, accounting for about 15% of which total revenue, is expected to grow steadily by 5-7%.

Operating margins for auto component manufacturers are likely to remain stable at 12–12.5%. This resilience will be supported by a rising contribution from high-value, technology-driven parts such as Advanced Driver Assistance Systems (ADAS), infotainment units, and advanced braking technologies. Easing input costs—especially for steel (which makes up 45–50% of total material cost), aluminium (15–20%), and plastics (10–12%)—used for structural components, lightweighting, and interiors, will further aid margins. However, fresh tariff-related pressures, particularly affecting exporters to the US, could pose some downside risks to profitability.<sup>9</sup>

## COMPANY OVERVIEW

Sterling Tools Limited (STL) stands as one of India's leading manufacturers of automotive fasteners, supplying high-tensile cold-forged fasteners to major OEMs across the passenger, commercial, two-wheeler, and specialty vehicle segments. The Company's manufacturing footprint comprises four state-of-the-art fastener plants, a dedicated Motor Control Unit (MCU) facility, and two advanced technology centres that foster innovation and R&D.

Sterling has a strong belief that the Autonomous, Connected & Electric (ACE) movement will define the future of mobility and there is channelling its resources to addressing these needs of the Auto industry.

Sterling Gtake E-Mobility Limited (SGEM), a subsidiary of Sterling Tools Limited (STL), has established itself as a leading supplier





of Motor Control Units (MCUs) for electric two-wheelers, three-wheelers, and light and heavy commercial vehicles in India. In line with the growing momentum of the EV sector, SGEM recorded its highest-ever sales this year and upgraded its manufacturing facility into a comprehensive EV compound to support expanded operations.

To drive future growth, SGEM is diversifying its product portfolio to include Rare Earth Magnet Free Motors, On-board and Off-Board Chargers, DC/DC Converters, aimed at reducing reliance on imported components and enhancing sustainability. These initiatives, backed by strategic global technology partnerships, will position Sterling Gtake as a solution provider to EV OEMs and should therefore boost competitiveness and profitability in the coming years.

In addition, STL's subsidiary, Sterling Tech-Mobility Limited (STML), is nearing completion of a cutting-edge manufacturing facility in Bengaluru dedicated to producing high-voltage direct current (HVDC) contactors and relays. In partnership with GLVAC YT, STML aims to manufacture advanced HVDC components for the electric and hybrid electric vehicle industry. This initiative is poised to strengthen India's EV supply chain by promoting domestic manufacturing and leveraging advanced technologies.




STL is driven by a strong commitment to sustainability, import substitution, and operational excellence, aligning closely with national initiatives such as Atmanirbhar Bharat. The Company aims to become the most trusted brand for its customers while consistently enhancing shareholder value. With a well-diversified revenue mix, strong OEM partnerships, and a first-mover advantage aligning our efforts across the STL Group to expand in the Autonomous, Connected and Electric (ACE) mobility space, STL is well-positioned for sustained growth and to play a pivotal role in the transformation of India's automotive landscape.

## OPPORTUNITIES AND CHALLENGES

Opportunities	Details
<b>Expansion into Magnet-Free Traction Motors</b> 	Through its subsidiary partnership with UK-based Advanced Electric Machines (AEM), the Company is leading the way in manufacturing rare-earth magnet-free traction motors in India. This partnership provides options for toward sustainable and high-performance electric vehicle (EV) technology, while strategically reducing reliance on rare-earth elements—critical raw materials that are often environmentally taxing and geopolitically sensitive.
<b>Strong Positioning in a Growing EV Market</b> 	Sterling's broad EV portfolio and Solutions approach positions it to benefit from long-term structural shift towards vehicle electrification. The growing adoption of electric vehicles in India—particularly in the two-wheeler, three-wheeler, and light commercial vehicle segments offers numerous opportunities for Sterling's EV Powertrain and Power Electronics products.
<b>Strong Financial Position</b> 	With a net debt-free balance sheet and a substantial cash surplus, the Company is well-positioned to fund capital expenditures and invest in research and development independently, without the need for external financing.
<b>Import Substitution &amp; Atmanirbhar Bharat</b> 	The Company supports the Make in India initiative by localizing EV component manufacturing, replacing imported power electronics and magnetics with domestic produced alternatives to strengthen supply chain resilience.

<sup>9</sup><https://www.crisilratings.com/en/home/newsroom/press-releases/2025/05/auto-components-sector-to-grow-7-9percent-riding-2ws-pvs.html#>



Challenges	Details
<b>Market Transition Timing</b> 	Extended validation cycles for new EV components may delay revenue accrual. Additionally, the scale-up of innovative products like magnet-free motors and DC/DC converter is expected to be gradual, even though capital investments will have to be made earlier
<b>Dependence on Industry Growth and Policy Support</b> 	Industry growth remains closely linked to sustained automotive demand and favorable government policies promoting vehicle electrification, making it vulnerable to cyclical demand shifts and changes in regulatory frameworks
<b>Competitive Intensity</b> 	The increasing presence of both domestic and international players in the EV components and fasteners segment may intensify pricing competition, potentially leading to margin pressures.

## KEY FINANCIAL

(Amount in ₹ Cr.)

Particulars	Consolidated		Standalone	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from the operation	1,026.3	932.0	644.8	608.1
EBITDA	121.2	114.31	94.8	90.5
EBIT	86.4	81.3	63.9	59.2
PAT	58.3	55.4	42.9	38.8
Interest Expenses	9.8	9.5	5.9	7.5
Net Worth	499.7	447.1	467.0	429.6

## KEY RATIOS

Particulars	Consolidated		Standalone	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Operating profit Margin	11.8%	12.3%	14.7%	14.9%
Net Profit Margin	5.7%	5.9%	6.6%	6.4%
Debtor Turnover (no. of days) <sup>1</sup>	23	35	33	38
Inventory Turnover Ratio	2.90	2.88	2.08	1.95
Interest Coverage Ratio <sup>2</sup>	8.84	8.59	10.92	7.91
Debt to Equity (times)	0.23	0.20	0.19	0.21
Current ratio (times)	2.14	2.04	2.46	2.24
Return on Net Worth/Equity	12.3%	13.1%	9.6%	9.3%

<sup>1</sup> In Consolidated, Debtor Turnover Ratio improved due to better receivables days.



<sup>2</sup> In Standalone, Interest Coverage Ratio improved due to better operating profit and lower interest cost.

## AWARDS



The Company was honoured with multiple prestigious awards in recognition of its outstanding performance, superior quality standards, and reliable supply chain management. The Company received the '**Outstanding Contribution in Hardware and Consumables**' award from **EICHER**, acknowledging its excellence in supply chain operations. Additionally, **Suzuki Motorcycle India Private Limited** recognised the Company with the '**Best Quality**' award, reaffirming STL's unwavering commitment to delivering high-quality products and maintaining rigorous quality benchmarks.

## Risk and Management

The Company has implemented a comprehensive risk management framework that enables the identification, assessment, and mitigation of potential risks. This structured approach includes regular reviews and timely execution of mitigation strategies, all under the supervision of the Risk Management Committee, ensuring proactive and effective risk oversight.

Risk	Description	Mitigation Strategy
<b>Environmental Risk</b> 	The automotive sector remains susceptible to demand fluctuations driven by economic cycles, evolving regulatory framework and volatility in commodity prices. In line with the Government of India's Zero Carbon initiative, the industry must accelerate its shift towards green and clean energy solutions.	The Company is actively investing in solar energy solutions to reduce its reliance on conventional energy sources. In addition, it is committed to adopting advanced, energy-efficient technologies that help lower overall energy consumption and minimize its carbon footprint, reinforcing its dedication to sustainable operations.
<b>Supply Chain Disruptions</b> 	Dependence on critical raw materials and imports such as specialty steels, electronic components may lead to production delays or cost escalations.	Better Inventory Management Product Planning and Multiple both domestic and imports



Risk	Description	Mitigation Strategy
<b>Cyber Security and Data Privacy Risk</b> 	Cyber-attacks and privacy breaches present major risks to information security and can disrupt business activities.	The Company has established robust cybersecurity measures, including firewall-protected routers, advanced antivirus systems, and daily backups of critical data across multiple locations. These safeguards ensure the integrity, confidentiality, and availability of essential information, supporting secure and resilient operations.
<b>Human Resource Risk</b> 	A skilled workforce is critical to maintaining smooth operations over the long term. Shortages of talent, elevated attrition rates, or gaps between required and available skills can hamper productivity, disrupt business continuity, hinder growth plans.	The Company undertakes strategic initiatives to attract and retain top talent, focusing on enhancing employee engagement and ensuring a skilled workforce. These efforts include capability development and capacity-building programs aimed at fostering growth, improving competencies, and supporting long-term organizational success.

## HUMAN RESOURCES

The Company maintains a strong and skilled workforce across its manufacturing and technology facilities, with a strategic focus on expanding its technology centre teams. Targeted initiatives all were undertaken to build capabilities in emerging domains, particularly in electric vehicle components and power electronics. Employee engagement, safety, and well-being remains top priorities throughout the year.

To support continuous development, the Company implemented comprehensive training programs covering advanced manufacturing practices, SAP implementation, and quality systems. These efforts foster a culture of accountability, innovation, and continuous improvement across the organization.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Sterling Tools Limited has established a robust internal control system that plays a critical role in ensuring operational excellence and regulatory compliance. This system provides a reliable framework for monitoring various business segments and sales operations, safeguarding assets, and maintaining effective internal audit controls.

A dedicated team of experts identifies key operational areas for periodic internal audits, which are thoroughly reviewed by internal auditors in collaboration with the Audit Committee and the Board. These reviews offer valuable insights and recommendations to further strengthen the Company's internal control environment.

The Company's commitment to system-driven operations is reflected in its adoption of advanced IT-enabled controls, shop floor automation, and stringent quality control measures. Significant investments in machinery upgrades are supported by a robust internal management information system, enhancing operational efficiency and data accuracy.

**The presence of both internal and external auditors, proportionate to the scale of operations, further reinforces Sterling Tools Limited's dedication to sound governance and transparency.**

## 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 Statements**

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# Independent Auditor's Report

To the Members of **Sterling Tools Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

- We have audited the accompanying standalone financial statements of **Sterling Tools Limited** ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone 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.
- 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 2025, 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

- 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

- 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.
- We have determined the matter described below to be the key audit matter to be communicated in our report.

#### Key audit matter

##### Revenue Recognition

The Company's revenue is derived primarily from manufacturing and sale of hi-tensile cold forged fasteners recognised in accordance with the accounting policy described in Note 1(C) (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, ie, 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.

#### How our audit addressed the key audit matter

Our audit procedures for testing revenue recognition included, but were not limited to the following:

- Understood the revenue recognition process and assessed the appropriateness of the revenue recognition policies adopted by the Company in accordance with principles enunciated under Ind AS 115;
- Evaluated the design and implementation of Company's key financial controls in respect of revenue recognition and tested the operating effectiveness of such controls for a sample of transactions;
- Performed substantive testing of revenue transactions recorded during the year using statistical sampling by verifying the underlying supporting documents including customer contracts, sales order, invoices and proof of delivery;
- Performed testing of samples of revenue transactions recorded for specified period before year-end by verifying underlying documents as above to determine whether revenue is recognised in the correct period;
- Obtained confirmations for invoices outstanding at the year-end on a sample basis;
- Tested manual journal entries posted to revenue;

#### 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.

#### How our audit addressed the key audit matter

- Performed analytical procedures;
- Assessed the adequacy of the disclosures made by the management in accordance with the applicable accounting standard.

### Information other than the Standalone Financial Statements and Auditor's Report thereon

- The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report, Corporate Governance Report and Management Discussion and Analysis, 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 other information, 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

- 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 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.
- 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

- 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.
- As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to 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.

### Other Matter

15. The comparative financial information presented in the accompanying standalone financial statements includes financial information of Haryana Ispat Private Limited ('erstwhile wholly owned subsidiary') (hereinafter referred to as "Transferor Company") for the year ended 31 March 2024, pursuant to the scheme of amalgamation between the Company and Transferor Company as explained in note 52 to the accompanying standalone financial statements. The financial information of the Transferor Company for the year ended 31 March 2024 has been audited by another firm of Chartered Accountants, M/s S.R. Dinodia & Co. LLP, who had expressed an unmodified opinion on those financial statements vide their audit report dated 30 April 2024.

The aforesaid financial information has been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid Transferor Company for year ended 31 March 2024, is based solely on the audit report of such other auditors which has been relied upon by us for the purpose of our audit of the accompanying standalone financial statements.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

16. 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.
17. 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.
18. 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) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(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 financial statements of the Company as on 31 March 2025 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)(l) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025;
  - 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 2025;
  - 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 2025;
  - 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 2025 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 2025 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 matters mentioned below, the Company, in respect of financial year commencing on 1 April 2024, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the



same have 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 exceptions given below. Furthermore, except for matters mentioned below the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Nature of exception noted	Details of Exceptions
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.	<p>i) The audit trail feature in the accounting software used for maintenance of all accounting records of the Transferor Company was not enabled up to 08 May 2024. Further, the books of accounts of the Transferor Company are maintained manually in previous year, accordingly, the reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for record retention.</p> <p>ii) The audit trail feature was not enabled at the database level and application level for accounting software to log any direct data changes, used for maintenance of Fixed asset register by the Company.</p>

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ashish Gera**

Partner

Membership No.: 508685

UDIN: 25508685BMIJJP8503

**Place:** Faridabad

**Date:** 13 May 2025

## Annexure I referred to in paragraph 17 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 2025

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 programme 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 programme, certain property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 2 to the standalone financial statements, are held in the name of the Company, except for the following property, for which the Company's management is in the process of getting the registration in the name of the Company:

Description of property	Gross carrying value (Rs in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Freehold Land	989.54	Haryana Ispat Private Limited	No	2024-25	Title deeds are in name of Company merged during the year.

Further, 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 2025 (Rs. 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

Also, for properties where the Company is a lessee, the lease arrangements have been duly executed in favour of the Company except in the following case:

Description of property	Gross carrying value (Rs in lakhs)	Location	Details of Lessor	Period held	Reason for non-execution of lease agreement
Land	367.15	Bengaluru	Karnataka Industrial Areas Development Board	With effect from 11 March 2025	The company received the possession letter and management is in the process of getting the lease agreement executed.



- (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 inventory lying with third parties, these have also been substantially confirmed by the third parties and 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 Rs. 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 (Rs. in Lakhs)	Nature of current assets offered as security	Quarter ended	Information disclosed as per return (Rs. in Lakhs)	Information as per books of accounts (Rs. in Lakhs)	Difference (Rs. in Lakhs)
HDFC Bank, Punjab National Bank, and State Bank of India	9,500.00	Pari-passu charge on current assets	30 June 2024	18,781.19	18,805.85	24.66
HDFC Bank, Punjab National Bank, State Bank of India and HSBC Bank	11,500.00	Pari-passu charge on current assets	30 September 2024	18,092.04	18,116.41	24.37
HDFC Bank, Punjab National Bank, State Bank of India and HSBC Bank	11,500.00	Pari-passu charge on current assets	31 December 2024	17,389.87	17,414.59	24.72
HDFC Bank, Punjab National Bank, State Bank of India and HSBC Bank	11,500.00	Pari-passu charge on current assets	31 March 2025	17,631.42	17,655.70	24.28

- (iii) The Company has not provided any security, advances in the nature of loans, or guarantee to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in, and granted unsecured loans to other parties during the year, in respect of which:
- (a) The Company has provided loans to others during the year as per details given below:
- | Particulars  | Loans |
|--|-------|
| Aggregate amount provided/granted during the year (Rs in lakhs): |       |
| Others   | 4.21  |
| Balance outstanding as at balance sheet date (Rs in lakhs):      |       |
| Others   | 4.15  |
- (b) In our opinion, and according to the information and explanations given to us, the investments made, and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company. Further, the company has not given any security, advances in the nature of loans and guarantee during the year.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal is regular. Further, no interest is receivable on such loans.
- (d) There is no overdue amount in respect of loans granted to other parties.
- (e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans that existed as at the beginning of the year.
- (f) The Company has not granted any 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 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.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, income-tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that 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 (Rs lakhs)*	Amount paid under Protest (Rs 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
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, we report that 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. The Company doesn't have any joint venture/ associate.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares



or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit, except one matter informed by one of the worker to the management as explained in Note 9 to the accompanying financial statements relating to an incident of theft of inventory by certain employees at a plant location. The financial impact of the matter based on the investigation conducted by the management is Rs 35.79 Lakhs, however the company has written off the aforesaid inventory in accompanying standalone financial statements. Further such employees have been terminated from employment services and the Company has taken legal steps against them.
- (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, the Company has received whistle blower complaint during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.
- (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

**Place:** Faridabad

**Date:** 13 May 2025

Membership No.: 508685

UDIN: 25508685BIMIJP8503

## Annexure II

### **Independent Auditor's Report on the internal standalone 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 2025, 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 control with reference to the standalone financial statements criteria established by the company considering the essential components of internal control stated in 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 financial statements.



### Inherent Limitations of Internal Financial Controls with Reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively

as at 31 March 2025, based on the internal financial control with reference to the standalone financial statements criteria established by the company considering the essential components of internal control stated in Guidance Note by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ashish Gera**

Partner

Membership No.: 508685

UDIN: 25508685BBIJJP8503

**Place:** Faridabad

**Date:** 13 May 2025

# Standalone Balance Sheet

as at 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	25,955.29	26,250.10
(b) Capital work-in-progress	3	375.92	179.11
(c) Other intangible assets	4	38.01	22.92
(d) Financial assets			
(i) Investments	5	5,573.61	4,200.27
(ii) Other financial assets	6	539.74	528.36
(e) Income tax assets (net)	7	94.65	37.08
(f) Other non-current assets	8	285.15	188.32
<b>Total non-current assets</b>		<b>32,862.37</b>	<b>31,406.16</b>
<b>Current assets</b>			
(a) Inventories	9	11,883.53	13,052.65
(b) Financial assets			
(i) Investments	10	1,502.28	-
(ii) Trade receivables	11	5,772.17	6,322.70
(iii) Cash and cash equivalents	12	652.03	768.82
(iv) Bank balances other than (iii) above	13	8,529.70	7,146.28
(v) Loans	14	4.15	9.62
(vi) Other financial assets	15	135.08	166.36
(c) Other current assets	16	2,237.15	2,568.41
<b>Total current assets</b>		<b>30,716.09</b>	<b>30,034.84</b>
<b>TOTAL ASSETS</b>		<b>63,578.46</b>	<b>61,441.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	723.69	720.48
(b) Other equity	18	45,977.87	42,244.25
<b>Total equity</b>		<b>46,701.56</b>	<b>42,964.73</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	2,220.89	2,647.89
(iia) Lease liabilities	42	33.08	26.22
(ii) Other financial liabilities	20	46.25	45.76
(b) Provisions	21	89.65	128.78
(c) Deferred tax liabilities (net)	22	1,295.04	1,499.40
(d) Other non-current liabilities	23	718.34	737.43
<b>Total non-current liabilities</b>		<b>4,403.25</b>	<b>5,085.48</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	7,259.39	7,292.60
(iia) Lease liabilities	42	30.76	22.22
(ii) Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises; and	25	1,126.76	1,042.17
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,134.83	2,315.18
(iii) Other financial liabilities	26	467.48	358.93
(b) Other current liabilities	27	1,232.82	2,191.48
(c) Provisions	21	221.61	168.21
<b>Total current liabilities</b>		<b>12,473.65</b>	<b>13,390.79</b>
<b>Total liabilities</b>		<b>16,876.90</b>	<b>18,476.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>63,578.46</b>	<b>61,441.00</b>

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

As per our report of even date attached.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

**Ashish Gera**  
Partner  
Membership no. 508685

Place: Faridabad  
Date: 13 May 2025

For and on behalf of the Board of Directors  
**Sterling Tools Limited**

**Anil Aggarwal**  
Director  
DIN : 00027214

**Atul Aggarwal**  
Managing Director  
DIN : 00125825

**Pankaj Gupta**  
Chief Financial Officer





# Standalone Statement of Profit and Loss

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Income</b>			
Revenue from operations	29	64,478.34	60,813.75
Other income	30	683.14	556.06
<b>Total income</b>		<b>65,161.48</b>	<b>61,369.81</b>
<b>Expenses</b>			
Cost of materials consumed	31	25,392.54	25,659.28
Changes in inventories of finished goods and work-in-progress	32	496.90	(787.82)
Employee benefits expense	33	5,949.23	5,105.87
Finance costs	34	585.19	748.38
Depreciation and amortisation expenses	35	3,090.21	3,123.97
Other expenses	36	23,844.46	22,347.19
<b>Total expenses</b>		<b>59,358.53</b>	<b>56,196.87</b>
<b>Profit before exceptional items and tax</b>		<b>5,802.95</b>	<b>5,172.94</b>
Exceptional items	37	-	39.71
<b>Profit before tax</b>		<b>5,802.95</b>	<b>5,212.65</b>
<b>Tax expense:</b>	22		
Current tax		1,489.07	1,471.26
Deferred tax		26.91	(139.22)
<b>Total tax expense</b>		<b>1,515.98</b>	<b>1,332.04</b>
<b>Profit for the year</b>		<b>4,286.97</b>	<b>3,880.61</b>
<b>Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(29.04)	(84.77)
(b) Changes in fair value of equity investment through other comprehensive income		(1,153.98)	(377.88)
(ii) Income-tax relating to items that will not be reclassified to profit or loss		231.27	116.43
(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		-	-
<b>Other comprehensive (loss)/income for the year (net of tax)</b>		<b>(951.75)</b>	<b>(346.22)</b>
<b>Total comprehensive income for the year</b>		<b>3,335.22</b>	<b>3,534.39</b>
<b>Earnings per equity share</b>	38		
Basic (₹)		11.89	10.77
Diluted (₹)		11.81	10.76
[nominal value of share 2 (31 March 2024: 2)]			

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

As per our report of even date attached.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

**Ashish Gera**  
Partner  
Membership no. 508685

Place: Faridabad  
Date: 13 May 2025

For and on behalf of the Board of Directors  
**Sterling Tools Limited**

**Anil Aggarwal**  
Director  
DIN : 00027214

**Atul Aggarwal**  
Managing Director  
DIN : 00125825

**Pankaj Gupta**  
Chief Financial Officer

# Standalone Statement of Cash Flows for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>A Cash flow from operating activities</b>		
Net profit before tax	5,802.95	5,212.65
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	3,090.21	3,123.97
Unrealised foreign exchange (gain)/loss	(1.10)	2.38
Loss/ (Profit) on disposal of property, plant and equipment (net)	43.30	(57.64)
Finance costs	585.19	768.77
Gain on termination of lease liability	(0.31)	-
Interest income	(576.05)	(416.61)
Amortisation of government grant	(167.99)	(165.12)
Gain on sale of investments	(61.13)	(33.29)
Changes in fair value of financial asset at fair value through profit or loss	(2.28)	-
Liabilities no longer required, written back	-	(9.13)
Bad debts written off	2.35	5.09
Provision for inventory	146.52	48.07
Inventory written off	35.79	-
Provision for expected credit loss	40.00	17.57
<b>Operating profit before working capital changes</b>	<b>8,937.45</b>	<b>8,496.71</b>
<b>Net changes in working capital:</b>		
Change in financial assets	538.75	140.95
Change in other assets	596.23	596.12
Change in financial liabilities	(2.00)	259.75
Change in inventories	986.81	(658.15)
Change in other liabilities	(460.04)	312.03
Change in provisions	(14.77)	(8.27)
<b>Net cash generated from operations</b>	<b>10,582.43</b>	<b>9,139.14</b>
Income-tax paid (net of refunds)	(1,546.64)	(1,445.33)
<b>Net cash from operating activities (A)</b>	<b>9,035.79</b>	<b>7,693.81</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(3,545.69)	(1,544.93)
Proceeds from disposal of property, plant and equipment	194.55	127.64
Investment in fixed deposit	(12,323.00)	(9,890.00)
Maturity of fixed deposit	10,958.00	7,023.00
Investment in mutual funds	(11,110.00)	(6,550.00)
Redemption of mutual funds	9,671.13	7,083.37
Interest received	553.31	306.20
Investment in subsidiary company	(1,408.44)	(1.00)
<b>Net cash used in investing activities (B)</b>	<b>(7,010.14)</b>	<b>(3,445.72)</b>



## Standalone Statement of Cash Flows for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>C Cash flows from financing activities</b>		
Proceeds from non-current borrowings	1,050.00	1,000.00
Repayment of non-current borrowings	(2,059.66)	(2,324.05)
Proceeds from issue of equity share capital	3.21	-
Dividend paid	(718.79)	(719.41)
Proceeds from /(repayment of) current borrowings (net)	554.20	(1,111.66)
Repayment of lease liabilities (inclusive of interest paid on lease liabilities ₹ 5.57 (31 March 2024 ₹ 5.19))	(37.42)	(37.89)
Interest paid	(933.98)	(745.87)
<b>Net cash used in financing activities (C)</b>	<b>(2,142.44)</b>	<b>(3,938.88)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(116.79)</b>	<b>309.21</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>768.82</b>	<b>459.61</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>652.03</b>	<b>768.82</b>
<b>Components of cash and cash equivalents (refer note 12):</b>		
Balances with scheduled banks in current accounts	650.16	516.22
Cash on hand	1.87	2.60
Balances with banks in deposit accounts with original maturity upto three months	-	250.00
	<b>652.03</b>	<b>768.82</b>

### 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
<b>Opening balance as on 1 April 2023</b>	20.89	5,978.78	6,400.10	19.36
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	-	(464.08)	(281.79)	-
- Amount transferred to Investor's Education and Protection Fund	-	-	-	(9.09)
- Final dividend paid	-	-	-	(719.41) -
<b>Closing balance as on 31 March 2024</b>	<b>48.44</b>	<b>4,621.57</b>	<b>5,318.92</b>	<b>11.34</b>

## Standalone Statement of Cash Flows for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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	51.36	-	-	-
- Interest expense	5.57	324.97	253.63	-
- Fair value changes	-	1.02	-	-
- Final dividend	-	-	-	720.48
Less: Non cash changes due to-				
- Adjustment in lease liabilities on modification	(4.11)	-	-	-
Add: Cash inflows during the year				
- Proceeds from non-current borrowings	-	1,050.00	-	-
- Proceeds from current borrowings	-	-	554.20	-
Less: Cash outflow during the year				
- Repayment of non-current borrowings	-	(2,059.66)	-	-
- Repayment of lease liabilities	(37.42)	-	-	-
- Interest paid	-	(326.00)	(258.37)	-
- Amount transferred to Investor's Education and Protection Fund	-	-	-	(4.63)
- Final dividend paid	-	-	-	(718.79)
<b>Closing balance as on 31 March 2025</b>	<b>63.84</b>	<b>3,611.90</b>	<b>5,868.38</b>	<b>8.40</b>

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

Place: Faridabad

Date: 13 May 2025

### For and on behalf of the Board of Directors

Sterling Tools Limited

### Anil Aggarwal

Director

DIN : 00027214

### Atul Aggarwal

Managing Director

DIN : 00125825

### Pankaj Gupta

Chief Financial Officer



# Standalone Statement of Changes in Equity for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

## (A) Equity share capital

Particulars	Note	Number	Amount
Balance as at 1 April 2023	17	3,60,24,211	720.48
Changes in equity share capital during the year		-	-
<b>Balance as at 31 March 2024</b>	17	<b>3,60,24,211</b>	<b>720.48</b>
Changes in equity share capital during the year		1,60,107	3.21
<b>Balance as at 31 March 2025</b>	17	<b>3,61,84,318</b>	<b>723.69</b>

## (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		
<b>Balance as at 1 April 2023</b>	18	6.65	4,735.69	-	2,786.46	31,088.79	806.91	39,424.50
Add: Effect of business combination (Refer Note 52)				-		(193.85)		(193.85)
<b>Balance as at 1 April 2023 (Post business combination)</b>	18	<b>6.65</b>	<b>4,735.69</b>	<b>-</b>	<b>2,786.46</b>	<b>30,894.94</b>	<b>806.91</b>	<b>39,230.65</b>
Profit for the year		-	-	-	-	3,880.61	-	3,880.61
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)
<b>Transactions with owners in their capacity as owners:</b>								
Employee stock option reserve		-	-	199.69	-	-	-	199.69
Final dividend paid on equity shares		-	-	-	-	(720.48)	-	(720.48)
<b>Balance as at 31 March 2024</b>	18	<b>6.65</b>	<b>4,735.69</b>	<b>199.69</b>	<b>2,786.46</b>	<b>33,991.63</b>	<b>524.13</b>	<b>42,244.25</b>
Profit for the year		-	-	-	-	4,286.97	-	4,286.97
Other comprehensive income								
Remeasurement of defined benefit obligation (net of tax)		-	-	-	-	(21.73)	-	(21.73)
Changes in fair value of equity investment through other comprehensive income (net of tax)		-	-	-	-	-	(930.02)	(930.02)
<b>Transactions with owners in their capacity as owners:</b>								
Employee stock option reserve		-	-	1,118.88	-	-	-	1,118.88
Impact on exercise of ESOPs grants (Refer Note 51)		-	586.15	(586.15)	-	-	-	-
Final dividend paid on equity shares		-	-	-	-	(720.48)	-	(720.48)
<b>Balance as at 31 March 2025</b>	18	<b>6.65</b>	<b>5,321.84</b>	<b>732.42</b>	<b>2,786.46</b>	<b>37,536.39</b>	<b>(405.89)</b>	<b>45,977.87</b>

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

Place: Faridabad

Date: 13 May 2025

For and on behalf of the Board of Directors

**Sterling Tools Limited**

### Anil Aggarwal

Director

DIN : 00027214

### Atul Aggarwal

Managing Director

DIN : 00125825

### Pankaj Gupta

Chief Financial Officer



# Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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 DJ-1210, 12th Floor, DLF Tower-B, Jasola District Centre, 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) Recent Accounting pronouncements

##### (i) Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") amended Ind AS 21 "The effects of changes in Foreign Exchange Rates", which are effective for annual reporting periods beginning on or after 01 April 2025.

The Company is currently assessing the probable impact of these amendments on its standalone financial statements.

##### (ii) 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.

- Ind AS 117 – Insurance Contracts, the Ministry of Corporate Affairs (MCA), vide notification dated 12 August 2024, has notified Ind AS 117, Insurance Contracts, which replaces Ind AS 104, Insurance Contracts. Ind AS 117 is effective for annual reporting periods beginning on or after 1 April 2024. The Company does not issue insurance contracts as defined under Ind AS 117; accordingly, the implementation of this standard is not expected to have any impact on the standalone financial statements.
- Amendment to Ind AS 116 – Leases, On 9 September 2024, the MCA issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which include an amendment to Ind AS 116,

Leases, related to sale and leaseback transactions. The amendment is effective for annual periods beginning on or after 1 April 2024. The Company has assessed the impact of this amendment and concluded that it is not expected to have a material impact on its standalone financial statements for the year ending 31 March 2025, as there are no sale and leaseback transactions which have occurred during the reporting period.

#### (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 2025 were approved and authorised for issue by Board of Directors on 13 May 2025.

#### (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.



# Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

## (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
- 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.

# Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

## 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
Leasehold buildings & other assets	Lower of lease term or useful life
Plant and equipment	10 – 30 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 value exceeds their recoverable amount are written down

to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an 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



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

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 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 not recognised in the standalone financial statements.

### (6) Government grants

Grants from government are recognised 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 is 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

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

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





## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

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.

### 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 liability recognised in the standalone balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets.

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 liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. 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.

The obligations are presented as non current liabilities in the standalone balance sheet as the entity has a right to defer the settlement for at least twelve months after the reporting period.

## (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 considered investment in the subsidiary company,

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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.

### (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.



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### (15) Equity investments

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 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 use forward-looking information to recognise expected credit losses (ECL) model' for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables using the lifetime expected credit loss model.

For recognition of impairment loss on other financial assets and risk exposure, the 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

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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.

The presumption under Ind AS 109 with reference to significant increases in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the company, as the company is able to collect a significant portion of its receivables that exceed the due date.

### 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 utilised.

#### (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



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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 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 utilisation of the grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted for prospectively over the balance life of the asset.

### (8) Fair value measurements

Management applies valuation techniques to determine fair value of equity shares (where active market quotes are not available) and stock options. 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.



# Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements

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## 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
<b>Gross block</b>														
As at 1 April 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	989.54	-	2,462.04	25.96	112.31	53.18	-	71.43	3,714.46	-	61.69	-	61.69	3,776.15
Disposals/adjustments	(6.36)	-	(90.83)	(7.20)	(191.45)	(3.27)	-	(2.22)	(301.33)	-	(3.00)	-	(3.00)	(304.33)
<b>Balance as at 31 March 2024</b>	<b>2,061.68</b>	<b>7,565.23</b>	<b>38,524.45</b>	<b>445.28</b>	<b>707.84</b>	<b>651.89</b>	<b>1,197.91</b>	<b>375.14</b>	<b>51,529.42</b>	<b>980.37</b>	<b>315.16</b>	<b>12.51</b>	<b>1,308.04</b>	<b>52,837.46</b>
Additions	-	-	2,059.76	20.89	713.78	62.33	13.65	45.37	2,915.78	367.15	27.37	23.99	418.51	3,334.29
Disposals/adjustments	-	-	(505.51)	-	(302.95)	-	-	-	(808.46)	-	(259.52)	(10.95)	(270.47)	(1,078.93)
<b>Balance as at 31 March 2025</b>	<b>2,061.68</b>	<b>7,565.23</b>	<b>40,078.70</b>	<b>466.17</b>	<b>1,118.67</b>	<b>714.22</b>	<b>1,211.56</b>	<b>420.51</b>	<b>53,636.74</b>	<b>1,347.52</b>	<b>83.01</b>	<b>25.55</b>	<b>1,456.08</b>	<b>55,092.82</b>
<b>Accumulated depreciation and amortization</b>														
As at 1 April 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)
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>2,271.25</b>	<b>22,098.31</b>	<b>213.88</b>	<b>248.84</b>	<b>491.82</b>	<b>708.08</b>	<b>273.83</b>	<b>26,306.01</b>	<b>-</b>	<b>270.55</b>	<b>10.80</b>	<b>281.35</b>	<b>26,587.36</b>
Charge for the year	-	239.00	2,479.95	35.06	100.52	62.73	74.66	47.16	3,039.08	-	29.97	2.57	32.54	3,071.62
Adjustments for disposals	-	-	(158.88)	-	(95.90)	-	-	-	(254.78)	-	(255.72)	(10.95)	(266.67)	(521.45)
<b>Balance as at 31 March 2025</b>	<b>-</b>	<b>2,510.25</b>	<b>24,419.38</b>	<b>248.94</b>	<b>253.46</b>	<b>554.55</b>	<b>782.74</b>	<b>320.99</b>	<b>29,090.31</b>	<b>-</b>	<b>44.80</b>	<b>2.42</b>	<b>47.22</b>	<b>29,137.53</b>
<b>Net block as at 31 March 2024</b>	<b>2,061.68</b>	<b>5,293.98</b>	<b>16,426.14</b>	<b>231.40</b>	<b>459.00</b>	<b>160.07</b>	<b>489.83</b>	<b>101.31</b>	<b>25,223.41</b>	<b>980.37</b>	<b>44.61</b>	<b>1.71</b>	<b>1,026.69</b>	<b>26,250.10</b>
<b>Net block as at 31 March 2025</b>	<b>2,061.68</b>	<b>5,054.98</b>	<b>15,659.32</b>	<b>217.23</b>	<b>865.21</b>	<b>159.67</b>	<b>428.82</b>	<b>99.52</b>	<b>24,546.43</b>	<b>1,347.52</b>	<b>38.21</b>	<b>23.13</b>	<b>1,408.86</b>	<b>25,955.29</b>

### Notes:

- Refer note (a) of note 19 "Non current financial liabilities- Borrowings" and note (a) of note 24 "Current financial liabilities- Borrowings" for details regarding property, plant and equipment which are pledged as security.
- Refer note 41(A) for disclosure of contractual commitments for the acquisition of property, plant and equipment.



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- c. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

1. Freehold Land amounting ₹ 989.54 lakhs is in held in the name of Haryana Ispat Private Limited

Further, For title deeds of the following immovable properties in the nature of land, which have been mortgaged as security for loans or borrowings taken by the Company, are lying with 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 2023	1,112.23
Additions	1,420.73
Capitalised during the year	2,353.85
<b>Balance as at 31 March 2024</b>	<b>179.11</b>
Additions	2,270.22
Capitalised during the year	2,073.41
<b>Balance as at 31 March 2025</b>	<b>375.92</b>

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

	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2025</b>					
- Projects in progress	271.88	-	-	104.04	375.92
- Projects temporarily suspended	-	-	-	-	-
					<b>375.92</b>
<b>As at 31 March 2024</b>					
- Projects in progress	75.07	-	104.04	-	179.11
- Projects temporarily suspended	-	-	-	-	-
					<b>179.11</b>

As at 31 March 2025 as well as at 31st 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. The installation is expected be completed during the year ending 31 March 2026.

### 4 Other intangible assets

Particulars	Computer software	Total
<b>Gross block</b>		
As at 1 April 2023	167.70	167.70
Additions	-	-
<b>Balance as at 31 March 2024</b>	<b>167.70</b>	<b>167.70</b>
Additions	33.68	33.68
<b>Balance as at 31 March 2025</b>	<b>201.38</b>	<b>201.38</b>

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### 4 Other intangible assets (Contd.)

Particulars	Computer software	Total
<b>Accumulated amortisation</b>		
As at 1 April 2023	117.18	117.18
Charge for the year	27.60	27.60
<b>Balance as at 31 March 2024</b>	<b>144.78</b>	<b>144.78</b>
Charge for the year	18.59	18.59
<b>Balance as at 31 March 2025</b>	<b>163.37</b>	<b>163.37</b>
<b>Net block as at 31 March 2024</b>	<b>22.92</b>	<b>22.92</b>
<b>Net block as at 31 March 2025</b>	<b>38.01</b>	<b>38.01</b>

### 5 Non-current financial assets - investments

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Unquoted investments</b>		
<b>Investment in equity instruments in subsidiaries (carried at cost)</b>		
28,456,000 equity shares (31 March 2024: 28,456,000 equity shares) of ₹ 10 each fully paid up in Sterling Gtake E-mobility Limited - [refer note (b)]	4,164.17	3,045.29
25,000 equity shares (31 March 2024: 10,000 equity shares) of ₹ 10 each fully paid up in Sterling Advanced Electric Machines Private Limited	2.50	1.00
1,40,10,000 equity shares (31 March 2024: Nil equity shares) of ₹ 10 each fully paid up in Sterling Tech Mobility Limited	1,401.00	-
51,000 equity shares (31 March 2024: Nil equity shares) of ₹ 10 each fully paid up in Sterling E-Mobility Private Limited	5.10	-
100 equity shares (31 March 2024: Nil equity shares) of USD 10 each fully paid up in Sterling Overseas Pte. Limited	0.84	-
<b>Investment in equity instruments (carried at fair value through other comprehensive income)</b>		
9,922 equity shares (31 March 2024: 9,922 equity shares) of ₹ 10 each fully paid up in Altigreen Propulsion Labs Private Limited	-	1,153.98
	<b>5,573.61</b>	<b>4,200.27</b>
Aggregate amount of unquoted investments	5,573.61	4,200.27
Aggregate amount of impairment in the value of investments [refer note (c)]	1,153.98	-

#### Notes:

- Equity investments in subsidiaries are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.
- Includes deemed investment of ₹ 1,118.88 lakhs during the year (previous year - ₹ 199.69 lakhs) in respect of employee stock options granted to employee of subsidiary company with corresponding credit to share options outstanding account.
- The Company during the current year has recorded a fair value loss through other comprehensive income in the investment in Altigreen amounting to ₹ 1,153.98 lakhs as one of the creditor of the investee company filed petition under NCLT. Accordingly the fair value of investment has been considered as nil.

### 6 Non-current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March 2025	As at 31 March 2024
Security deposits	506.50	496.50
Interest accrued but not due	33.24	31.86
	<b>539.74</b>	<b>528.36</b>



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(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 7 Income-tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Prepaid taxes (net of provision for tax)*	94.65	37.08
	<b>94.65</b>	<b>37.08</b>

\*Refer note 28 for movement of taxes

### 8 Other non-current assets

(Unsecured and considered good)

Particulars	As at 31 March 2025	As at 31 March 2024
Capital advances	193.39	147.39
Advances other than capital advances:		
- Prepaid expenses	91.76	40.93
	<b>285.15</b>	<b>188.32</b>

### 9 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at 31 March 2025	As at 31 March 2024
Raw material	4,097.09	4,911.11
Work in progress	1,484.01	1,519.40
Finished goods	4,999.73	5,461.24
Stores, spares and consumables [includes goods in transit of ₹ 5.55 lakh (31 March 2024: ₹ 14.32 lakh)]	1,302.70	1,160.90
	<b>11,883.53</b>	<b>13,052.65</b>

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 ₹ 32.18 lakh (31 March 2024 - ₹ 25.26 lakh). The carrying value of such inventories carried at fair value less costs to sell amounts to ₹ 391 lakh (31 March 2024 - ₹ 399.47 lakh).
- During the year ended 31 March 2025, a matter was informed by one of the worker to the management relating to an incident of theft of inventory of raw material by certain employees at a plant location. The financial impact of the matter based on the investigation conducted by the management is ₹ 35.79 lakhs, however the company has written off the aforesaid inventory (refer note 36). Further such employees have been terminated from employment services, and the Company has taken legal action against them.
- The Value of inventories above is stated after provision of ₹ 146.52 lakh (31 March 2024 - ₹ 48.07 lakh).

### 10 Current financial assets - investments

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Quoted investments</b>		
<b>Investment in mutual funds (carried at fair value through profit or loss)</b>		
37,038.932 units (31 March 2024: Nil units) in SBI Liquid Fund- Direct Plan- Growth	1,502.28	-
	<b>1,502.28</b>	<b>-</b>
Aggregate amount of quoted investments and market value thereof		
- Book value	1,500.00	-
- Market value	1,502.28	-

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 11 Current financial assets - trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Trade receivables</b>		
Trade receivables - considered good, unsecured	5,772.17	6,322.70
Trade receivables - credit impaired	204.86	164.86
	5,977.03	6,487.56
Less: allowance for expected credit loss	(204.86)	(164.86)
	<b>5,772.17</b>	<b>6,322.70</b>

#### Movement in the allowance for expected credit loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning of the year	164.86	147.29
Add: Allowance provided during the year	40.00	17.57
Less: Amounts written off during the year	-	-
<b>Balance at the end of the year</b>	<b>204.86</b>	<b>164.86</b>

#### Notes :

- The net carrying value of trade receivables is considered a reasonable approximation of fair value.
- Refer note 24(a) for information on trade receivables pledged as security by the Company.
- There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member
- 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 2025	As at 31 March 2024
Total transferred trade receivables under the bills discounting arrangement	831.31	1,424.29
Associated unsecured borrowings (refer note 24)	831.31	1,424.29

#### Ageing schedule of trade receivables is as follows:

As at 31 March 2025	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	4,785.23	934.92	47.41	2.73	1.40	0.48	5,772.17
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-





## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 11 Current financial assets - trade receivables (Contd..)

As at 31 March 2025	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(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	-	-	40.00	-	-	110.46	150.46

As at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	5,697.88	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

### 12 Current financial assets - cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with scheduled banks in current accounts	650.16	516.22
Cash on hand	1.87	2.60
Balances with banks in deposit accounts with original maturity upto three months	-	250.00
	<b>652.03</b>	<b>768.82</b>

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 2025	As at 31 March 2024
Unpaid dividend accounts (earmarked balances with banks)*	8.40	11.34
Balances with banks in deposit accounts with original maturity of more than three months but residual maturity of less than twelve months	8,344.96	6,979.96
Interest accrued but not due on fixed deposits with banks	176.34	154.98
	<b>8,529.70</b>	<b>7,146.28</b>

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

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 14 Current financial assets - loans

(Unsecured and considered good)

Particulars	As at 31 March 2025	As at 31 March 2024
Loans receivable	4.15	9.62
	<b>4.15</b>	<b>9.62</b>

### 15 Current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March 2025	As at 31 March 2024
Export incentive receivable	6.34	5.35
Gratuity recoverable	28.85	9.06
Others # (refer note 43)	99.89	151.95
	<b>135.08</b>	<b>166.36</b>

# This pertains to cross charge of shared services recoverable from Sterling Gtake- E Mobility Limited ("SGEM"), receivable from Sterling Overseas Pte. Limited ("SOPL") and Sterling Tech Mobility Limited ("STML"), scrap sale and other recoverable.

### 16 Other current assets

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Advances other than capital advances:</b>		
Prepaid expenses	319.07	290.47
Balance with government authorities	1,451.45	1,781.42
Advance to suppliers	466.63	496.52
	<b>2,237.15</b>	<b>2,568.41</b>

### 17 Equity share capital

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Authorised:</b>		
50,000,000 equity shares (31 March 2024: 50,000,000 equity shares) of ₹ 2/- each	1,000.00	1,000.00
<b>Issued, subscribed and paid up:</b>		
36,184,318 equity shares (31 March 2024: 36,024,211 equity shares) of ₹ 2/- each	723.69	720.48
	<b>723.69</b>	<b>720.48</b>

#### a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	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	1,60,107	3.21	-	-
<b>Equity shares outstanding as at the end of the year</b>	<b>3,61,84,318</b>	<b>723.69</b>	<b>3,60,24,211</b>	<b>720.48</b>



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 17 Equity share capital (Contd..)

#### 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 2024: ₹ 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 2025, the amount of per share final dividend recognised as distributions to equity shareholders is ₹ 2 per share (31 March 2024: ₹ 2 per share) amounting to ₹ 720.48 lakh (previous year - ₹ 720.48 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.

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Anil Aggarwal, Promoter	61,10,583	16.89%	61,10,583	16.96%
Mr. Atul Aggarwal, Promoter	94,99,574	26.25%	96,65,367	26.83%
Mr. Akhill Aggarwal	26,60,957	7.35%	26,87,957	7.46%
Mr. Anish Agarwal	27,01,957	7.47%	27,28,957	7.58%
Meidoh Company Limited	18,01,211	4.98%	18,01,211	5.00%

\* As per records of the Company, including its register of members

#### d. Pursuant to contract, no shares have been issued 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 2025			As at 31 March 2024		
	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	16.89%	0.00%	61,10,583	16.96%	-
Mr. Atul Aggarwal	94,99,574	26.25%	-0.70%	96,65,367	26.83%	-
Mrs. Promila Aggarwal	7,55,000	2.09%	0.23%	7,01,000	1.95%	-
Mr. Akhill Aggarwal	26,60,957	7.35%	-0.11%	26,87,957	7.46%	-
Mr. Anish Agarwal	27,01,957	7.47%	-0.11%	27,28,957	7.58%	-
Ms. Ayesha Aggarwal	17,45,166	4.82%	-0.23%	17,99,166	4.99%	-
Mrs. Sarvat Amin	54,000	0.15%	0.23%	-	-	-

\* 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 2025	As at 31 March 2024
Capital reserve	6.65	6.65
Security premium	5,321.84	4,735.69
Share options outstanding account	732.42	199.69
General reserve	2,786.46	2,786.46
Retained earnings	37,536.39	33,991.63
Equity instruments through other comprehensive income	(405.89)	524.13
<b>Total</b>	<b>45,977.87</b>	<b>42,244.25</b>

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 18 Other equity (Contd..)

#### 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 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 2025	As at 31 March 2024
<b>Indian rupee loan from banks (secured)</b>		
Term loans	3,611.90	4,621.57
Less: Current maturities of long-term borrowings (refer note 24)	(1,391.01)	(1,973.68)
	<b>2,220.89</b>	<b>2,647.89</b>

- 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.
- The terms and repayment profile of the term loans from banks is below:
  - 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.
  - Term loan from State Bank of India carries an interest of 8.70% to 9.00% and is repayable in 60 monthly instalments commencing from January 2020 with last instalment due in February 2029.
  - Term loans from HDFC Bank carry an interest in the range of 7.96% to 9.25% and are repayable in 51 - 60 monthly instalments commencing from October 2021 with last instalment due in November 2029.
- There has been no default in servicing of loan during the year.



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 19 Non current financial liabilities - Borrowings (Contd..)

- d) The term loans have been used for the specific purpose for which they were availed.
- e) The Company has complied with the relevant financial covenants under the terms of borrowings throughout the reporting period.

### 20 Non-current financial liabilities - others

Particulars	As at 31 March 2025	As at 31 March 2024
Security deposits	46.25	45.76
Term loans	<b>46.25</b>	<b>45.76</b>

### 21 Provisions

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Compensated absences (refer note 39)	87.63	108.47	128.78	48.80
Gratuity (refer note 39)	2.02	113.14	-	119.41
	<b>89.65</b>	<b>221.61</b>	<b>128.78</b>	<b>168.21</b>

### 22 Deferred tax liabilities (net)

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Deferred tax liabilities</b>		
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	1,532.59	1,584.05
Fair value of investments in equity instruments	(64.86)	159.10
<b>Sub-total (a)</b>	<b>1,467.73</b>	<b>1,743.15</b>
<b>Deferred tax assets</b>		
Employee benefits	116.38	111.64
Allowance for expected credit loss	51.56	41.49
Interest on foreclosure of license under Export Promotion Capital Goods ('EPCG') scheme	-	87.99
Effective interest rate adjustment	0.26	0.06
Impact of difference between right-of-use assets and lease liabilities	0.63	0.54
Others	3.86	2.03
<b>Sub-total (b)</b>	<b>172.69</b>	<b>243.75</b>
<b>Net deferred tax liabilities [(a) - (b)]</b>	<b>1,295.04</b>	<b>1,499.40</b>

#### Movement in deferred tax balances

Particulars	As at 1 April 2024	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2025
<b>Deferred tax liabilities</b>				
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	(51.46)	-	1,532.59
Fair value of investments in equity instruments	159.10	-	(223.96)	(64.86)
<b>Sub- total (a)</b>	<b>1,743.15</b>	<b>(51.46)</b>	<b>(223.96)</b>	<b>1,467.73</b>



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 22 Deferred tax liabilities (net) (Contd..)

Particulars	As at 1 April 2024	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2025
<b>Deferred tax assets</b>				
Employee benefits	111.64	(2.57)	7.31	116.38
Interest on foreclosure of license under EPCG scheme	87.99	(87.99)	-	-
Allowance for expected credit loss	41.49	10.07	-	51.56
Effective interest rate adjustment	0.06	0.20	-	0.26
Impact of difference between right-of-use assets and lease liabilities	0.54	0.09	-	0.63
Others	2.03	1.83	-	3.86
<b>Sub- total (b)</b>	<b>243.75</b>	<b>(78.37)</b>	<b>7.31</b>	<b>172.69</b>
<b>Net deferred tax liabilities [(a)-(b)]</b>	<b>1,499.40</b>	<b>26.91</b>	<b>(231.27)</b>	<b>1,295.04</b>

Particulars	As at 1 April 2023	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2024
<b>Deferred tax liabilities</b>				
Property plant and equipment and other intangible assets:	1,695.03	(110.98)	-	1,584.05
Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	-	-	-	-
Fair value of forward exchange contracts	-	-	-	-
Fair value of investments in equity instruments	271.38	(17.18)	(95.10)	159.10
<b>Sub- total (a)</b>	<b>1,966.41</b>	<b>(128.16)</b>	<b>(95.10)</b>	<b>1,743.15</b>
<b>Deferred tax assets</b>				
Employee benefits	90.99	(0.68)	21.33	111.64
Interest on foreclosure of license under EPCG scheme	82.86	5.13	-	87.99
Provision for impairment in the value of investment	-	-	-	-
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
<b>Sub- total (b)</b>	<b>211.36</b>	<b>11.06</b>	<b>21.33</b>	<b>243.75</b>
<b>Net deferred tax liabilities [(a)-(b)]</b>	<b>1,755.05</b>	<b>(139.22)</b>	<b>(116.43)</b>	<b>1,499.40</b>

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Current tax expense</b>		
Current year	1,512.72	1,457.97
Earlier years	(23.65)	13.29
	<b>1,489.07</b>	<b>1,471.26</b>
<b>Deferred tax expense /(credit)</b>		
Origination and reversal of temporary differences	26.91	(139.22)
	<b>26.91</b>	<b>(139.22)</b>
<b>Total income tax expense</b>	<b>1,515.98</b>	<b>1,332.04</b>



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 22 Deferred tax liabilities (net) (Contd..)

#### ii) Income-tax recognised in other comprehensive income

Particulars	31 March 2025			31 March 2024		
	Before tax	Tax expense/(benefit)	Net of tax	Before tax	Tax expense/(benefit)	Net of tax
Remeasurement of defined benefit plans	(29.04)	7.31	(21.73)	(84.77)	21.33	(63.44)
Changes in fair value of equity investment through other comprehensive income	(1,153.98)	223.96	(930.02)	(377.88)	95.10	(282.78)
	<b>(1,183.02)</b>	<b>231.27</b>	<b>(951.75)</b>	<b>(462.65)</b>	<b>116.43</b>	<b>(346.22)</b>

#### iii) Reconciliation of effective tax rate

Particulars	31 March 2025		31 March 2024	
	Rate	Amount	Rate	Amount
<b>Profit before tax</b>		<b>5,802.95</b>		<b>5,212.65</b>
Tax using the Company's domestic tax rate of 25.17% (31 March 2024 - 25.17%)	25.17%	1,460.49	25.17%	1,311.92
Tax effect of:				
- Corporate social responsibility expenditure		25.08		22.28
- Tax adjustment for earlier years		(23.65)		13.29
- Others		54.06		(15.45)
<b>At the effective income tax rate</b>		<b>1,515.98</b>		<b>1,332.04</b>

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

<b>(b) Basis of computing Company's domestic tax rate:</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Base rate	22.00%	22.00%
Add : Surcharge @ 10%	2.20%	2.20%
	<b>24.20%</b>	<b>24.20%</b>
Add: Health and Education cess @ 4%	0.97%	0.97%
	<b>25.17%</b>	<b>25.17%</b>

### 23 Other non-current liabilities

Particulars	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Deferred grant income [refer note (a) below]	665.84	683.03
Others [refer note (i) below]	52.50	54.40
	<b>718.34</b>	<b>737.43</b>
<b>(a) Movement of deferred grant income:</b>		
Opening balance	836.41	1,603.24
Less: Released to standalone statement of profit and loss	(167.99)	(165.12)
Less: Reclassified from/(to) other payable [refer note (ii) below]	152.21	(601.71)
	<b>820.63</b>	<b>836.41</b>
Deferred grant income:		
- Current	154.79	153.38
- Non-current	665.84	683.03
	<b>820.63</b>	<b>836.41</b>

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 23 Other non-current liabilities (Contd..)

- (i) This pertains to security deposits received from customers. Refer note 48.
- (ii) During the current year, the Company has completed its assessment in relation to fulfillment of export obligation against one of the license and paid the requisite duty amount against the un-fulfilled export obligation to the custom authorities. Owing to final settlement on account of payment of requisite duty, the remaining balance which pertained to the un-fulfilled export obligation of ₹ 152.21 had been transferred to Deferred grant income. The said balance will be amortized in the remaining life of property, plant and equipment against which such export obligation was made.

Further during the previous year ended 31 March 2024, expected liability amounting to ₹ 601.71 lakh, reclassified to other payable upon filling of necessary application by the Company 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 2025	As at 31 March 2024
Loans repayable on demand from banks		
- Cash credit facilities	-	356.63
- Working capital demand loan	5,011.32	3,507.52
Current maturities of long-term borrowings (refer note 19)	1,391.01	1,973.68
Interest accrued but not due on borrowings	25.75	30.48
Bill discounting facility from banks	831.31	1,424.29
	<b>7,259.39</b>	<b>7,292.60</b>

#### 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 8.30% to 9.20% (31 March 2024: 7.95% to 9.00%) 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 6.90% to 7.20% (31 March 2024: 6.96% to 7.55%) 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 :



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 24 Current financial liabilities - borrowings (Contd..)

For the year ended 31 March 2025:

Name of bank	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 2024	HDFC Bank, Punjab National Bank and State Bank of India	Pari-passu charge on current assets	18,805.85	18,781.19	24.66	Variance is primarily on account of inventory of scrap not considered in quarterly statement
30 September 2024	HDFC Bank, Punjab National Bank, State Bank of India & HSBC Bank	Pari-passu charge on current assets	18,116.41	18,092.04	24.37	Variance is primarily on account of inventory of scrap not considered in quarterly statement
31 December 2024	HDFC Bank, Punjab National Bank, State Bank of India & HSBC Bank	Pari-passu charge on current assets	17,414.59	17,389.87	24.72	Variance is primarily on account of inventory of scrap not considered in quarterly statement
31 March 2025	HDFC Bank, Punjab National Bank, State Bank of India & HSBC Bank	Pari-passu charge on current assets	17,655.70	17,631.42	24.28	Variance is primarily on account of inventory of scrap not considered in quarterly statement

For the year ended 31 March 2024:

Name of bank	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 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 25 Current financial liabilities - trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	1,126.76	1,042.17
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,134.83	2,315.18
	<b>3,261.59</b>	<b>3,357.35</b>

- 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 2025	As at 31 March 2024
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	1,123.04	1,041.57
- Interest	3.72	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	3.72	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 2025	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	3.72	1,111.89	5.28	-	-	-	1,120.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	785.12	1,140.79	184.74	7.02	14.82	2.34	2,134.83
Disputed dues of micro enterprises and small enterprises	-	-	-	5.87	-	-	5.87
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 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 25 Current financial liabilities - trade payables (Contd..)

As at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	0.60	1,037.49	4.08	-	-	-	1,042.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	549.96	871.00	875.09	6.81	3.59	8.73	2,315.18
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 2025	As at 31 March 2024
Creditors for capital goods [refer note (a) below]	55.92	42.19
Unclaimed dividends*	8.40	11.34
Employee related payables	403.16	305.40
	<b>467.48</b>	<b>358.93</b>

\* 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 2025	As at 31 March 2024
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	4.90	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.

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 27 Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Contract liabilities (refer note 48)	222.75	246.43
Deferred grant income [refer note 23(a)]	154.79	153.38
Statutory dues payable	855.28	840.34
Others*	-	951.33
	<b>1,232.82</b>	<b>2,191.48</b>

\* This pertains to expected liability amounting to ₹ Nil (31 March 2024 - ₹ 601.71 lakh) and interest accrued thereon amounting to ₹ Nil (31 March 2024 - ₹ 349.62 lakh) in respect of the foreclosure of one license under EPCG scheme filed by the Company during the previous year.

### 28 Current tax liabilities (net)

Particulars	As at 31 March 2025	As at 31 March 2024
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 2025	As at 31 March 2024
Prepaid taxes (refer note 7)	94.65	37.08
Provision for tax	-	-
<b>Net position [asset]</b>	<b>94.65</b>	<b>37.08</b>

Particulars	As at 31 March 2025	As at 31 March 2024
<b>a. Income-tax assets</b>		
Opening balance	37.08	63.44
Transfer from current tax liabilities	57.57	25.95
Refunds received (net of demand paid)	-	(52.31)
<b>Total (A)</b>	<b>94.65</b>	<b>37.08</b>
<b>b. Current tax liabilities</b>		
Opening balance	-	-
Provision for tax	1,512.72	1,457.97
Prepaid taxes paid during the year	(1,546.64)	(1,495.04)
Tax earlier years	(23.65)	11.12
Transferred to income-tax assets	57.57	25.95
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Net income-tax assets [(A) - (B)]</b>	<b>94.65</b>	<b>37.08</b>

### 29 Revenue from operations

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products		
- Finished goods (refer note 48)	63,645.80	59,966.22
Other operating income		
- Sale of scrap	644.33	666.00
- Export incentives	20.22	16.41
- Amortisation of grant income	167.99	165.12
<b>Total</b>	<b>64,478.34</b>	<b>60,813.75</b>



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 30 Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income from:		
- fixed deposits with banks carried at amortised cost	545.74	387.42
- security deposit with electricity department carried at amortised cost	30.31	29.17
- income-tax refund	-	0.02
<b>Other non operating income</b>		
Liabilities no longer required, written back	-	9.13
Gain on foreign exchange fluctuation (net)	-	3.29
Gain on termination of lease liability	0.31	-
Profit on disposal of property, plant and equipment (net)	-	57.64
Insurance Claim Received	11.92	-
Income from mutual funds carried at fair value through profit or loss		
- gain on sale of mutual fund	61.13	33.29
- gain on fair value of mutual fund	2.28	-
Miscellaneous income	31.45	36.10
	<b>683.14</b>	<b>556.06</b>

### 31 Cost of materials consumed

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Raw material at the beginning of the year	4,911.11	4,964.69
Add: purchases during the year	24,578.52	25,605.70
Less: Raw material at the end of the year	4,097.09	4,911.11
Total cost of materials consumed	<b>25,392.54</b>	<b>25,659.28</b>

### 32 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventories at the beginning of the year		
- Finished goods	5,461.24	4,832.40
- Work-in-progress	1,519.40	1,360.42
	<b>6,980.64</b>	<b>6,192.82</b>
Inventories at the end of the year		
- Finished goods	4,999.73	5,461.24
- Work-in-progress	1,484.01	1,519.40
	<b>6,483.74</b>	<b>6,980.64</b>
<b>Increase in inventories</b>	<b>496.90</b>	<b>(787.82)</b>

### 33 Employee benefits expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salary, wages and bonus	5,355.23	4,618.75
Contribution to provident and other funds	263.26	247.36
Staff welfare expenses	200.74	159.76
Commission to director (refer note 43)	130.00	80.00
	<b>5,949.23</b>	<b>5,105.87</b>

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 34 Finance costs

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expense on financial liabilities measured at amortised cost	579.62	743.19
Interest on lease liabilities	5.57	5.19
	<b>585.19</b>	<b>748.38</b>

### 35 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation on property, plant and equipment	3,039.08	3,062.85
Amortisation of right-of-use assets	32.54	33.52
Amortisation of other intangible assets	18.59	27.60
	<b>3,090.21</b>	<b>3,123.97</b>

### 36 Other expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Consumption of stores and spares	6,011.53	5,641.91
Job work charges	2,548.68	2,536.32
Consumption of packing materials	944.11	929.03
Power and fuel	4,818.32	4,793.76
Rent (refer note 42)	100.69	56.73
Repairs and maintenance		
- Building	327.58	263.86
- Plant and machinery	1,802.78	1,642.14
Security charges	134.37	118.00
Insurance	200.82	215.49
Legal and professional charges	1,006.82	624.96
Rates and taxes	33.12	74.57
Sales promotion	63.58	54.72
Freight outward	1,891.16	1,889.43
Travelling and conveyance	380.19	329.02
Contract labour charges	2,500.29	2,227.35
Payment to auditors (refer details below)	43.57	43.82
Corporate social responsibility expenses (refer note 44)	99.64	88.54
Allowance for expected credit loss	40.00	17.57
Inventory written off (refer note 9)	35.79	-
Bad debts written off	2.35	5.09
Loss on foreign exchange fluctuation (net)	7.11	-
Loss on disposal of property, plant and equipment (net)	43.30	-
Bank Charges	16.93	13.53
Miscellaneous expenses	791.73	781.35
	<b>23,844.46</b>	<b>22,347.19</b>

#### Payments to statutory auditors\*

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(a) Auditors (statutory audit, limited reviews and tax audit)	36.55	37.09
(b) Other services	3.55	2.50
(c) For reimbursement of expenses	3.47	4.23
	<b>43.57</b>	<b>43.82</b>

\*excluding applicable taxes



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 37 Exceptional items

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Insurance claim received [refer note (a) below]	-	60.10
Interest on foreclosure of license under EPCG scheme [refer note (b) below]	-	(20.39)
	-	<b>39.71</b>

**Note:**

- (a) This pertains to insurance claim received from insurance company amounting to ₹ Nil (previous year - ₹ 60.10 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 ₹ Nil (previous year - ₹ 20.39 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 2025	For the year ended 31 March 2024
Profit for the year attributable to equity shareholders (A) (refer note 52)	4,286.97	3,880.61
Weighted average number of equity shares for basic earnings per share (B) (Numbers)	3,60,48,337	3,60,24,211
Effect of share options during the year (C) (Numbers)	2,62,467	36,580
Weighted average number of equity shares for diluted earnings per share (D)= (B) + (C) (Numbers)	3,63,10,804	3,60,60,791
Basic earnings per equity share (face value of share- ₹ 2 each) (A/B) (₹)	11.89	10.77
Diluted earnings per equity share (face value of share- ₹ 2 each) (A/D) (₹)	11.81	10.76

### 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 ₹ 256.25 lakh (31 March 2024: ₹ 234.82 lakh) for provident fund contributions and ₹ 7.01 lakh (31 March 2024: ₹ 12.54 lakh) for ESI & LWF 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.

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Present value of obligation at the beginning of the year</b>	40.00	40.00	902.33	756.44
Included in profit or loss:				
Current service cost	3.30	-	110.91	72.87
Interest cost	2.84	2.94	61.84	52.96
<b>Total amount recognised in profit or loss</b>	6.14	2.94	172.74	125.83
Included in other comprehensive income:				
Remeasurement loss/(gain) arising from:				
- demographic assumptions	-	1.35	-	-
- financial assumptions	0.21	1.35	36.40	87.06
- experience adjustment	(4.32)	(5.64)	5.82	4.71
<b>Total amount recognised in other comprehensive income</b>	(4.11)	(2.94)	42.22	91.77
Other	-	-	(5.08)	(4.38)
Less: Benefits paid	-	-	47.67	67.33
<b>Present value of obligation at the end of year</b>	<b>42.03</b>	<b>40.00</b>	<b>1,064.54</b>	<b>902.33</b>

#### Change in the fair value of plan assets

Particulars	Gratuity (funded portion)	
	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Fair value of plan asset at the beginning of the year</b>	822.92	804.23
Included in profit or loss:		
Return on plan assets - interest income	58.60	55.74
Contributions paid	153.58	30.60
Benefits paid	(47.67)	(67.33)
Others	(5.08)	(4.38)
Included in other comprehensive income:		
Actuarial gain	9.07	4.06
<b>Fair value of plan asset at the end of the year</b>	<b>991.42</b>	<b>822.92</b>

#### Major category of plan asset as a % of total plan assets

Category of assets (% allocation)	As at 31 March 2025		As at 31 March 2024	
	(%)	Amount	(%)	Amount
Insurance policies	98	971.59	98	806.46
Banks	2	19.83	2	16.46
	<b>100</b>	<b>991.42</b>	<b>100</b>	<b>822.92</b>

#### Net defined benefit liability recognised in the standalone balance sheet

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Present value of unfunded/funded obligation at the end of the year	42.03	40.00	1,064.54	902.33
Fair value of plan asset as at the end of the year	-	-	991.42	822.92
<b>Net defined benefit liability/(asset)</b>	<b>42.03</b>	<b>40.00</b>	<b>73.13</b>	<b>79.41</b>





## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Discount rate (per annum)	6.69%	7.09%	6.69%	7.09%
Salary growth rate (per annum)	7.00%	7.00%	7.00%	7.00%
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 2025		31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (movement of 100 bps)	(113.89)	51.74	(67.25)	77.22
Salary escalation rate (movement of 100 bps)	54.38	(117.91)	79.82	(71.09)

Particulars	Gratuity (unfunded)			
	31 March 2025		31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (movement of 100 bps)	(0.50)	0.59	(1.35)	(1.35)
Salary escalation rate (movement of 100 bps)	0.61	(0.53)	(1.35)	(1.35)

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.

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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 2025	31 March 2024
Less than 1 year	97.01	81.77
Between 1-2 years	84.39	68.56
Between 3-5 years	296.26	251.38
Over 5 years	434.28	442.89
<b>Total</b>	<b>911.94</b>	<b>844.60</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18 years (31 March 2024: 12.29 years).

Expected contribution to post-employment benefit plans in the next year is ₹ 36.28 lakhs (31 March 2024: ₹ 39.71 lakhs).

#### F) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flows)- unfunded

Particulars	31 March 2025	31 March 2024
Less than 1 year	40.01	40.00
Between 1-2 years	0.01	-
Between 2-5 years	0.08	-
Over 5 years	0.31	-
<b>Total</b>	<b>40.41</b>	<b>40.00</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2024: 1 year).

Expected contribution to post-employment benefit plans in the next year is ₹ 42.03 lakh (31 March 2024: ₹ 20.00 lakh).

#### G) Amount for the current and previous four years are as follows - gratuity (funded):

Particulars	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Defined benefit obligation	1,064.54	902.33	756.44	679.60	645.54
Experience (loss)/gain adjustments on liabilities	(5.82)	(4.71)	(18.51)	(30.90)	(2.99)

#### H) Amount for the current and previous four years are as follows - gratuity (unfunded):

Particulars	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Defined benefit obligation	42.03	40.00	40.00	40.00	38.71
Experience gain adjustments on liabilities	4.32	5.64	5.62	4.03	0.74



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 39 Employee benefits (Contd..)

#### 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 ₹ 70.38 lakh (31 March 2024: ₹ 75.98 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 2025, provision for compensated absences amounts to ₹ 196.10 lakh (31 March 2024 - ₹ 177.58 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 2025	For the year ended 31 March 2024
<b>Net sales to external customers by geographic area by location of customers</b>		
a) India	62,536.11	59,034.15
b) Outside India	1,109.69	932.07
<b>Total</b>	<b>63,645.80</b>	<b>59,966.22</b>

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Non-current assets (other than non-current financial assets) by geographic areas</b>		
a) India	26,749.02	26,677.53
b) Outside India	-	-
<b>Total</b>	<b>26,749.02</b>	<b>26,677.53</b>

#### C. Information about major customers

Revenues of ₹ 12,869.77 lakh, ₹ 11,529.41 lakh and ₹ 8,151.90 lakh (₹ 12,522.07 lakh, ₹ 9,751.53 lakh and ₹ 6,527.91 lakh ) are derived from three customers, who individually accounted for more than ten percent of the total revenue.

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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) ₹ 701.18 lakhs (₹ 276.10 lakhs as at 31 March 2024).

#### B. Contingent liabilities and other commitments

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Contingent liabilities</b>		
<b>I) Claims against the Company not acknowledged as debt:</b>		
i) Disputed liability - Central Excise Act (refer note 'a' below)	106.04	106.04
ii) Interest on disputed liability - Central Excise Act (refer note 'b' below)	82.65	73.71
iii) Disputed liability - GST Act. (refer note 'c' below)	-	50.00
iv) Demand under Income-tax Act, 1961 (refer note 'd' below)		
- 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
<b>Other commitments</b>		
i) Corporate guarantee given on behalf of subsidiary company	11,133.00	11,133.00

- 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 ₹ 82.65 lakh (31 March 2024 - ₹ 73.71 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 was raised 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. In current year, the favourable order has been received from Excise and Taxation officer stating that the proceedings have been dropped in relation to the reply submitted by the company.
- d) Appeals filed before Commissioner of Income tax (CIT) for demands under Income Tax Act 1961 in AY 2013-14, 2016-17, 2018-19 and 2020-21. The appeals have not yet been disposed off by CIT and the company expects a favorable chance of getting the relief against these orders.

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.



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 42 Lease related disclosures as lessee

Lease liabilities are presented in the standalone balance sheet as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Current	30.76	22.22
Non-current	33.08	26.22
<b>Total</b>	<b>63.84</b>	<b>48.44</b>

The maturity analysis of lease liabilities are disclosed hereunder. Also refer note 45(II)(ii).

Particulars	As at 31 March 2025			As at 31 March 2024		
	Principal	Interest	Total payments	Principal	Interest	Total payments
Less than 1 year	30.76	4.30	35.06	22.22	3.45	25.67
1 – 5 years	33.08	5.07	38.15	26.22	1.60	27.82
More than 5 years	-	-	-	-	-	-
<b>Total</b>	<b>63.84</b>	<b>9.37</b>	<b>73.21</b>	<b>48.44</b>	<b>5.05</b>	<b>53.49</b>

The following are amounts recognised in standalone statement of profit and loss:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Amortisation on right-of-use assets	32.54	33.52
Interest expense on lease liabilities	5.57	5.19
Rent expense*	100.69	56.73
<b>Total</b>	<b>138.80</b>	<b>95.44</b>

\*Rent expense for short-term leases and not included in the measurement of lease liabilities.

The Company has leases for its plant, offices, vehicle 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 as at 31 March 2025 and 31 March 2024 respectively:

#### As at 31 March 2025

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, vehicle and equipment	18	1 - 7 years	18

#### As at 31 March 2024

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, vehicle 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).

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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 ₹ 100.69 lakhs (31 March 2024 - ₹ 56.73 lakhs). At 31 March 2025 and 31 March 2024, the Company is not committed to any liability towards short-term leases.

Total cash outflow for leases for the year ended 31 March 2025 was ₹138.12 lakhs (31 March 2024 - ₹ 94.62 lakhs) [including ₹ 100.69 lakhs (31 March 2024 - ₹ 56.73 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	Sterling Gtake E-Mobility Limited
	Sterling Advanced Electric Machines Private Limited
	Sterling Tech Mobility Limited (with effect from 28 June 2024)
	Sterling E-Mobility Private Limited (with effect from 28 June 2024)
	Sterling Overseas Pte. Ltd. (with effect from 23 September 2024)
Key management personnel (KMP)	Mr. Anil Aggarwal – Chairman cum Whole Time Director
	Mr. Atul Aggarwal – Managing Director
	Mr. Akhill Aggarwal – Whole Time Director
	Mr. Anish Aggarwal - 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 Urdhwaresh - Independent Director (with effect from 01 February 2024)
	Mr. Sanjeev Garg - Independent Director (with effect from 10 May 2024)
	Mr. Vijay Madhav Paradkar- Independent Director (with effect from 25 March 2024)
	Mr. Pankaj Gupta - Chief Financial Officer
	Mr. Abhishek Chawla - Company Secretary (till 13 March 2025)
Enterprise over which KMP exercise control and/or significant influence	Sterling Technologies Private Limited
	Sterling Automobiles Private Limited
Relatives of KMP with whom transactions have occurred	Manohar Lal Aggarwal Foundation
	Swarup & Company
	Mrs. Promila Aggarwal (Wife of Mr. Anil Aggarwal)
	Ms. Ayesha Aggarwal (Daughter of Mr. Atul Aggarwal)





## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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 2025 and 31 March 2024:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>i) Transaction with subsidiary company</b>		
<b>a) Investment made</b>		
Sterling Gtake E-Mobility Limited*	1,118.88	199.69
Sterling Advanced Electric Machines Private Limited	1.50	1.00
Sterling Tech Mobility Limited	1,401.00	-
Sterling E-Mobility Private Limited	5.10	-
Sterling Overseas Pte. Ltd.	0.84	-
	<b>2,527.32</b>	<b>200.69</b>
* Pertains to deemed investment of ₹ 1,118.88 lakhs during the year (previous year - ₹ 199.69 lakhs) in respect of employee stock options granted to employee of subsidiary company with corresponding credit to share options outstanding account.		
<b>b) Sale of goods</b>		
Sterling Gtake E-Mobility Limited	33.00	-
	<b>33.00</b>	<b>-</b>
<b>c) Management services</b>		
Sterling Gtake E-Mobility Limited	65.34	-
	<b>65.34</b>	<b>-</b>
<b>d) Corporate guarantee given on behalf of subsidiary company</b>		
Sterling Gtake E-Mobility Limited	-	6,133.00
	<b>-</b>	<b>6,133.00</b>
<b>e) Sale of asset</b>		
Sterling Gtake E-Mobility Limited	-	39.14
	<b>-</b>	<b>39.14</b>
<b>f) Purchase of goods / services</b>		
Sterling Gtake E-Mobility Limited	9.30	6.49
	<b>9.30</b>	<b>6.49</b>
<b>ii) Transaction with enterprises over which KMP has control and/or significant influence</b>		
<b>a) Repairs and maintenance</b>		
Sterling Automobiles Private Limited	1.91	4.83
	<b>1.91</b>	<b>4.83</b>
<b>b) Insurance/warranty</b>		
Sterling Automobiles Private Limited	2.32	2.56
	<b>2.32</b>	<b>2.56</b>
<b>c) Rent paid</b>		
Sterling Technologies Private Limited	38.04	27.72
	<b>38.04</b>	<b>27.72</b>
<b>d) Purchase of asset</b>		
Sterling Automobiles Private Limited	-	18.60
	<b>-</b>	<b>18.60</b>
<b>e) Corporate social responsibility expenses</b>		
Manohar Lal Aggarwal Foundation (formerly known as Sterling Tools Foundation)	99.64	88.54
	<b>99.64</b>	<b>88.54</b>

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 43 Related party disclosures (Contd..)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>f) Legal charges paid</b>		
Swarup & Company	0.88	4.13
	<b>0.88</b>	<b>4.13</b>
<b>g) Expenses incurred by company on behalf of other</b>		
Sterling Tech Mobility Limited ("STML")	8.25	-
Sterling Overseas Pte. Ltd. ("SOPL")	16.90	-
	<b>25.15</b>	<b>-</b>
<b>iii) Transaction with KMP and their close members</b>		
<b>Remuneration paid to directors (A)</b>		
Mr. Anil Aggarwal	275.97	240.56
Mr. Atul Aggarwal	271.20	235.46
Mr. Akhill Aggarwal	77.76	-
	<b>624.93</b>	<b>476.02</b>
<b>Remuneration paid to KMP other than directors (B)</b>	<b>119.59</b>	<b>103.25</b>
<b>Commission paid to directors (C)</b>		
Mr. Anil Aggarwal	65.00	40.00
Mr. Atul Aggarwal	65.00	40.00
	<b>130.00</b>	<b>80.00</b>
<b>Compensation to KMP [(A)+(B) + (C)]</b>		
- Short-term employee benefits	812.49	616.61
- Defined contribution plans	62.03	42.66
	<b>874.52</b>	<b>659.27</b>
<b>Dividend paid</b>		
Mr. Anil Aggarwal	122.21	122.21
Mr. Atul Aggarwal	193.31	193.31
Mrs. Promila Aggarwal	15.10	14.02
Mr. Akhill Aggarwal	53.22	53.76
Mr. Anish Aggarwal	54.04	54.58
Ms. Ayesha Aggarwal	35.98	35.98
Mr. Jaideep Wadhwa	0.28	0.28
	<b>474.14</b>	<b>474.14</b>
<b>Director sitting fees</b>		
Dr. Triloki Nath Kapoor	-	2.50
Ms. Malini Sud	-	2.50
Mr. Chotu Ram Sharma	-	7.50
Mr. Shailendra Swarup	7.00	6.50
Mr. Rakesh Batra	7.50	8.00
Ms. Rashmi Urdhwareshe	5.50	0.50
Mr. Sanjeev Garg	2.50	-
Mr. Vijay Madhav Paradkar	5.00	-
	<b>27.50</b>	<b>27.50</b>
<b>iv) Closing balances</b>		
<b>Commission payable</b>		
Mr. Anil Aggarwal	55.25	24.03
Mr. Atul Aggarwal	55.25	23.25
	<b>110.50</b>	<b>47.28</b>
<b>Outstanding payable</b>		
Sterling Automobiles Private Limited	0.27	0.24
Swarup & Company	0.45	0.62
	<b>0.72</b>	<b>0.86</b>



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 43 Related party disclosures (Contd..)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Outstanding receivable</b>		
Sterling Gtake E-Mobility Limited	44.29	-
Sterling Tech Mobility Limited	8.25	-
Sterling Overseas Pte. Ltd.	16.06	-
	<b>68.59</b>	<b>-</b>
<b>Corporate guarantee on behalf of subsidiary company</b>		
Sterling Gtake E-Mobility Limited	11,133.00	11,133.00
	<b>11,133.00</b>	<b>11,133.00</b>
<b>Investments</b>		
Sterling Gtake E-Mobility Limited	4,164.17	3,045.29
Sterling Advanced Electric Machines Private Limited	2.50	1.00
Sterling Tech Mobility Limited	1,401.00	-
Sterling E-Mobility Private Limited	5.10	-
Sterling Overseas Pte. Ltd.	0.84	-
	<b>5,573.61</b>	<b>3,046.29</b>

**Note :**

- 1) The sale to and purchase from and other transactions with related party are made on terms equivalent to those that prevail in arm 's length transaction.
- 2) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- 3) The remuneration to the Key managerial personnel does not include the provisions made for Gratuity as they are determined to the company as a whole
- 4) The Company Secretary (CS) of the Company resigned with effect from 13 March 2025. In accordance with Section 203(4) of the Companies Act, 2013, the resultant vacancy is required to be filled by the Company within six months. The Company is in the process of identifying a suitable candidate to fill the vacancy in compliance with applicable regulatory timelines.

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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 2025	For the year ended 31 March 2024
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)	99.64	88.54
Shortfall of the previous year (B)	-	24.96
<b>Total (A+B)</b>	<b>99.64</b>	<b>113.50</b>
Amount spent during the year* [refer note (b) below]	99.64	113.50
<b>Shortfall/(surplus) for the year (refer note below)</b>	<b>-</b>	<b>-</b>

\* Includes amount spent during previous year amounting to ₹ 24.96 lakhs pertaining to financial year ended 31 March 2023. Refer note (d) below.

#### b) Details of CSR expenses incurred:

##### Amount spent during the year ended 31 March 2025:

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	99.64	Others	99.64

##### 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

c) 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.

d) The Company does not have any ongoing projects as at 31 March 2025 as well as at 31st March 2024

##### Details of on-going projects are as follows:

Particulars	With the Company	In separate CSR unspent account
Balance as on 1 April 2023	-	24.96
Amount required to be spent during the year	88.54	-
Amount spent during the year	(88.54)	(24.96)
<b>Balance as on 31 March 2024</b>	<b>-</b>	<b>-</b>
Amount required to be spent during the year	99.64	-
Amount spent during the year	(99.64)	-
<b>Balance as on 31 March 2025</b>	<b>-</b>	<b>-</b>



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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.

##### (b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

As at 31 March 2025

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
<b>Financial assets measured at fair value</b>									
Current investments	-	1,502.28	-	-	1,502.28	1,502.28	-	-	1,502.28
<b>Financial assets which are measured at amortised cost for which fair values are disclosed</b>									
Non-current investments	-	-	5,573.61	-	5,573.61				
Loans	-	-	4.15	-	4.15				
Other financial assets	-	-	674.82	-	674.82				
Trade receivables	-	-	5,772.17	-	5,772.17				
Cash and cash equivalents	-	-	652.03	-	652.03				
Other bank balances	-	-	8,529.70	-	8,529.70				
	-	1,502.28	21,206.48	-	22,708.76				
<b>Financial liabilities which are measured at amortised cost for which fair values are disclosed</b>									
Borrowings	-	-	-	9,480.28	9,480.28				
Lease liabilities	-	-	-	63.84	63.84				
Trade payables	-	-	-	3,261.59	3,261.59				
Other financial liabilities	-	-	-	513.73	513.73				
	-	-	-	13,319.44	13,319.44				

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 45 Fair value measurements (Contd..)

As at 31 March 2024

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
<b>Financial assets measured at fair value</b>									
Non-current investments*	1,153.98	-	-	-	1,153.98	-	-	1,153.98	1,153.98
<b>Financial assets which are measured at amortised cost for which fair values are disclosed</b>									
Non-current investments	-	-	3,046.29	-	3,046.29				
Loans	-	-	9.62	-	9.62				
Other financial assets	-	-	694.72	-	694.72				
Trade receivables	-	-	6,322.70	-	6,322.70				
Cash and cash equivalents	-	-	768.82	-	768.82				
Other bank balance	-	-	7,146.28	-	7,146.28				
	<b>1,153.98</b>	<b>-</b>	<b>17,988.43</b>	<b>-</b>	<b>19,142.41</b>				
<b>Financial liabilities which are measured at amortised cost for which fair values are disclosed</b>									
Borrowings	-	-	-	9,940.49	9,940.49				
Lease liabilities	-	-	-	48.44	48.44				
Trade payables	-	-	-	3,357.34	3,357.34				
Other financial liabilities	-	-	-	404.69	404.69				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,750.96</b>	<b>13,750.96</b>				

\*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 2025 and 31 March 2024.





## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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: <ul style="list-style-type: none"> <li>- the long-term growth rate would be higher (lower);</li> <li>- the discount rate were lower (higher).</li> </ul>

#### 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.

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 45 Fair value measurements (Contd..)

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 2025			31 March 2024		
	Gross amount	Expected credit loss	Net amount	Gross amount	Expected credit loss	Net amount
<b>Financial assets for which loss allowance is measured using 12 months expected credit loss model:</b>						
Non-current investments	5,573.61	-	5,573.61	4,200.27	-	4,200.27
Other non-current financial assets	539.74	-	539.74	528.36	-	528.36
Current investments	1,502.28	-	1,502.28	-	-	-
Cash and cash equivalents	652.03	-	652.03	768.82	-	768.82
Other bank balances	8,529.70	-	8,529.70	7,146.28	-	7,146.28
Current loans	4.15	-	4.15	9.62	-	9.62
Other current financial assets	135.08	-	135.08	166.36	-	166.36
	<b>16,936.59</b>	<b>-</b>	<b>16,936.59</b>	<b>12,819.71</b>	<b>-</b>	<b>12,819.71</b>
<b>Financial assets for which loss allowance is measured using life time expected credit loss:</b>						
Trade receivables	5,977.03	(204.86)	5,772.17	6,487.56	(164.86)	6,322.70
	<b>5,977.03</b>	<b>(204.86)</b>	<b>5,772.17</b>	<b>6,487.56</b>	<b>(164.86)</b>	<b>6,322.70</b>

#### 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 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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 2025	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 2025	4,785.23	934.92	87.41	2.73	18.97	147.77	5,977.03
Expected loss rate	-	-	45.76%	-	92.60%	99.67%	
Expected credit losses	-	-	40.00	-	17.57	147.29	204.86
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>4,785.23</b>	<b>934.92</b>	<b>47.41</b>	<b>2.73</b>	<b>1.40</b>	<b>0.48</b>	<b>5,772.17</b>

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
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>5,697.88</b>	<b>605.73</b>	<b>7.66</b>	<b>2.70</b>	<b>1.98</b>	<b>6.75</b>	<b>6,322.70</b>

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 2025, the Company has a working capital of ₹ 18,242.44 lakhs (31 March 2024 - ₹ 16,644.05 lakhs) including cash and cash equivalents of ₹ 652.03 lakhs (31 March 2024 - ₹ 768.82 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 2025	As at 31 March 2024
<b>Non- derivative financial liabilities</b>		
<b>Floating-rate borrowings</b>		
- Expiring within one year	6,488.68	8,635.85
- Expiring beyond one year	-	-

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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 2025

Contractual maturities of financial liabilities	Contractual cash flows					Total
	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	
<b>Non-derivative financial liabilities</b>						
Non current borrowings (including current maturities of non-current borrowings)	360.77	360.77	339.94	329.52	2,220.90	3,611.90
Lease liabilities	8.99	8.69	8.69	8.69	28.77	63.83
Other non-current financial liabilities						
- Security deposits	-	-	-	-	46.25	46.25
Current borrowings						
- Working capital loans	5,842.62	-	-	-	-	5,842.62
Trade payables	3,261.59	-	-	-	-	3,261.59
Creditors for capital expenditure	55.92	-	-	-	-	55.92
Interest accrued but not due	25.75	-	-	-	-	25.75
Employee related payables	403.16	-	-	-	-	403.16
Unclaimed dividend	8.40	-	-	-	-	8.40
<b>Total</b>	<b>9,967.23</b>	<b>369.48</b>	<b>348.65</b>	<b>338.23</b>	<b>2,295.94</b>	<b>13,319.44</b>

##### 31 March 2024

Contractual maturities of financial liabilities	Contractual cash flows					Total
	Less than 90 days	90-180 days	180- 270 days	270-360 days	More than 360 days	
<b>Non-derivative financial liabilities</b>						
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	3,357.34	-	-	-	-	3,357.34
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
<b>Total</b>	<b>9,748.28</b>	<b>661.64</b>	<b>561.39</b>	<b>377.31</b>	<b>3,036.78</b>	<b>14,385.40</b>

#### 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 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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 2025	
	EURO	USD
<b>Financial assets</b>		
Trade receivables	82.61	-
<b>Financial liabilities</b>		
Trade payables	-	21.24
<b>Net exposure to foreign currency risk - assets / (liabilities)</b>	<b>82.61</b>	<b>(21.24)</b>

Particulars	As at 31 March 2024	
	EURO	USD
<b>Financial assets</b>		
Trade receivables	108.88	2.37
<b>Financial liabilities</b>		
Trade payables	-	45.12
<b>Net exposure to foreign currency risk - assets / (liabilities)</b>	<b>108.88</b>	<b>(42.75)</b>

#### 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
<b>31 March 2025</b>		
INR/EUR	4.13	(4.13)
INR/USD	(1.06)	1.06

5% movement	Profit and loss (after tax) and equity	
	Strengthening	Weakening
<b>31 March 2024</b>		
INR/EUR	5.44	(5.44)
INR/USD	(2.14)	2.14

#### (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.

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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 2025	31 March 2024
<b>Financial assets:</b>		
<b>Fixed rate instruments</b>		
- Fixed deposits	8,344.96	7,229.96
<b>Total</b>	<b>8,344.96</b>	<b>7,229.96</b>
<b>Variable-rate instruments</b>		
- Rupee term loans	3,611.90	4,621.57
- Working capital facilities	5,011.32	3,864.15
<b>Total</b>	<b>8,623.22</b>	<b>8,485.72</b>

#### 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
<b>31 March 2025</b>		
Rupee term loans	(27.03)	27.03
Working capital facility	(37.50)	37.50
<b>Cash flow sensitivity (net)</b>	<b>(64.53)</b>	<b>64.53</b>

Particulars	Profit or loss (after tax) and equity	
	100 bp increase	100 bp decrease
<b>31 March 2024</b>		
Rupee term loans	(36.47)	36.47
Working capital facility	(32.53)	32.53
<b>Cash flow sensitivity (net)</b>	<b>(69.00)</b>	<b>69.00</b>

### (iii) Price risk

The Company is mainly exposed to the price risk mainly due to its investment in mutual funds and equity instruments, which are measured at fair value through profit or loss. The price risk arises due to uncertainties about the future market values (quoted prices or NAV) of these instruments. To manage the price risk arising from investments in mutual funds and equity instruments, the group diversifies its portfolio. Further, the management reviews the investment portfolio and the movement in the market to manage the risk.

The Company's investment in the mutual funds and equity instruments are publicly traded.

#### Sensitivity analysis

To provide a meaningful assessment of the price risk associated with the Company's investment portfolio, the Company performed the sensitivity analysis to determine the impact of change in prices of the mutual funds and equity instruments that would have on the value of investment portfolio, assuming a 1% changes in the prices of mutual funds and equity instruments.





## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 45 Fair value measurements (Contd..)

Particulars	Profit or loss (after tax) and equity				Value of investment			
	For the year ended 31 March 2025		For the year ended 31 March 2024		As at 31 March 2025		As at 31 March 2024	
	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	11.24	(11.24)	-	-	15.02	(15.02)	-	-

### 46 Capital management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an appropriate capital structure of debt and equity.

The management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements.

The Company monitors capital on the basis of its gearing ratio which is net debt divided by total equity. Net debt comprises of non-current and current borrowings less cash and cash equivalents. Equity includes equity share capital and other equity that are managed as capital. The gearing ratio at the end of the reporting periods are as follows:

Particulars	31 March 2025	31 March 2024
Total borrowings	9,480.28	9,940.49
Less: Cash and cash equivalents	652.03	768.82
<b>Net debt</b>	<b>8,828.25</b>	<b>9,171.67</b>
<b>Total equity</b>	<b>46,701.56</b>	<b>42,964.73</b>
<b>Net debt to equity ratio</b>	<b>0.19</b>	<b>0.21</b>

### 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 2025	As at 31 March 2024	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	2.46	2.24	10%	Not applicable, refer note below
Debt equity ratio	Net debt = Total borrowings - cash and cash equivalents	Total equity	0.19	0.21	-11%	Not applicable, refer note below

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 47 Accounting ratios (Contd.)

Ratio	Numerator	Denominator	For the year ended 31 March 2025	For the year ended 31 March 2024	% variance	Reason for variance
Debt service coverage ratio	"Earning available for debt service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc."	Debt service = Interest and lease payments + principal repayments of long-term borrowings	3.09	2.86	8%	Not applicable, refer note below
Return on equity ratio	Net profit after taxes	Average shareholder's equity	10%	9%	2%	Not applicable, refer note below
Inventory turnover ratio	Cost of goods sold	Average inventories	2.08	1.95	6%	Not applicable, refer note below
Trade receivables turnover ratio	Net sales	Average trade receivables	10.52	9.34	13%	Not applicable, refer note below
Trade payables turnover ratio	Purchase of material + consumption of stores and spares + job work charges + consumption of packing materials + power and fuel	Average trade payables	11.75	12.70	-7%	Not applicable, refer note below
Net capital turnover ratio	Net sales	Working capital = current assets - current liabilities	3.49	3.60	-3%	Not applicable, refer note below
Net profit ratio	Net profit after taxes	Revenue from operations	7%	6%	4%	Not applicable, refer note below
Return on capital employed	Earnings before interest and taxes	Capital employed = Tangible net worth + total debt + deferred tax liabilities	12%	12%	3%	Not applicable, refer note below
Return on investment	Income generated from invested fund	Average invested fund in treasury investments	7.13%	7.12%	0%	Not applicable, refer note below

#### 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 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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 2025	Year ended 31 March 2024
<b>Revenue by geography</b>		
Domestic	62,536.11	59,034.15
Export	1,109.69	932.07
	<b>63,645.80</b>	<b>59,966.22</b>
<b>Customer wise</b>		
Related party	33.00	-
Non-related party	63,612.80	59,966.22
	<b>63,645.80</b>	<b>59,966.22</b>
<b>Revenue by time</b>		
Revenue recognised at point in time	63,645.80	59,966.22
	<b>63,645.80</b>	<b>59,966.22</b>

#### (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. Disclosure for the same is as below:

Description	Year ended 31 March 2025	Year ended 31 March 2024
Amounts included in contract liabilities at the beginning of the year	246.43	204.24
Performance obligations satisfied in previous years	-	-
	<b>246.43</b>	<b>204.24</b>

#### (c) Assets and liabilities related to contracts with customers

Description	As at 31 March 2025		Year ended 31 March 2024	
	Non-current	Current	Non-current	Current
<b>Contract assets related to sale of goods</b>	-	-	-	-
<b>Contract liabilities related to sale of goods</b>				
Contract liabilities - Advance from customers	-	222.75	-	246.43
Contract liabilities - Security deposits	52.50	-	54.40	-

#### (d) Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

Description	Year ended 31 March 2025	Year ended 31 March 2024
<b>Opening balance of contract liabilities</b>	300.83	252.14
Amount of revenue recognised against opening contract liabilities	(246.43)	(204.24)
Addition in balance of contract liabilities for current year	220.85	252.93
<b>Closing balance of contract liabilities</b>	<b>275.25</b>	<b>300.83</b>

There has been no significant changes in contract assets/liabilities during the year.

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 48 Disclosures pursuant to Ind AS 115, Revenue from Contracts with Customers, are as follows: (Contd..)

#### (e) Reconciliation of revenue recognised in Standalone Statement of Profit and Loss with contract price

Description	Year ended 31 March 2025	Year ended 31 March 2024
Contract price	65,309.17	61,647.13
Less: Discounts	1,368.54	1,400.06
Less: freight	294.83	280.85
<b>Revenue from operations as per Standalone Statement of Profit and Loss</b>	<b>63,645.80</b>	<b>59,966.22</b>

#### (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 2025					As at 31 March 2024	
	Sterling Gtake E-mobility Limited (subsidiary)	Sterling Advanced Electric Machines Private Limited (subsidiary)	Sterling Tech Mobility Limited (subsidiary)	Sterling E-Mobility Private Limited (subsidiary)	Sterling Overseas Pte. Limited (subsidiary)	Sterling Gtake E-mobility Limited (subsidiary)	Sterling Advanced Electric Machines Private Limited (subsidiary)
<b>Investments</b>							
Investments at the beginning of the year	3,045.29	1.00	-	-	-	2,845.60	-
Investments at the end of the year	4,164.17	2.50	1,401.00	5.10	0.84	3,045.29	1.00



## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 49 (Contd..)

Particulars	As at 31 March 2025					As at 31 March 2024	
	Sterling Gtate E-mobility Limited (subsidiary)	Sterling Advanced Electric Machines Private Limited (subsidiary)	Sterling Tech Mobility Limited (subsidiary)	Sterling E-Mobility Private Limited (subsidiary)	Sterling Overseas Pte. Limited (subsidiary)	Sterling Gtate E-mobility Limited (subsidiary)	Sterling Advanced Electric Machines Private Limited (subsidiary)
<b>Corporate guarantee on behalf of subsidiary company#</b>							
Corporate guarantee at the beginning of the year	11,133.00	-	-	-	-	5,000.00	-
Corporate guarantee at the end of the year	11,133.00	-	-	-	-	11,133.00	-

# 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.

- 50** The Board of Directors at its meeting held on 13 May 2025, have recommended a final dividend of ₹ 2.5 per share (face value of ₹ 2 per share) for the financial year 2024-25, which is subject to the approval of the members at the ensuing Annual General Meeting.

### 51 Employee Stock Option Plan ('ESOP')

During the previous 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 2025		Year ended 31 March 2024	
	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		6,40,431	
Opening balance as at the beginning of the year	6,40,431	2	-	-
Granted during the year	-	-	6,40,431	2
Exercised during the year	(1,60,107)	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Closing balance as at the end of the year</b>	<b>4,80,324</b>	<b>-</b>	<b>6,40,431</b>	<b>2</b>
Exercisable as at the end of the year	-	-	-	-
Weighted average share price at the date of exercise (₹)	-	-	-	-
Weighted average remaining period (in years)	6.84 years		7.34 years	
Exercise price (₹)	2		2	

## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 51 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	For the year ended 31 March 2025	For the year ended 31 March 2024
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 equity 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.

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 ₹ 1118.88 lakhs during the year (previous year - ₹ 199.69 lakhs) in accordance with Ind AS 102, Share based payments, with a corresponding debit to the Company's investment in the subsidiary company.

Pursuant to the ESOP Plan 2023, 1,60,107 options have been granted to an employee of a subsidiary company which were vested on 31st January 2025 and were subsequently exercised by employee. Based on the Exercise Letter, Nomination and Remuneration Committee recommendation, and Board approval of Sterling Tools Limited, the equity shares have been allotted to the employee.

- 52** The Hon'ble National Company Law Tribunal, New Delhi Bench, vide order dated 27 March 2025 ("Order"), has approved the Scheme of Amalgamation of Haryana Ispat Private Limited ("Wholly Owned Subsidiary") with Sterling Tools Limited ("Company") with effect from 01 April 2024 ("Appointed Date") and the Order was filed by the Company with the Registrar of Companies, NCT of Delhi and Haryana on 23 April 2025.

The Company has given effect to the scheme in the standalone financial statements. Further, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the comparative periods have been restated as if the common control business combination had occurred from beginning of the preceding period presented i.e. 01 April 2023, irrespective of the actual date of the combination. The impact of the aforesaid merger is not material to the standalone financial statements.

- 53** The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which 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 changes were made and ensuring that the audit trail cannot be disabled.

For the year ended 31 March 2025, 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 and application level was enabled at certain specific areas/tables except for Fixed Asset Register. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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) are 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). Also, the audit trail has been preserved by the Company as per the statutory requirements for record retention.





## Summary of Material Accounting Policies and other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

Also, the merged company, Haryana Ispat Private Limited used accounting software for maintenance of books of account, has a feature of recording audit trail facility except that the audit trail feature was not operative from period 01 April 2024 to 08 May 2024. Furthermore, in the previous year, the books of accounts of the Company are maintained manually, accordingly, audit trail could not be preserved by the Company as per the statutory requirements for record retention.

### 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.
- (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 year figures have been regrouped/reclassified, where necessary, to conform to the current year 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

Place: Faridabad

Date: 13 May 2025

For and on behalf of the Board of Directors

#### Sterling Tools Limited

#### Anil Aggarwal

Director

DIN : 00027214

#### Atul Aggarwal

Managing Director

DIN : 00125825

#### Pankaj Gupta

Chief Financial Officer



# **Consolidated Financial Statements**

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# Independent Auditor's Report

To the Members of **Sterling Tools Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

- 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 A**, which comprise the Consolidated Balance Sheet as at 31 March 2025, 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 material accounting policy information and other explanatory information.
- 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 2025, 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

- 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

- 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.
- We have determined the matter described below to be the key audit matter to be communicated in our report.

#### Key audit matter

##### Revenue Recognition

The Group's revenue is derived primarily from manufacturing and sale of hi-tensile cold forged fasteners and motor control unit (MCU) recognised in accordance with the accounting policy described in Note 1(C)(8) to the accompanying standalone financial statements. Refer Note 29 and 50 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 Group when the performance obligation is satisfied, ie, 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 Group, which requires estimates to be made by the management at each period end.

#### How our audit addressed the key audit matter

Our audit procedures for testing revenue recognition included, but were not limited to the following:

- Understood the revenue recognition process and assessed the appropriateness of the revenue recognition policies adopted by the Group 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, sales order, invoices and proof of delivery;
- Performed testing of samples of revenue transactions recorded for specified period before year-end by verifying underlying documents as above to determine whether revenue is recognised in the correct period;

Key audit matter	How our audit addressed the key audit matter
<p>Further, the Group 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.</p> <p>The above factors and the amounts involved, required considerable audit efforts in testing revenue recorded during the year, and therefore, we have identified revenue recognition as a key audit matter in the current year audit.</p>	<ul style="list-style-type: none"> <li>• Obtained confirmations for invoices outstanding at the year-end on a sample basis;</li> <li>• Tested manual journal entries posted to revenue;</li> <li>• Performed analytical procedures;</li> <li>• Assessed the adequacy of the disclosures made by the management in accordance with the applicable accounting standards.</li> </ul>

## 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 Board's Report, Corporate Governance Report and Management Discussion and Analysis, 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 other information, 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 Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of

consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information 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 five subsidiaries, whose financial statements reflects total assets of ₹21,140.80 lakhs as at 31 March 2025, total revenues of ₹ 38,193.90 lakhs and net cash inflows amounting to ₹ 5.46 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.
- Further, of these subsidiaries, one subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary located outside India, is based on the report of other

auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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 above, on separate financial

statements of the subsidiaries, we report that the Holding Company and one subsidiary company incorporated in India whose financial statements have been audited under the Act 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 three subsidiaries incorporated in India whose financial statements have been audited under the Act 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 2025 and covered under the Act we report that, following are the qualifications/adverse remarks reported by the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2025 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Sterling Advanced Electric Machines Private Limited	U27103DL2023PTC423592	Subsidiary	Clause (xvii)
2	Sterling E-Mobility Private Limited	U31900DL2018PTC334442	Subsidiary	Clause (xvii)
3	Sterling Tech-Mobility Private Limited	U29304DL2023PLC413786	Subsidiary	Clause (xvii)

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 incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- 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;
- Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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;
- 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;

- 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;
- On the basis of the written representations received from the directors of the Holding Company, its subsidiaries and taken on record by the Board of Directors of the Holding Company, its subsidiaries and the reports of the statutory auditors of its subsidiaries covered under the Act, none of the directors of the Holding Company, its subsidiaries are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.
- 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(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered





under the Act, and the operating effectiveness of such controls, refer to our separate report in **Annexure B** 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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
- 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) to the consolidated financial statements;
  - ii. The Holding Company, its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
  - 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 2025;
  - iv.
    - a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 53 (v) to the 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 subsidiaries incorporated in India whose financial

statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 53 (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 2025 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 52 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2025 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 2025; and
- vi. As stated in Note 49 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, except for instances/matters mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on 1 April 2024, have used accounting software for maintaining their books of account which have a feature of

recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below. Furthermore, except for instances/ matters mentioned below the audit trail has been preserved by the Holding Company and its subsidiaries as per the statutory requirements for record retention.

Nature of exception noted	Details of Exceptions
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.	<ul style="list-style-type: none"> <li>i) The audit trail feature in the accounting software used for maintenance of all accounting records of the merged Company was not enabled up to 08 May 2024. Further, the books of accounts of the merged Company are maintained manually in previous year, accordingly, the reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for record retention.</li> <li>ii) The audit trail feature was not enabled at the database level and application level for accounting software to log any direct data changes, used for maintenance of Fixed asset register by the Holding Company.</li> <li>iii) The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of accounting records by one subsidiary.</li> </ul>

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

**Ashish Gera**  
Partner  
Membership No.: 508685  
UDIN: 25508685BIMIJJN7487

**Place:** Faridabad  
**Date:** 13 May 2025



## Annexure A

### List of entities included in the consolidated financial statements:

- a. Sterling Tools Limited, Holding company;
- b. Sterling Gtake E-mobility Limited, Subsidiary;
- c. Sterling Advanced Electric Machines Private Limited, Subsidiary, with effect from 8 December 2023;
- d. Sterling Overseas Pte. Limited, Subsidiary, with effect from 23 September 2024;
- e. Sterling E-Mobility Private Limited, Subsidiary, with effect from 28 June 2024;
- f. Sterling Tech-Mobility Limited, Subsidiary, with effect from 28 June 2024

## Annexure B

### **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 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies covered under the Act, 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, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to the consolidated financial statements criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by 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 Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies as aforesaid.

### **Meaning of Internal Financial Controls with Reference to consolidated financial statements**

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial



statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to consolidated financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, 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 2025, based on the internal financial control with reference to the consolidated financial statements criteria established by the company considering the essential components of internal control stated in Guidance Note 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 four subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets

of ₹ 21,129.46 lakhs and net assets of ₹ 8,864.92 lakhs as at 31 March 2025, total revenues of ₹ 38,193.90 lakhs and net cash inflows amounting to ₹ 5.46 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to consolidated 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 consolidated financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Ashish Gera**

Partner

**Place:** Faridabad

**Date:** 13 May 2025

Membership No.: 508685

UDIN: 25508685BMIJJN7487

# Consolidated Balance Sheet

as at 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	31,711.23	27,675.57
(b) Capital work-in-progress	3	724.02	476.16
(c) Other intangible assets	4	194.38	86.76
(d) Intangible assets under development	4A	578.73	206.52
(e) Financial assets			
(i) Investments	5	-	1,153.98
(ii) Other financial assets	6	654.99	541.90
(f) Deferred-tax assets (net)	22(b)	420.51	271.34
(g) Income-tax assets (net)	7	149.41	70.14
(h) Other non-current assets	8	1,097.26	380.63
<b>Total non-current assets</b>		<b>35,530.53</b>	<b>30,863.00</b>
<b>Current assets</b>			
(a) Inventories	9	17,405.79	17,910.27
(b) Financial assets			
(i) Investments	10	1,502.28	-
(ii) Trade receivables	11	6,544.76	8,964.74
(iii) Cash and cash equivalents	12	2,350.27	2,460.58
(iv) Bank balances other than (iii) above	13	12,427.23	8,038.78
(v) Loans	14	11.78	10.40
(vi) Other financial assets	15	67.48	166.65
(c) Other current assets	16	3,228.35	2,863.15
<b>Total current assets</b>		<b>43,537.94</b>	<b>40,414.57</b>
<b>TOTAL ASSETS</b>		<b>79,068.47</b>	<b>71,277.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	723.69	720.48
(b) Other equity	18	49,243.75	43,990.37
<b>Total equity</b>		<b>49,967.44</b>	<b>44,710.85</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	3,468.03	3,124.75
(iia) Lease liabilities	42	1,565.14	122.34
(ii) Other financial liabilities	20	46.25	45.76
(b) Provisions	21	1,654.37	1,232.08
(c) Deferred tax liabilities (net)	22(a)	1,295.07	1,499.40
(d) Other non-current liabilities	23	718.34	737.43
<b>Total non-current liabilities</b>		<b>8,747.20</b>	<b>6,761.76</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	10,276.63	8,476.60
(iia) Lease liabilities	42	197.61	29.64
(ii) Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises; and	25	1,217.47	1,072.63
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,013.34	6,450.80
(iii) Other financial liabilities	26	678.43	497.35
(b) Other current liabilities	27	1,990.72	2,564.63
(c) Provisions	21	979.63	713.31
<b>Total current liabilities</b>		<b>20,353.83</b>	<b>19,804.96</b>
<b>Total liabilities</b>		<b>29,101.03</b>	<b>26,566.72</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>79,068.47</b>	<b>71,277.57</b>

Notes 1 to 54 form an integral part of these Consolidated financial statements.

As per our report of even date attached.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

**Ashish Gera**  
Partner  
Membership no. 508685

Place: Faridabad  
Date: 13 May 2025

**For and on behalf of the Board of Directors**  
**Sterling Tools Limited**

**Anil Aggarwal**  
Director  
DIN : 00027214

**Atul Aggarwal**  
Managing Director  
DIN : 00125825

**Pankaj Gupta**  
Chief Financial Officer





# Consolidated Statement of Profit and Loss for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Income</b>			
Revenue from operations	29	1,02,629.95	93,197.17
Other income	30	1,165.40	653.94
<b>Total income</b>		<b>1,03,795.35</b>	<b>93,851.11</b>
<b>Expenses</b>			
Cost of materials consumed	31	51,495.92	49,963.49
Changes in inventories of finished goods and work-in-progress	32	(305.33)	(726.22)
Employee benefits expense	33	9,179.24	6,597.82
Finance costs	34	976.99	946.23
Depreciation and amortisation expenses	35	3,481.79	3,305.10
Other expenses	36	31,303.22	26,584.67
<b>Total expenses</b>		<b>96,131.83</b>	<b>86,671.09</b>
<b>Profit before exceptional items and tax</b>		<b>7,663.52</b>	<b>7,180.02</b>
Exceptional items	37	-	39.71
<b>Profit before tax</b>		<b>7,663.52</b>	<b>7,219.73</b>
<b>Tax expense:</b>	22		
Current tax		1,956.29	1,958.85
Deferred tax		(122.08)	(275.62)
<b>Total tax expense</b>		<b>1,834.21</b>	<b>1,683.23</b>
<b>Profit for the year</b>		<b>5,829.31</b>	<b>5,536.50</b>
<b>Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		(29.99)	(86.46)
(b) Changes in fair value of equity investment through other comprehensive income		(1,153.98)	(377.88)
(ii) Income-tax relating to items that will not be reclassified to profit or loss		231.43	116.72
(B) (i) Items that will be reclassified to profit or loss		(0.19)	-
(ii) Income-tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive (loss)/ income for the year (net of tax)</b>		<b>(952.73)</b>	<b>(347.62)</b>
<b>Total comprehensive income for the year</b>		<b>4,876.58</b>	<b>5,188.88</b>
<b>Profit for the year attributable to</b>			
a) Owners of the Holding Company		5,829.31	5,536.50
b) Non-controlling interest		-	-
		<b>5,829.31</b>	<b>5,536.50</b>
<b>Other comprehensive (loss)/ income attributable to</b>			
a) Owners of the Holding Company		(952.73)	(347.62)
b) Non-controlling interest		-	-
		<b>(952.73)</b>	<b>(347.62)</b>
<b>Total comprehensive income attributable to</b>			
a) Owners of the Holding Company		4,876.58	5,188.88
b) Non-controlling interest		-	-
		<b>4,876.58</b>	<b>5,188.88</b>
<b>Earnings per equity share</b>			
Basic (₹)	38	16.17	15.37
Diluted (₹)		16.05	15.35
[nominal value of share ₹ 2 (31 March 2024: ₹ 2)]			

Notes 1 to 54 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

Place: Faridabad  
Date: 13 May 2025

**For and on behalf of the Board of Directors**  
**Sterling Tools Limited**

**Anil Aggarwal**  
Director  
DIN : 00027214

**Atul Aggarwal**  
Managing Director  
DIN : 00125825

**Pankaj Gupta**  
Chief Financial Officer

# Consolidated Statement of Cash Flows for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>A Cash flow from operating activities</b>		
Net profit before tax	7,663.52	7,219.73
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	3,481.79	3,305.10
Unrealised foreign exchange loss/(gain)	17.81	(1.63)
Loss/(Profit) on disposal of property, plant and equipment (net)	41.22	(30.31)
Finance costs	976.99	912.05
Gain on termination of lease liability	(0.31)	-
Interest income	(712.87)	(460.57)
Amortisation of government grant	(167.99)	(165.12)
Gain on sale of investments	(61.13)	(33.29)
Changes in fair value of financial asset at fair value through profit or loss	(2.28)	-
Employee share based payments	1,118.88	199.69
Liabilities no longer required, written back	(2.11)	(9.13)
Loss on fair value of forward contracts	-	8.23
Unwinding of discount on deposits	(0.73)	-
Bad debts written off	2.35	5.09
Provision for warranty	2,275.08	789.32
Provision for inventory	2,555.32	1,577.40
Inventory written off	35.79	-
Provision for expected credit loss	114.91	17.57
<b>Operating profit before working capital changes</b>	<b>17,336.24</b>	<b>13,334.13</b>
Change in financial assets	2,234.35	(896.21)
Change in other assets	(180.47)	802.21
Change in financial liabilities	(1,223.10)	1,448.71
Change in inventories	(2,086.63)	(3,146.04)
Change in other liabilities	(75.38)	636.90
Change in provisions	(1,616.45)	19.40
<b>Net cash generated from operations</b>	<b>14,388.56</b>	<b>12,199.10</b>
Income-tax paid (net of refunds)	(2,035.56)	(2,035.97)
<b>Net cash from operating activities (A)</b>	<b>12,353.00</b>	<b>10,163.13</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(7,576.20)	(2,917.57)
Proceeds from disposal of property, plant and equipment	222.43	88.51
Investment in fixed deposits	(15,291.51)	(9,933.09)
Maturity of fixed deposits	10,958.00	7,023.00
Investment in mutual funds	(11,110.00)	(6,550.00)
Redemption of mutual funds	9,671.13	7,083.37
Interest received	653.59	331.91
<b>Net cash used in investing activities (B)</b>	<b>(12,472.56)</b>	<b>(4,873.87)</b>



## Consolidated Statement of Cash Flows for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>C Cash flows from financing activities</b>		
Proceeds from non-current borrowings	2,383.27	1,667.60
Repayment of non-current borrowings	(2,354.47)	(2,324.05)
Proceeds from issue of equity share capital	3.21	-
Dividend paid	(718.79)	(719.41)
Proceeds from /(repayment of) current borrowings (net)	2,112.11	(1,001.36)
Repayment of lease liabilities (inclusive of interest paid on lease liabilities ₹ 103.67 (31 March 2024 ₹ 12.65))	(173.67)	(37.89)
Interest paid	(1,222.94)	(873.81)
Share issue expenses	(19.28)	-
<b>Net cash used in financing activities (C)</b>	<b>9.44</b>	<b>(3,288.92)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(110.12)</b>	<b>2,000.34</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,460.58</b>	<b>460.24</b>
Exchange fluctuation translation difference	(0.19)	-
<b>Cash and cash equivalents at the end of the year</b>	<b>2,350.27</b>	<b>2,460.58</b>
<b>Components of cash and cash equivalents (refer note 12):</b>		
Balances with scheduled banks in current accounts	737.45	2,204.63
Cash on hand	2.67	5.95
Balances with banks in deposit accounts with original maturity upto three months	1,610.15	250.00
	<b>2,350.27</b>	<b>2,460.58</b>

### 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 2023	20.89	5,978.78	7,278.19	19.36
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 lease liabilities	(37.89)	-	-	-
- Interest paid	-	(489.05)	(384.76)	-
- Amount transferred to Investor's Education and Protection Fund	-	-	-	(9.09)
- Final dividend paid	-	-	-	(719.41)
<b>Closing balance as on 31 March 2024</b>	<b>151.98</b>	<b>5,289.18</b>	<b>6,312.16</b>	<b>11.34</b>

# Consolidated Statement of Cash Flows for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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	1,684.88	-	-	-
- Interest expense	103.67	537.02	335.28	-
- Fair value changes	-	1.02	-	-
- Final dividend	-	-	-	720.48
Less: Non cash changes due to-				
- Adjustment in lease liabilities on modification	(4.11)	-	-	-
Add: Cash inflows during the year				
- Proceeds from non-current borrowings	-	2,383.27	-	-
Less: Cash outflow during the year				
- Repayment of non-current borrowings	-	(2,354.47)	-	-
- Repayment of current borrowings	-	-	2,112.11	-
- Repayment of principal element of lease liabilities	(173.67)	-	-	-
- Interest paid	-	(538.04)	(332.87)	-
- Amount transferred to Investor's Education and Protection Fund	-	-	-	(4.63)
- Final dividend paid	-	-	-	(718.79)
<b>Closing balance as on 31 March 2025</b>	<b>1,762.75</b>	<b>5,317.98</b>	<b>8,426.68</b>	<b>8.40</b>

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 54 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

Place: Faridabad

Date: 13 May 2025

## For and on behalf of the Board of Directors

Sterling Tools Limited

## Anil Aggarwal

Director

DIN : 00027214

## Atul Aggarwal

Managing Director

DIN : 00125825

## Pankaj Gupta

Chief Financial Officer



# Consolidated Statement of Changes in Equity

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

## (A) Equity share capital

Particulars	Note	Number	Amount
Balance as at 1 April 2023	17	3,60,24,211	720.48
Changes in equity share capital during the year		-	-
<b>Balance as at 31 March 2024</b>	<b>17</b>	<b>3,60,24,211</b>	<b>720.48</b>
Changes in equity share capital during the year		1,60,107	3.21
<b>Balance as at 31 March 2025</b>	<b>17</b>	<b>3,61,84,318</b>	<b>723.69</b>

## (B) Other equity

Particulars	Note	Reserves and surplus					Other comprehensive income	Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings		
<b>Balance as at 1 April 2023</b>	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)
<b>Transactions with owners in their capacity as owners:</b>								
Employee stock option reserve		-	-	199.69	-	-	-	199.69
Final dividend paid on equity shares		-	-	-	-	(720.48)	-	(720.48)
<b>Balance as at 31 March 2024</b>	<b>18</b>	<b>6.65</b>	<b>4,735.69</b>	<b>199.69</b>	<b>2,786.46</b>	<b>35,737.75</b>	<b>524.13</b>	<b>43,990.37</b>
Profit for the year		-	-	-	-	5,829.31	-	5,829.31
Other comprehensive income								
Remeasurement of defined benefit obligation (net of tax)		-	-	-	-	(22.52)	-	(22.52)
Changes in fair value of equity investment through other comprehensive income (net of tax)		-	-	-	-	-	(930.02)	(930.02)
Exchange fluctuation translation difference							(0.19)	(0.19)
Share issue expenses		-	-	-	-	(21.60)	-	(21.60)
<b>Transactions with owners in their capacity as owners:</b>								
Employee stock option reserve		-	-	1,118.88	-	-	-	1,118.88
Impact on exercise of ESOPs grants (Refer Note 47)		-	586.15	(586.15)	-	-	-	-
Final dividend paid on equity shares		-	-	-	-	(720.48)	-	(720.48)
<b>Balance as at 31 March 2025</b>	<b>18</b>	<b>6.65</b>	<b>5,321.84</b>	<b>732.42</b>	<b>2,786.46</b>	<b>40,802.46</b>	<b>(406.08)</b>	<b>49,243.75</b>

Notes 1 to 54 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

Place: Faridabad

Date: 13 May 2025

### For and on behalf of the Board of Directors

Sterling Tools Limited

### Anil Aggarwal

Director

DIN : 00027214

### Atul Aggarwal

Managing Director

DIN : 00125825

### Pankaj Gupta

Chief Financial Officer

# Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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 DJ-1210, 12th Floor, DLF Tower-B, Jasola District Centre, 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 and its subsidiaries (collectively 'the Group') is engaged in the manufacturing and sale of high tensile cold forged fasteners and other automotive products.

### B. Basis of preparation

#### (1) Recent Accounting pronouncements

##### (i) Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") amended Ind AS 21 "The effects of changes in Foreign Exchange Rates", which are effective for annual reporting periods beginning on or after 01 April 2025.

The Group is currently assessing the probable impact of these amendments on its consolidated financial statements.

##### (ii) 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.

- Ind AS 117 – Insurance Contracts, the Ministry of Corporate Affairs (MCA), vide notification dated 12 August 2024, has notified Ind AS 117, Insurance Contracts, which replaces Ind AS 104, Insurance Contracts. Ind AS 117 is effective for annual reporting periods beginning on or after 1 April 2024. The Company does not issue insurance contracts as defined under Ind AS 117; accordingly, the implementation of this standard is not expected to have any impact on the consolidated financial statements.
- Amendment to Ind AS 116 – Leases, On 9 September 2024, the MCA issued the Companies (Indian Accounting Standards)

Second Amendment Rules, 2024, which include an amendment to Ind AS 116, Leases, related to sale and leaseback transactions. The amendment is effective for annual periods beginning on or after 1 April 2024. The Company has assessed the impact of this amendment and concluded that it is not expected to have a material impact on its consolidated financial statements for the year ending 31 March 2025, as there are no sale and leaseback transactions have occurred during the reporting period.

#### (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'):

- Sterling Gtake E-Mobility Limited, India, 100% subsidiary with effect from 12 March 2020; and
- Sterling Advanced Electric Machines Private Limited, 100% subsidiary with effect from 8 December 2023.
- Sterling E-Mobility Private Limited, 100% subsidiary with effect from 28 June 2024.
- Sterling Tech-Mobility Limited, 100% subsidiary with effect from 28 June 2024.
- Sterling Overseas PTE Limited, 100% subsidiary with effect from 23 September 2024.

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 2025 were approved and authorized for issue by Board of Directors on 13 May 2025.

#### (3) Overall considerations

These consolidated financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarised below.





## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

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 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

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

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
Leasehold buildings & other assets	Lower of lease term or useful life
Plant and equipment	10 – 30 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,



## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying Value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an 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 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 not recognised in the consolidated financial statements.

#### (6) Government grants

Grants from government are recognised when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

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 recognizes 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.



## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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.

### 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



## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

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 liability recognised in the consolidated balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets.

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 liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. 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.

The obligations are presented as non current liabilities in the consolidated balance sheet as the entity has a right to defer the settlement for at least twelve months after the reporting period.

### (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.

### (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 recognizes 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 recognizes 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





## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
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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 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 investments

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.

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### (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.

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.

The presumption under Ind AS 109 with reference to significant increases in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Group, as the Group is able to collect a significant portion of its receivables that exceed the due date.

### 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 use forward-looking information to recognise expected credit losses (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.

## 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.



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### 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.

In order to enhance understanding of the consolidated financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is as under:

#### (1) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the respective Company's (included in the Group) future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilised.

#### (2) 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

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

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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 utilisation of the grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted for prospectively over the balance life of the asset.

### (8) Fair value measurements

Management applies valuation techniques to determine fair value of equity shares (where active market quotes are not available) and stock options.

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.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and 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	
<b>Gross block</b>										
As at 1 April 2023	2,068.11	7,565.23	36,793.75	461.52	796.82	626.02	1,260.77	398.54	49,970.76	51,220.11
Additions	-	-	2,924.07	90.15	150.24	106.44	-	159.84	3,430.74	3,593.90
Disposals/adjustments	(6.36)	-	(119.58)	(1.88)	(145.51)	(2.64)	-	(0.16)	(276.13)	(279.13)
<b>Balance as at 31 March 2024</b>	<b>2,061.75</b>	<b>7,565.23</b>	<b>39,598.24</b>	<b>549.79</b>	<b>801.55</b>	<b>729.82</b>	<b>1,260.77</b>	<b>558.22</b>	<b>53,125.37</b>	<b>54,534.88</b>
Additions	-	1,658.06	3,211.05	48.52	713.78	84.21	118.89	95.34	5,929.85	8,040.40
Disposals/adjustments	-	-	(517.26)	-	(321.13)	-	-	-	(838.39)	(1,108.86)
<b>Balance as at 31 March 2025</b>	<b>2,061.75</b>	<b>9,223.29</b>	<b>42,292.03</b>	<b>598.31</b>	<b>1,194.20</b>	<b>814.03</b>	<b>1,379.66</b>	<b>653.56</b>	<b>58,216.83</b>	<b>61,466.42</b>
<b>Accumulated depreciation and amortization</b>										
As at 1 April 2023	-	2,032.25	19,724.11	189.53	310.68	426.55	646.48	255.97	23,585.57	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	3,243.85
Adjustments for disposals	-	-	(100.09)	(0.49)	(115.61)	(1.62)	-	(0.13)	(217.94)	(219.49)
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>2,271.25</b>	<b>22,204.23</b>	<b>226.90</b>	<b>284.95</b>	<b>509.39</b>	<b>727.69</b>	<b>336.64</b>	<b>26,561.05</b>	<b>26,859.31</b>
Charge for the year	-	265.71	2,564.91	45.44	107.03	78.14	80.88	103.09	3,245.20	3,421.48
Adjustments for disposals	-	-	(160.91)	-	(98.02)	-	-	-	(258.93)	(525.60)
<b>Balance as at 31 March 2025</b>	<b>-</b>	<b>2,536.96</b>	<b>24,608.23</b>	<b>272.34</b>	<b>293.96</b>	<b>587.53</b>	<b>808.57</b>	<b>439.73</b>	<b>29,547.32</b>	<b>29,755.19</b>
<b>Net block as at 31 March 2024</b>	<b>2,061.75</b>	<b>5,293.98</b>	<b>17,394.01</b>	<b>322.89</b>	<b>516.60</b>	<b>220.43</b>	<b>533.08</b>	<b>221.58</b>	<b>26,564.32</b>	<b>27,675.57</b>
<b>Net block as at 31 March 2025</b>	<b>2,061.75</b>	<b>6,686.33</b>	<b>17,683.80</b>	<b>325.97</b>	<b>900.24</b>	<b>226.50</b>	<b>571.09</b>	<b>213.83</b>	<b>28,669.51</b>	<b>31,711.23</b>

#### Notes:

- Refer note (a) of note 19 "Non current financial liabilities- Borrowings" and note (a) of note 24 "Current financial liabilities- Borrowings" for details regarding property, plant and equipment which are pledged as security.
- Refer note 41(A) for disclosure of contractual commitments for the acquisition of property, plant and equipment.



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### 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), except for the following properties, for which the Holding Company's management is in the process of getting the registration in the name of the Company:

- (i) Freehold Land amounting ₹ 989.54 lakhs is in held in the name of Haryana Ispat Private Limited
- (ii) Further, For title deeds of the following 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 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 2023	1,117.72
Additions	1,712.29
Capitalised during the year	(2,353.85)
<b>Balance as at 31 March 2024</b>	<b>476.16</b>
Additions	4,573.31
Capitalised during the year	(4,325.45)
<b>Balance as at 31 March 2025</b>	<b>724.02</b>

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

	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2025</b>					
- Projects in progress	619.98	-	-	104.04	724.02
- Projects temporarily suspended	-	-	-	-	-
					<b>724.02</b>
<b>As at 31 March 2024</b>					
- Projects in progress	366.63	5.49	104.04	-	476.16
- Projects temporarily suspended	-	-	-	-	-
					<b>476.16</b>

As at 31 March 2025 as well as at 31st 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. The installation is expected be completed during the year ending 31 March 2026.

### 4 Other intangible assets

Particulars	Computer software	Trade Marks	Total
<b>Gross block</b>			
As at 1 April 2023	260.66	-	260.66
Additions	18.00	-	18.00
<b>Balance as at 31 March 2024</b>	<b>278.66</b>	<b>-</b>	<b>278.66</b>





## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

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### 4 Other intangible assets (Contd.)

Particulars	Computer software	Trade Marks	Total
Additions	167.48	0.49	167.97
<b>Balance as at 31 March 2025</b>	<b>446.14</b>	<b>0.49</b>	<b>446.63</b>
<b>Accumulated amortisation</b>			
As at 1 April 2023	130.63	-	130.63
Charge for the year	61.27	-	61.27
<b>Balance as at 31 March 2024</b>	<b>191.90</b>	<b>-</b>	<b>191.90</b>
Charge for the year	60.34	0.01	60.35
<b>Balance as at 31 March 2025</b>	<b>252.24</b>	<b>0.01</b>	<b>252.25</b>
<b>Net block as at 31 March 2024</b>	<b>86.76</b>	<b>-</b>	<b>86.76</b>
<b>Net block as at 31 March 2025</b>	<b>193.90</b>	<b>0.48</b>	<b>194.38</b>

### 4A Intangible assets under development

Particulars	Technology development expenditure	Software	Total
<b>Balance as at 1 April 2023</b>	-	-	-
Additions	194.02	12.50	206.52
Capitalised during the year	-	-	-
<b>Balance as at 31 March 2024</b>	<b>194.02</b>	<b>12.50</b>	<b>206.52</b>
Additions	384.71	37.50	422.21
Capitalised during the year	-	50.00	50.00
<b>Balance as at 31 March 2025</b>	<b>578.73</b>	<b>-</b>	<b>578.73</b>

Ageing schedule of intangible assets under development is as follows:

	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2025</b>					
- Projects in progress	384.71	194.02	-	-	578.73
- Projects temporarily suspended	-	-	-	-	-
					<b>578.73</b>
<b>As at 31 March 2024</b>					
- Projects in progress	206.52	-	-	-	206.52
- Projects temporarily suspended	-	-	-	-	-
					<b>206.52</b>

- As at 31 March 2025, development of Intangible assets has been overdue by one year as compared to its original plan, however cost has not exceeded as compared to original budget.
- As at 31 March 2024, there were no intangible assets under development whose completion was overdue or had exceeded its cost as compared to its original plan.
- The Subsidiary Company i.e. Sterling Gtate E-Mobility Limited has assessed that the recoverable amount from the Technology development expenditure is higher than the carrying amount, accordingly there are no impairment indicator.

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### 5 Non-current financial assets - investments

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Unquoted investments</b>		
<b>Investment in equity instruments (carried at fair value through other comprehensive income)</b>		
9,922 equity shares (31 March 2024: 9,922 equity shares) of ₹ 10 each fully paid up in Altigreen Propulsion Labs Private Limited	-	1,153.98
	-	<b>1,153.98</b>
Aggregate amount of unquoted investments	-	1,153.98
Aggregate amount of impairment in value of investments #	1,153.98	-

# The Holding Company during the current year has recorded a fair value loss through other comprehensive income in the investment in Altigreen amounting to ₹ 1,153.98 lakhs as one of the creditor of the investee company filed petition under NCLT. Accordingly the fair value of investment has been considered as nil.

### 6 Non-current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March 2025	As at 31 March 2024
Security deposits	605.75	510.04
Deposit accounts with original & residual maturity period more than 12 months	16.00	-
Interest accrued but not due	33.24	31.86
	<b>654.99</b>	<b>541.90</b>

### 7 Income-tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Prepaid taxes (net of provision for tax)*	149.41	70.14
	<b>149.41</b>	<b>70.14</b>

\*Refer note 28 for movement of taxes

### 8 Other non-current assets

(Unsecured and considered good)

Particulars	As at 31 March 2025	As at 31 March 2024
Capital advances	921.08	335.55
Advances other than capital advances:		
- Other Advances	83.18	-
- Prepaid expenses	93.00	45.08
	<b>1,097.26</b>	<b>380.63</b>

### 9 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at 31 March 2025	As at 31 March 2024
Raw material [includes goods in transit of ₹ Nil (31 March 2024: ₹ 1154.62 lakh )]	7,967.46	8,918.98
Work in progress	1,484.02	1,519.40
Finished goods [includes goods in transit of ₹ 983.81 lakh (31 March 2024: ₹ 488.09 lakh)]	6,606.39	6,265.68



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### 9 Inventories (Contd..)

Particulars	As at 31 March 2025	As at 31 March 2024
Stores, spares and consumables [includes goods in transit of ₹ 5.55 lakh (31 March 2024: ₹14.32 lakh)]	1,347.92	1,206.21
	<b>17,405.79</b>	<b>17,910.27</b>

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 ₹ 32.18 lakh (31 March 2024 - ₹ 25.26 lakh). The carrying value of such inventories carried at fair value less costs to sell aggregating to ₹ 391 lakh (31 March 2024 - ₹ 399.47 lakh).
- During the year ended 31 March 2025, a matter was informed by one of the worker of Holding Company to the management relating to an incident of theft of inventory of raw material by certain employees at a plant location. The financial impact of the matter based on the investigation conducted by the management is ₹ 35.79 lakhs, however the group has written off the aforesaid inventory (refer note 36). Further such employees have been terminated from employment services, and the Company has taken legal action against them.
- The Value of inventories above is stated after provision of ₹ 2,555.32 lakh (31 March 2024 - ₹ 1577.40 lakh).

### 10 Current financial assets - investments

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Quoted investment</b>		
<b>Investment in mutual funds (carried at fair value through profit or loss)</b>		
37,038.932 units (31 March 2024: Nil units) in SBI Liquid Fund- Direct Plan- Growth	1,502.28	-
	<b>1,502.28</b>	<b>-</b>
Aggregate amount of quoted investments and market value thereof		
- Book value	1,500.00	-
- Market value	1,502.28	-

### 11 Current financial assets - trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Trade receivables</b>		
Trade receivables - considered good, unsecured	6,544.76	8,964.74
Trade receivables - credit impaired	279.77	164.86
	6,824.53	9,129.60
Less: allowance for expected credit loss	(279.77)	(164.86)
	<b>6,544.76</b>	<b>8,964.74</b>

#### Movement in the allowance for expected credit loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning of the year	164.86	147.29
Add: Allowance provided during the year	114.91	17.57
Less: Amounts written off during the year	-	-
<b>Balance at the end of the year</b>	<b>279.77</b>	<b>164.86</b>

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### 11 Current financial assets - trade receivables (Contd..)

- The net carrying value of trade receivables is considered a reasonable approximation of fair value.
- Refer Note 24(a) for information on trade receivables pledged as security by the Group.
- There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.
- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member
- The carrying amounts of the trade receivables include receivables which are subject to a bill discounting arrangement with the bank. Under this arrangement, the Holding Company has transferred the relevant receivables to the bank in exchange for cash. However, the Holding Company retains the credit risk with respect to the transferred receivables due to the existence of recourse till the due date of the relevant bills discounted. Accordingly, the Holding Company continues to recognise the transferred receivables in their entirety in its balance sheet till the due date. The amount repayable under the bills discounting arrangement is presented as unsecured current borrowings in note 24 - Current financial liabilities - borrowings. The Holding Company considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts in respect of the bills discounting arrangement is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Total transferred trade receivables under the bills discounting arrangement	831.31	1,424.29
Associated unsecured borrowings (refer note 24)	831.31	1,424.29

#### Ageing schedule of trade receivables is as follows:

As at 31 March 2025	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	5,365.17	1,127.19	47.41	3.11	1.40	0.48	6,544.76
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	24.80	67.68	36.83	129.31
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	40.00	-	-	110.46	150.46

As at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	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



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for the year ended 31 March 2025  
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### 11 Current financial assets - trade receivables (Contd..)

As at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(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 2025	As at 31 March 2024
Balances with scheduled banks in current accounts	737.45	2,204.63
Cash on hand	2.67	5.95
Balances with banks in deposit accounts with original maturity upto three months	1,610.15	250.00
	<b>2,350.27</b>	<b>2,460.58</b>

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 2025	As at 31 March 2024
Unpaid dividend accounts (earmarked balances with banks)*	8.40	11.34
Balances with banks in deposit accounts with original maturity of more than three months but residual maturity of less than twelve months#	12,176.62	7,053.92
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	242.21	184.32
	<b>12,427.23</b>	<b>8,038.78</b>

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

# Includes deposit of ₹ 232.65 lakhs (31 March 2024: ₹ 425.15 lakhs) pledged with bank against Letter of credit ("LC") by one of the subsidiary company.

### 14 Current financial assets - loans

(Unsecured and considered good)

Particulars	As at 31 March 2025	As at 31 March 2024
Loans receivable	11.78	10.40
	<b>11.78</b>	<b>10.40</b>

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 15 Current financial assets - others

(Unsecured and considered good)

Particulars	As at 31 March 2025	As at 31 March 2024
Export incentive receivable	6.34	5.35
Security deposits	1.00	0.30
Gratuity recoverable	28.85	9.06
Others #	31.29	151.94
	<b>67.48</b>	<b>166.65</b>

# This pertains to receivable from scrap sale and other recoverable.

### 16 Other current assets

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Advances other than capital advances:</b>		
Prepaid expenses	411.47	381.38
Balance with government authorities	2,193.29	1,791.32
Advance to suppliers	623.59	665.03
Other receivable	-	25.42
	<b>3,228.35</b>	<b>2,863.15</b>

### 17 Equity share capital

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Authorised:</b>		
50,000,000 equity shares (31 March 2024: 50,000,000 equity shares) of ₹ 2/- each	1,000.00	1,000.00
<b>Issued, subscribed and paid up:</b>		
36,184,318 equity shares (31 March 2024: 36,024,211 equity shares) of ₹ 2/- each	723.69	720.48
	<b>723.69</b>	<b>720.48</b>

#### a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	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	1,60,107	3.21	-	-
<b>Equity shares outstanding as at the end of the year</b>	<b>3,61,84,318</b>	<b>723.69</b>	<b>3,60,24,211</b>	<b>720.48</b>

#### 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 2024: ₹ 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 2025, the amount of per share final dividend recognised as distributions to equity shareholders is ₹ 2 per share (31 March 2024: ₹ 2 per share) amounting to ₹ 720.48 lakh (previous year - ₹ 720.48 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.





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for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 17 Equity share capital (Contd..)

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	% holding	No. of shares	% holding
Mr. Anil Aggarwal, Promoter	61,10,583	16.89%	61,10,583	16.96%
Mr. Atul Aggarwal, Promoter	94,99,574	26.25%	96,65,367	26.83%
Mr. Akhill Aggarwal	26,60,957	7.35%	26,87,957	7.46%
Mr. Anish Agarwal	27,01,957	7.47%	27,28,957	7.58%
Meidoh Company Limited	18,01,211	4.98%	18,01,211	5.00%

\* As per records of the Holding Company, including its register of members

- d. Pursuant to contract, no shares have been issued 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 2025			As at 31 March 2024		
	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	16.89%	0.00%	61,10,583	16.96%	-
Mr. Atul Aggarwal	94,99,574	26.25%	-0.70%	96,65,367	26.83%	-
Ms. Promila Aggarwal	7,55,000	2.09%	0.23%	7,01,000	1.95%	-
Mr. Akhill Aggarwal	26,60,957	7.35%	-0.11%	26,87,957	7.46%	-
Mr. Anish Agarwal	27,01,957	7.47%	-0.11%	27,28,957	7.58%	-
Ms. Ayesha Aggarwal	17,45,166	4.82%	-0.23%	17,99,166	4.99%	-
Mrs. Sarvat Amin	54,000	0.15%	0.23%	-	-	-

\* 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 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 47.

### 18 Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
Capital reserve	6.65	6.65
Security premium	5,321.84	4,735.69
Share options outstanding account	732.42	199.69
General reserve	2,786.46	2,786.46
Retained earnings	40,802.46	35,737.75
Other comprehensive income	(406.08)	524.13
<b>Total</b>	<b>49,243.75</b>	<b>43,990.37</b>

#### 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.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 18 Other equity (Contd..)

#### 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 2025	As at 31 March 2024
<b>Indian rupee loan from banks (secured)</b>		
Term loans	5,317.98	5,289.18
Less: Current maturities of long-term borrowings (refer note 24)	(1,849.95)	(2,164.43)
	<b>3,468.03</b>	<b>3,124.75</b>

- a) (i) 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.
- (ii) The term loans (including current maturities) of the Subsidiary Company i.e. Sterling Gtake E-Mobility Limited from HDFC are secured by way exclusive charge on entire movable fixed assets and by first pari-passu charge on entire current assets of the Subsidiary Company. The loan is also secured by corporate guarantee of Holding Company i.e Sterling Tools Limited.
- (iii) The term loan (including current maturities) of the Subsidiary Company i.e. Sterling Gtake E-Mobility Limited from SBI are secured by first charge by way of hypothecation on the fixed assets acquired out of said loan (plant & machinery and others) and first pari-passu charge on unencumbered movable fixed asset of the Subsidiary 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 9.00% and is repayable in 60 monthly instalments commencing from January 2020 with last instalment due in February 2029.
  - (iii) Term loans from HDFC Bank carry an interest in the range of 7.96% to 9.25% and are repayable in 51 - 60 monthly instalments commencing from October 2021 with last instalment due in November 2029.



## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
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### 19 Non current financial liabilities - Borrowings (Contd..)

- c) The terms and repayment profile of the term loans from banks of the Subsidiary Company i.e. Sterling Gtack E-Mobility is below:
- (i) Term loan from HDFC Bank carry variable interest rate of 8.75% linked with 3m-Tbill rate for the Subsidiary Company and are repayable as mentioned below in table.
  - (ii) Term loan from SBI carry variable interest rate linked with 6m-MCLR rate plus 0.15% for the Subsidiary Company and are repayable as mentioned below in table.

Maturity profile of Secured Term Loans is as set out below :	2025-26	2026-27	Beyond 2026-27
Term loan from the bank is repayable in quarterly installments	458.94	458.94	788.20

- d) There has been no default in servicing of loan during the year.
- e) The term loans have been used for the specific purpose for which they were availed.
- f) 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 2025	As at 31 March 2024
Security deposits	46.25	45.76
	<b>46.25</b>	<b>45.76</b>

### 21 Provisions

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Compensated absences (refer note 39)	119.36	113.59	140.45	53.15
Gratuity (refer note 39)	52.26	124.68	22.90	125.78
<b>Other provisions</b>				
Provision for warranty	1,482.75	741.36	1,068.73	534.38
	<b>1,654.37</b>	<b>979.63</b>	<b>1,232.08</b>	<b>713.31</b>

#### Movement in the provision for warranty

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning of the year	1,603.10	813.78
Add: provision created during the year	2,275.08	789.32
Less: Amounts adjusted during the year	(1,654.07)	-
<b>Balance at the end of the year</b>	<b>2,224.11</b>	<b>1,603.10</b>

### 22(a) Deferred tax liabilities (net)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Deferred tax liabilities</b>		
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	1,532.60	1,584.05

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 22(a) Deferred tax liabilities (net) (Contd..)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Fair value of investments in equity instruments	(64.86)	159.10
<b>Sub-total (a)</b>	<b>1,467.74</b>	<b>1,743.15</b>
<b>Deferred tax assets</b>		
Employee benefits	114.82	110.07
Allowance for expected credit loss	51.56	41.49
Interest on foreclosure of authorisation license under Export Promotion Capital Goods ('EPCG') scheme	-	87.99
Impact of difference between right-of-use assets and lease liabilities	0.62	0.54
Effective interest rate adjustment	0.25	0.06
Others	5.42	3.60
<b>Sub-total (b)</b>	<b>172.67</b>	<b>243.75</b>
<b>Net deferred tax liability [(a) - (b)]</b>	<b>1,295.07</b>	<b>1,499.40</b>

### Movement in deferred tax balances

Particulars	As at 1 April 2024	Recognised in consolidated statement of profit and loss	Recognised in OCI	As at 31 March 2025
<b>Deferred tax liabilities</b>				
Property plant and equipment and other intangible assets:	1,584.05	(51.45)	-	1,532.60
Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act				
Fair value of investments in equity instruments	159.10	-	(223.96)	(64.86)
<b>Sub- total (a)</b>	<b>1,743.15</b>	<b>(51.45)</b>	<b>(223.96)</b>	<b>1,467.74</b>
<b>Deferred tax assets</b>				
Employee benefits	110.07	(2.56)	7.31	114.82
Interest on foreclosure of authorisation license under EPCG scheme	87.99	(87.99)	-	-
Allowance for expected credit loss	41.49	10.07	-	51.56
Impact of difference between right-of-use assets and lease liabilities	0.54	0.08	-	0.62
Effective interest rate adjustment	0.06	0.19	-	0.25
Others	3.60	1.82	-	5.42
<b>Sub- total (b)</b>	<b>243.75</b>	<b>(78.39)</b>	<b>7.31</b>	<b>172.67</b>
<b>Net deferred tax liabilities [(a)-(b)]</b>	<b>1,499.40</b>	<b>26.94</b>	<b>(231.27)</b>	<b>1,295.07</b>

Particulars	As at 1 April 2023	Recognised in consolidated statement of profit and loss	Recognised in OCI	As at 31 March 2024
<b>Deferred tax liabilities</b>				
Property plant and equipment and other intangible assets:	1,695.03	(110.98)	-	1,584.05
Impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act				
Fair value of investments in equity instruments	271.38	(17.18)	(95.10)	159.10
<b>Sub- total (a)</b>	<b>1,966.41</b>	<b>(128.16)</b>	<b>(95.10)</b>	<b>1,743.15</b>
<b>Deferred tax assets</b>				
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



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### 22(a) Deferred tax liabilities (net) (Contd..)

Particulars	As at 1 April 2023	Recognised in consolidated statement of profit and loss	Recognised in OCI	As at 31 March 2024
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
<b>Sub- total (b)</b>	<b>211.36</b>	<b>11.06</b>	<b>21.33</b>	<b>243.75</b>
<b>Net deferred tax liabilities [(a)-(b)]</b>	<b>1,755.05</b>	<b>(139.22)</b>	<b>(116.43)</b>	<b>1,499.40</b>

### 22(b) Deferred tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Deferred tax assets</b>		
Employee benefits	24.43	15.70
Others	685.39	293.66
<b>Sub-total (a)</b>	<b>709.82</b>	<b>309.36</b>
<b>Deferred tax liabilities</b>		
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	288.88	38.02
Others	0.43	-
<b>Sub-total (b)</b>	<b>289.31</b>	<b>38.02</b>
<b>Net deferred tax assets [(a)-(b)]</b>	<b>420.51</b>	<b>271.34</b>

### Movement in deferred tax balances

Particulars	As at 1 April 2024	Recognised in consolidated statement of profit and loss	Recognised in OCI	As at 31 March 2025
<b>Deferred tax assets</b>				
Employee benefits	15.70	8.57	0.16	24.43
Others	293.66	391.73	-	685.39
<b>Sub- total (b)</b>	<b>309.36</b>	<b>400.30</b>	<b>0.16</b>	<b>709.82</b>
<b>Deferred tax liabilities</b>				
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	250.86	-	288.88
Others	-	0.43	-	0.43
<b>Sub- total (a)</b>	<b>38.02</b>	<b>251.29</b>	<b>-</b>	<b>289.31</b>
<b>Net deferred tax assets [(b)-(a)]</b>	<b>271.34</b>	<b>149.01</b>	<b>0.16</b>	<b>420.51</b>

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(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 22(b) Deferred tax assets (net) (Contd..)

Particulars	As at 1 April 2023	Recognised in consolidated statement of profit and loss	Recognised in OCI	As at 31 March 2024
<b>Deferred tax assets</b>				
Employee benefits	8.80	6.61	0.29	15.70
Others	140.00	153.66	-	293.66
<b>Sub- total (a)</b>	<b>148.80</b>	<b>160.27</b>	<b>0.29</b>	<b>309.36</b>
<b>Deferred tax liabilities</b>				
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
<b>Sub- total (b)</b>	<b>14.15</b>	<b>23.87</b>	<b>-</b>	<b>38.02</b>
<b>Net deferred tax assets [(a)-(b)]</b>	<b>134.65</b>	<b>136.40</b>	<b>0.29</b>	<b>271.34</b>

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Current tax expense</b>		
Current year	1,986.56	1,945.57
Earlier years	(30.27)	13.28
	<b>1,956.29</b>	<b>1,958.85</b>
<b>Deferred tax credit</b>		
Origination and reversal of temporary differences	(122.08)	(275.62)
	<b>(122.08)</b>	<b>(275.62)</b>
<b>Total income tax expense</b>	<b>1,834.21</b>	<b>1,683.23</b>

#### ii) Income tax recognised in other comprehensive income

Particulars	31 March 2025			31 March 2024		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Remeasurement of defined benefit plans	(29.99)	7.47	(22.52)	(86.46)	21.62	(64.84)
Changes in fair value of equity investment through other comprehensive income	(1,153.98)	223.96	(930.02)	(377.88)	95.10	(282.78)
Exchange fluctuation translation difference	(0.19)	-	(0.19)	-	-	-
	<b>(1,184.16)</b>	<b>231.43</b>	<b>(952.73)</b>	<b>(464.34)</b>	<b>116.72</b>	<b>(347.62)</b>

#### iii) Reconciliation of effective tax rate

Particulars	Amount	
	31 March 2025	31 March 2024
<b>Profit before tax</b>	<b>7,663.52</b>	<b>7,219.73</b>
Income-tax expense at tax rates applicable to individual entities included in the Group	1,772.05	1,658.28
Tax effect of:		
- Corporate social responsibility expenditure	27.95	22.50
- Tax adjustment for earlier years	(30.27)	13.28
- Others	64.48	(10.83)
<b>At the effective income tax rate</b>	<b>1,834.21</b>	<b>1,683.23</b>





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for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 23 Other non-current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred grant income [refer note (a) below]	665.84	683.03
Others [refer note (i) below]	52.50	54.40
	<b>718.34</b>	<b>737.43</b>
<b>(a) Movement of deferred grant income:</b>		
Opening balance	836.41	1,603.24
Less: Released to consolidated statement of profit and loss	(167.99)	(165.12)
Less: Reclassified to other payable [refer note (ii) below]	152.21	(601.71)
	<b>820.63</b>	<b>836.41</b>
Deferred grant income:		
- Current	154.79	153.38
- Non-current	665.84	683.03
	<b>820.63</b>	<b>836.41</b>

- (i) This pertains to security deposits received from customers of Holding Company
- (ii) During the current year, the Group has completed its assessment in relation to fulfillment of export obligation against one of the license and paid the requisite duty amount against the un-fulfilled export obligation to the custom authorities. Owing to final settlement on account of payment of requisite duty, the remaining balance which pertained to the un-fulfilled export obligation of ₹ 152.21 had been transferred to Deferred grant income. The said balance will be amortized in the remaining life of property, plant and equipment against which such export obligation was made.

Further during the previous year ended 31 March 2024, expected liability amounting to ₹ 601.71 lakh, reclassified to other payable upon filling of necessary application by the Holding company 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 2025	As at 31 March 2024
Loans repayable on demand from banks		
- Cash credit facilities	-	1,345.02
- Working capital demand loan	7,557.55	3,507.52
Current maturities of long-term borrowings (refer note 19)	1,849.95	2,164.43
Interest accrued but not due on borrowings	37.82	35.34
Bill discounting facility from banks	831.31	1,424.29
	<b>10,276.63</b>	<b>8,476.60</b>

#### Note:

- a) (i) 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.
- (ii) 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 of Holding company is repayable on demand and the rate of interest ranges between 8.30% to 9.20% (31 March 2024: 7.95% to 9.00%) per annum .

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 24 Current financial liabilities - borrowings (Contd..)

- c) The outstanding balance of working capital demand loan of Holding company is repayable within a period of 90 days and the rate of interest ranges between 6.90% to 7.20% (31 March 2024: 6.96% to 7.55%) per annum.
- d) The outstanding balance of cash credit facilities of subsidiary company i.e. Sterling Gtake E-Mobility Limited carry variable interest rate linked with 6M MCLR rate plus 0.15%.
- e) The cash credit facilities and working capital demand loans of Holding company have been used for the specific purpose for which they are taken as at the year end.
- f) The bills discounting facility from banks are secured by first charge on trade receivables subject to the bills discounting arrangement.
- g) 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 2025:

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 2024	HDFC Bank, Punjab National Bank and State Bank of India	Pari-passu charge on current assets	18,805.85	18,781.19	24.66	Variance is primarily on account of inventory of scrap not considered in quarterly statement
30 September 2024	HDFC Bank, Punjab National Bank, State Bank of India & HSBC Bank	Pari-passu charge on current assets	18,116.41	18,092.04	24.37	Variance is primarily on account of inventory of scrap not considered in quarterly statement
31 December 2024	HDFC Bank, Punjab National Bank, State Bank of India & HSBC Bank	Pari-passu charge on current assets	17,414.59	17,389.87	24.72	Variance is primarily on account of inventory of scrap not considered in quarterly statement
31 March 2025	HDFC Bank, Punjab National Bank, State Bank of India & HSBC Bank	Pari-passu charge on current assets	17,655.70	17,631.42	24.28	Variance is primarily on account of inventory of scrap not considered in quarterly statement

#### 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



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for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

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 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	77.42	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

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 2025	As at 31 March 2024
Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises; and	1,217.47	1,072.63
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,013.34	6,450.80
	<b>6,230.81</b>	<b>7,523.43</b>

- 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 2025	As at 31 March 2024
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	1,213.75	1,072.03
- Interest	3.72	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	-	-

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 25 Current financial liabilities - trade payables (Contd..)

Particulars	As at 31 March 2025	As at 31 March 2024
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	3.72	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 2025	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	3.72	1,202.05	5.83	-	-	-	1,211.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	946.87	1,253.27	2,784.29	8.61	15.61	4.69	5,013.34
Disputed dues of micro enterprises and small enterprises	-	-	-	5.87	-	-	5.87
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

As at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	0.60	1,065.56	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 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 26 Current financial liabilities - others

Particulars	As at 31 March 2025	As at 31 March 2024
Creditors for capital goods [refer note (a) below]	265.87	172.38
Unclaimed dividend*	8.40	11.34
Employee related payables	404.16	305.40
Derivative liability	-	8.23
	<b>678.43</b>	<b>497.35</b>

\* 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 2025	As at 31 March 2024
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	138.98	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 2025	As at 31 March 2024
Contract liabilities (refer note 50)	722.45	310.84
Deferred grant income [refer note 23(a)]	154.79	153.38
Statutory dues payable	1,113.48	1,149.08
Others*	-	951.33
	<b>1,990.72</b>	<b>2,564.63</b>

\* This pertains to expected liability amounting to ₹ Nil (31 March 2024 - ₹ 601.71 lakh) and interest accrued thereon amounting to ₹ Nil (31 March 2024 - ₹ 349.62 lakh) in respect of the foreclosure of one license under EPCG scheme filed by the Holding Company during the previous year.

### 28 Current tax liabilities (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for tax (net of advance tax)	-	-
	-	-

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 28 Current tax liabilities (net) (Contd..)

**Note:**

The following table provides the details of income-tax assets and current tax liabilities:

Particulars	As at 31 March 2025	As at 31 March 2024
Prepaid taxes (refer note 7)	149.41	70.14
Provision for tax (refer note 28)	-	-
<b>Net position [asset/(liability)]</b>	<b>149.41</b>	<b>70.14</b>

Particulars	As at 31 March 2025	As at 31 March 2024
<b>a. Income-tax assets</b>		
Opening balance	70.14	64.60
Transfer from current tax liabilities	118.95	55.29
Refunds received (net of demand paid)	(39.68)	(49.75)
<b>Total (A)</b>	<b>149.41</b>	<b>70.14</b>
<b>b. Current tax liabilities</b>		
Opening balance	-	71.58
Provision for tax	1,986.56	1,945.57
Interest on taxes	-	3.02
Prepaid taxes paid during the year	(2,075.24)	(2,088.74)
Tax earlier years	(30.27)	13.28
Transferred to income-tax assets	118.95	55.29
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Net income-tax assets [(A) - (B)]</b>	<b>149.41</b>	<b>70.14</b>

### 29 Revenue from operations

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of products		
- Finished goods	1,01,697.38	92,233.90
Sale of services		
- Product support services	73.44	56.62
Other operating income		
- Sale of scrap	670.92	725.12
- Export incentives	20.22	16.41
- Amortisation of grant income	167.99	165.12
<b>Total</b>	<b>1,02,629.95</b>	<b>93,197.17</b>

### 30 Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income from:		
- fixed deposits with banks carried at amortised cost	682.56	431.22
- security deposit with electricity department carried at amortised cost	30.31	29.17
- income-tax refund	-	0.17
<b>Other non-operating income</b>		
Liabilities no longer required, written back	2.11	9.13
Gain on foreign exchange fluctuation (net)	-	59.16
Gain on termination of lease liability	0.31	-





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for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 30 Other income (Contd..)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit on disposal of property, plant and equipment (net)	-	30.31
Insurance claim received	351.05	-
Income from mutual funds carried at fair value through profit or loss		
- gain on sale of mutual fund	61.13	33.29
- gain on fair value of mutual fund	2.28	-
Miscellaneous income	35.65	61.49
	<b>1,165.40</b>	<b>653.94</b>

### 31 Cost of materials consumed

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Raw material at the beginning of the year	7,764.35	7,390.74
Add: purchases during the year	51,699.03	50,337.10
Less: Raw material at the end of the year	7,967.46	7,764.35
<b>Total cost of materials consumed</b>	<b>51,495.92</b>	<b>49,963.49</b>

### 32 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventories at the beginning of the year		
- Finished goods	6,265.68	5,698.45
- Work-in-progress	1,519.40	1,360.41
	<b>7,785.08</b>	<b>7,058.86</b>
Inventories at the end of the year		
- Finished goods	6,606.39	6,265.68
- Work-in-progress	1,484.02	1,519.40
	<b>8,090.41</b>	<b>7,785.08</b>
<b>Increase in inventories</b>	<b>(305.33)</b>	<b>(726.22)</b>

### 33 Employee benefits expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salary, wages and bonus	7,191.45	5,807.67
Contribution to provident and other funds	329.75	279.59
Employee stock option expense (refer note 47)	1,118.88	199.69
Staff welfare expenses	309.16	230.87
Commission to director (refer note 43)	230.00	80.00
	<b>9,179.24</b>	<b>6,597.82</b>

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in note 39.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 34 Finance costs

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expense on financial liabilities measured at amortised cost	873.32	930.56
Interest on lease liabilities	103.67	12.65
Interest on delayed payment of advance taxes	-	3.02
	<b>976.99</b>	<b>946.23</b>

### 35 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation on property, plant and equipment	3,245.20	3,193.41
Amortisation on right-of-use assets	176.28	50.43
Amortisation on other intangible assets	60.31	61.26
	<b>3,481.79</b>	<b>3,305.10</b>

### 36 Other expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Consumption of stores and spares	6,217.40	5,806.75
Job work charges	4,935.03	4,599.90
Consumption of packing materials	995.73	946.73
Power and fuel	4,874.57	4,835.23
Rent (refer note 42)	101.75	122.09
Repairs and maintenance		
- Building	341.88	294.62
- Plant and machinery	1,798.36	1,647.23
Security charges	150.42	118.00
Insurance	282.03	245.15
Legal and professional charges	1,132.45	702.86
Rates and taxes	49.08	82.71
Sales promotion	282.50	80.44
Freight outward	2,124.38	2,059.95
Travelling and conveyance	554.64	474.72
Contract labour charges	2,920.36	2,551.92
Payment to auditors	59.75	43.23
Corporate social responsibility expenses	116.38	89.80
Allowance for expected credit loss	114.91	17.57
Inventory written off (refer note 9)	35.79	-
Loss on sale of forward contracts measured at fair value through profit or loss	-	8.23
Provision for warranty	2,275.08	789.32
Bad debts written off	2.35	5.09
Loss on foreign exchange fluctuation (net)	32.43	-
Royalty	528.64	-
Loss on disposal of property, plant and equipment (net)	41.22	-
Miscellaneous expenses	1,336.09	1,063.13
	<b>31,303.22</b>	<b>26,584.67</b>



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(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 37 Exceptional items

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Insurance claim received [refer note (a) below]	-	60.10
Interest on foreclosure of license under EPCG scheme [refer note (b) below]	-	(20.39)
	-	<b>39.71</b>

#### Note:

- (a) This pertains to insurance claim received from insurance company amounting to ₹ Nil (previous year - ₹ 60.10 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 ₹ Nil (previous year - ₹ 20.39 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 2025	For the year ended 31 March 2024
Profit for the year attributable to owners (A)	5,829.31	5,536.50
Weighted average number of equity shares for basic earnings per share (B) (Numbers)	3,60,48,337	3,60,24,211
Nominal value per share (₹)	2.00	2.00
Effect of share options during the year (C) (Numbers)	2,62,467	36,580
Weighted average number of equity shares for diluted earnings per share (D)= (B) + (C) (Numbers)	3,63,10,804	3,60,60,791
Basic earnings per equity share (face value of share- ₹ 2 each) (A/B) (₹)	16.17	15.37
Diluted earnings per equity share (face value of share- ₹ 2 each) (A/D) (₹)	16.05	15.35

### 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 ₹ 321.91 lakh (31 March 2024: ₹ 266.19 lakh) for provident fund contribution and ₹ 7.84 lakh (31 March 2024: ₹ 13.40 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.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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 Group's financial statements as at balance sheet date:

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Present value of obligation at the beginning of the year</b>	69.26	49.47	902.33	756.44
Included in consolidated profit and loss:				
Current service cost	29.97	17.40	110.91	72.87
Interest cost	4.92	3.64	61.84	52.96
<b>Total amount recognised in profit or loss</b>	<b>34.89</b>	<b>21.04</b>	<b>172.74</b>	<b>125.83</b>
Included in other comprehensive income:				
Remeasurement loss/(gain) arising from:				
- demographic assumptions	-	1.35	-	-
- financial assumptions	1.77	2.39	36.40	87.06
- experience adjustment	(4.93)	(4.99)	5.82	4.71
<b>Total amount recognised in other comprehensive income</b>	<b>(3.16)</b>	<b>(1.25)</b>	<b>42.22</b>	<b>91.77</b>
Less: Other	-	-	(5.08)	(4.38)
Less: Benefits paid	-	-	44.85	67.33
<b>Present value of obligations at the end of year</b>	<b>100.99</b>	<b>69.26</b>	<b>1,067.36</b>	<b>902.33</b>

#### Change in the fair value of plan assets

Particulars	Gratuity (funded portion)	
	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Fair value of plan asset at the beginning of the year</b>	822.92	804.23
Included in profit or loss:		
Return on plan assets - interest income	58.60	55.74
Contributions paid	153.58	30.60
Benefits paid	(47.67)	(67.33)
Others	(5.08)	(4.38)
Included in other comprehensive income:		
Actuarial gain	9.07	4.06
<b>Fair value of plan asset at the end of the year</b>	<b>991.42</b>	<b>822.92</b>

#### Major category of plan asset as a % of total plan assets

Category of assets (% allocation)	As at 31 March 2025		As at 31 March 2024	
	(%)	Amount	(%)	Amount
Insurance policies	98	971.59	98	806.46
Banks	2	19.83	2	16.46
	<b>100.00</b>	<b>991.42</b>	<b>100.00</b>	<b>822.92</b>



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for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 39 Employee benefits (Contd..)

Net defined benefit liability recognised in the consolidated balance sheet

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Present value of unfunded/funded obligation at the end of the year	100.99	69.26	1,067.36	902.33
Fair value of plan asset as at the end of the period	-	-	991.42	822.92
<b>Net defined benefit liability</b>	<b>100.99</b>	<b>69.26</b>	<b>75.95</b>	<b>79.41</b>

#### B) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	Gratuity (unfunded)		Gratuity (funded)	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Discount rate (per annum)	6.69-6.88%	7.09%	6.69%	7.09%
Salary growth rate (per annum)	6.00-7.00%	6.00-7.00%	6.00-7.00%	6.00-7.00%
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 (%)	1.00-5.00%	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 2025		31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (movement of 100 bps)	(116.71)	48.92	(67.25)	77.22
Salary escalation rate (movement of 100 bps)	51.56	(120.73)	79.82	(71.09)

Particulars	Gratuity (unfunded)			
	31 March 2025		31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (movement of 100 bps)	(7.37)	9.02	(4.68)	2.77
Salary escalation rate (movement of 100 bps)	9.40	(7.80)	2.95	(4.89)

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.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 39 Employee benefits (Contd..)

#### 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 2025	31 March 2024
Less than 1 year	97.01	81.77
Between 1-2 years	84.39	68.56
Between 2-5 years	296.26	251.38
Over 5 years	434.28	442.89

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18 years (31 March 2024: 12.29 years).

Expected contribution to post-employment benefit plans in the next year is ₹ 36.28 lakhs (31 March 2024: ₹ 39.71 lakhs).

#### F) Expected maturity analysis of the defined benefit obligation in future years (undiscounted cash flows)- unfunded

Particulars	31 March 2025	31 March 2024
Less than 1 year	51.55	46.37
Between 1-2 years	0.01	-
Between 2-5 years	4.90	2.91
Over 5 years	8.50	4.96

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18 years (31 March 2024: 1 to 20.01 years).

Expected contribution to post-employment benefit plans in the next year is ₹ 100.99 lakh (31 March 2024: ₹ 34.64 lakh).

#### G) Amount for the current and previous four years are as follows - gratuity (funded):

Particulars	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Defined benefit obligation	1,067.36	902.33	756.44	679.60	645.54
Experience (loss)/gain adjustments on liabilities	(5.82)	(4.71)	(18.51)	(30.90)	(2.99)

#### H) Amount for the current and previous four years are as follows - gratuity (unfunded):

Particulars	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Defined benefit obligation	100.99	69.26	49.47	42.28	41.31
Experience gain adjustments on liabilities	4.93	4.99	6.34	6.07	0.74





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for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 39 Employee benefits (Contd..)

#### 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 ₹ 96.08 lakh (31 March 2024: ₹ 88.20 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 2025, provision for compensated absences amounts to ₹ 232.95 lakh (31 March 2024 - ₹ 193.60 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 2025	For the year ended 31 March 2024
<b>Net sales to external customers by geographic area by location of customers</b>		
a) India	1,00,494.52	91,358.45
b) Outside India	1,276.30	932.07
<b>Total</b>	<b>1,01,770.82</b>	<b>92,290.52</b>

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Non-current assets (other than non-current financial assets) by geographic areas</b>		
a) India	34,875.54	29,167.12
b) Outside India	-	-
<b>Total</b>	<b>34,875.54</b>	<b>29,167.12</b>

##### C. Information about major customers

Revenues of ₹ 33,640 lakh, ₹ 12,869.77 lakh and ₹ 11,529.41 lakh (31 March 2024: ₹ 30,059.04, ₹ 12,522.07 lakh and ₹ 9,751.53 lakh) are derived from three customers, who individually accounted for more than ten percent of the total revenue.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 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) ₹ 1,634.40 lakh (₹ 799.64 lakh as at 31 March 2024).

#### B. Contingent liabilities and other commitments

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Contingent liabilities</b>		
<b>I) Claims against the Group not acknowledged as debt:</b>		
i) Disputed liability - Central Excise Act (refer note 'a' below)	106.04	106.04
ii) Interest on disputed liability- Central Excise Act (refer note 'b' below)	82.65	73.71
iii) Disputed liability - GST Act. (refer note 'c' below)	-	50.00
iv) Demand under Income-tax Act, 1961 (refer note 'd' below)		
- 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

- 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 ₹ 82.65 lakh (31 March 2024 - ₹ 73.71 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 GST amounting to ₹ 50.00 lakh was raised 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. In current year, the favourable order has been received from Excise and Taxation officer stating that the proceedings have been dropped in relation to the reply submitted by the Holding company.
- d) Appeals filed before Commissioner of Income tax (CIT) for demands under Income Tax Act 1961 in AY 2013-14, 2016-17, 2018-19 and 2020-21. The appeals have not yet been disposed off by CIT and the Group expects a favorable chance of getting the relief against these orders.

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.



## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 42 Lease related disclosures as lessee

Lease liabilities are presented in consolidated balance sheet as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Current	197.61	29.64
Non-current	1,565.14	122.34
<b>Total</b>	<b>1,762.75</b>	<b>151.98</b>

The maturity analysis of lease liabilities are disclosed hereunder. Also refer note 44(II)(ii).

Particulars	As at 31 March 2025			As at 31 March 2024		
	Principal	Interest	Total payments	Principal	Interest	Total payments
Less than 1 year	197.61	146.04	343.65	29.64	12.71	42.34
1-5 years	1,565.14	508.37	2,073.51	122.34	15.86	138.20
More than 5 years	-	-	-	-	-	-
<b>Total</b>	<b>1,762.75</b>	<b>654.41</b>	<b>2,417.16</b>	<b>151.98</b>	<b>28.56</b>	<b>180.54</b>

The following are amounts recognised in consolidated statement of profit and loss:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Amortisation on right-of-use assets	176.28	50.43
Interest expense on lease liabilities	103.67	12.65
Rent expense*	101.75	122.09
<b>Total</b>	<b>381.70</b>	<b>185.17</b>

\*Rent expense for short-term leases and not included in the measurement of lease liabilities.

The Group has leases for its plant, offices, vehicle and equipments. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner in the balance sheet separately from other assets.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on consolidated balance sheet as at 31 March 2025 and 31 March 2024 respectively:

#### As at 31 March 2025

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, vehicle and equipment	20	1 - 11 years	20

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 42 Lease related disclosures as lessee (Contd..)

As at 31 March 2024

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, vehicle 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 ₹ 101.75 lakh (31 March 2024 - ₹ 122.09 lakh).

At 31 March 2025 and 31 March 2024, the Group is not committed to any liability towards short-term leases.

Total cash outflow for leases for the year ended 31 March 2025 was ₹ 275.42 lakh (31 March 2024 - ₹ 159.98 lakh) [including ₹ 101.75 lakh (31 March 2024 - ₹ 122.09 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 cum Whole Time Director
	Mr. Atul Aggarwal – Managing Director
	Mr. Akhill Aggarwal – Whole Time Director
	Mr. Anish Agarwal - Director (with effect from 01 February 2024)
	Mr. Jaideep Wadhwa - Director
	Mr. Pankaj Gupta - Director in Subsidiary Company
	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 Urdhwaresh - Independent Director (with effect from 01 February 2024)
	Mr. Sanjeev Garg - Independent Director (with effect from 10 May 2024)
	Mr. Vijay Madhav Paradkar- Independent Director (with effect from 25 March 2024)
Enterprise over which KMP exercise control and/or significant influence	Mr. Pankaj Gupta - Chief Financial Officer
	Mr. Abhishek Chawla - Company Secretary ( till 13 March 2025)
	Sterling Technologies Private Limited
	Sterling Automobiles Private Limited
Relatives of KMP with whom transactions have occurred	Manohar Lal Aggarwal Foundation
	Swarup & Company
	Mrs. Promila Aggarwal (Wife of Mr. Anil Aggarwal)
	Ms. Ayesha Aggarwal (Daughter of Mr. Atul Aggarwal)



## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
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### 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 2025 and 31 March 2024:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>i) Transaction with enterprises over which KMP has control and/or significant influence</b>		
<b>a) Expenses paid- repairs and maintenance</b>		
Sterling Automobiles Private Limited	1.91	4.83
	<b>1.91</b>	<b>4.83</b>
<b>b) Expenses paid- Insurance/warranty</b>		
Sterling Automobiles Private Limited	2.32	2.56
	<b>2.32</b>	<b>2.56</b>
<b>c) Rent paid</b>		
Sterling Technologies Private Limited	119.00	88.60
	<b>119.00</b>	<b>88.60</b>
<b>d) Purchase of asset</b>		
Sterling Automobiles Private Limited	-	20.07
	<b>-</b>	<b>20.07</b>
<b>e) Corporate social responsibility expenses paid</b>		
Manohar Lal Aggarwal Foundation (formerly known as Sterling Tools Foundation)	99.64	88.54
	<b>99.64</b>	<b>88.54</b>
<b>f) Legal charges paid</b>		
Swarup & Company	0.88	4.13
	<b>0.88</b>	<b>4.13</b>
<b>ii) Transaction with KMP and their close members</b>		
<b>Remuneration paid to directors (A)</b>		
Mr. Anil Aggarwal	275.97	240.56
Mr. Atul Aggarwal	271.20	235.46
Mr. Akhill Aggarwal	77.76	-
Mr. Jaideep Wadhwa	1,246.88	322.61
	<b>1,871.81</b>	<b>798.63</b>
<b>Remuneration paid to KMP other than directors (B)</b>	<b>119.59</b>	<b>103.25</b>
<b>Compensation to KMP (C)</b>		
Mr. Anil Aggarwal	65.00	40.00
Mr. Atul Aggarwal	65.00	40.00
Mr. Anish Agarwal	100.00	-
	<b>230.00</b>	<b>80.00</b>
<b>Compensation to KMP [(A)+(B)+(C)]</b>		
- Short term employee benefits	1,026.39	725.70
- Defined contribution plans	76.13	56.49
- Share based payments	1,118.88	199.69
	<b>2,221.40</b>	<b>981.88</b>
<b>Dividend paid</b>		
Mr. Anil Aggarwal	122.21	122.21
Mr. Atul Aggarwal	193.31	193.31
Mrs. Promila Aggarwal	15.10	14.02
Mr. Akhill Aggarwal	53.22	53.76

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

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### 43 Related party disclosures (Contd..)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Mr. Anish Agarwal	54.04	54.58
Ms. Ayesha Aggarwal	35.98	35.98
Mr. Jaideep Wadhwa	0.28	0.28
	<b>474.14</b>	<b>474.14</b>
<b>Director sitting fees</b>		
Mr. Triloki Nath Kapoor	-	2.50
Ms. Malini Sud	-	2.50
Mr. Chotu Ram Sharma	-	7.50
Mr. Shailendra Swarup	7.00	6.50
Mr. Rakesh Batra	10.50	9.00
Ms. Rashmi Urdhwaresh	7.00	0.50
Mr. Sanjeev Garg	2.50	-
Mr. Vijay Madhav Paradkar	5.00	-
	<b>32.00</b>	<b>28.50</b>
<b>Loan taken</b>		
Mr. Anish Agarwal	0.50	-
	<b>0.50</b>	<b>-</b>
<b>Loan repaid</b>		
Mr. Anish Agarwal	2.90	-
	<b>2.90</b>	<b>-</b>
<b>Reimbursement of expenses</b>		
Mr. Jaideep Wadhwa	38.83	25.08
Mr. Anish Agarwal	16.21	-
Mr. Pankaj Gupta	6.76	-
	<b>61.80</b>	<b>25.08</b>

Particulars	As at 31 March 2025	As at 31 March 2024
<b>iii) Closing balances</b>		
<b>Commission payable</b>		
Mr. Anil Aggarwal	55.25	24.03
Mr. Atul Aggarwal	55.25	23.25
Mr. Anish Agarwal	45.00	-
<b>Total</b>	<b>155.50</b>	<b>47.28</b>
<b>Outstanding payable</b>		
Sterling Automobiles Private Limited	0.27	0.24
Swarup & Company	0.45	0.62
Mr. Jaideep Wadhwa	1.31	-
<b>Total</b>	<b>2.03</b>	<b>0.86</b>
<b>Outstanding receivable</b>		
Mr. Jaideep Wadhwa	-	0.17
<b>Total</b>	<b>-</b>	<b>0.17</b>

#### Note

- The sale to and purchase from and other transactions with related parties are made on terms equivalent to those that prevail in an arm's length transaction.
- Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.





## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

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(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 43 Related party disclosures (Contd..)

- 3) The remuneration to the Key managerial personnel does not include the provisions made for gratuity as they are determined for the Group as a whole.
- 4) The Company Secretary (CS) of the Holding Company resigned with effect from 13 March 2025. In accordance with Section 203(4) of the Companies Act, 2013, the resultant vacancy is required to be filled by the Holding Company within six months. The Holding Company is in the process of identifying a suitable candidate to fill the vacancy in compliance with applicable regulatory timelines.

### 44 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 financial liabilities, including their levels of in the fair value hierarchy:

As at 31 March 2025

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
<b>Financial assets measured at fair value</b>									
Current investments	-	1,502.28	-	-	1,502.28	1,502.28	-	-	1,502.28
<b>Financial assets which are measured at amortised cost for which fair values are disclosed</b>									
Loans	-	-	11.78	-	11.78				
Other financial assets	-	-	722.47	-	722.47				
Trade receivables	-	-	6,544.76	-	6,544.76				
Cash and cash equivalents	-	-	2,350.27	-	2,350.27				
Other bank balance	-	-	12,427.23	-	12,427.23				
	-	1,502.28	22,056.51	-	23,558.79				

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 44 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
<b>Financial liabilities measured at fair value</b>									
Other forward exchange contracts	-	-	-	-	-	-	-	-	-
<b>Financial liabilities which are measured at amortised cost for which fair values are disclosed</b>									
Borrowings	-	-	-	13,744.66	13,744.66				
Lease liabilities	-	-	-	1,762.75	1,762.75				
Trade payables	-	-	-	6,230.81	6,230.81				
Other financial liabilities	-	-	-	724.68	724.68				
	-	-	-	<b>22,462.92</b>	<b>22,462.92</b>				

As at 31 March 2024

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
<b>Financial assets measured at fair value</b>									
Non-current investments*	1,153.98	-	-	-	1,153.98	-		1,153.98	1,153.98
<b>Financial assets which are measured at amortised cost for which fair values are disclosed</b>									
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				
	<b>1,153.98</b>	<b>-</b>	<b>20,183.05</b>	<b>-</b>	<b>21,337.03</b>				
<b>Financial liabilities measured at fair value</b>									
Other forward exchange contracts	-	8.23	-	-	8.23	-	8.23	-	8.23



## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

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### 44 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
<b>Financial liabilities which are measured at amortised cost for which fair values are disclosed</b>									
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				
	-	<b>8.23</b>	-	<b>19,811.64</b>	<b>19,819.87</b>				

\*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 of Group that has overall responsibility for overseeing all significant fair value measurements and reports directly to the respective board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Holding Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers within the levels for the year ended 31 March 2025 and 31 March 2024.

#### 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

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 44 Fair value measurements (Contd..)

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: <ul style="list-style-type: none"> <li>- the long-term growth rate would be higher (lower);</li> <li>- the discount rate were lower (higher).</li> </ul>

#### 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 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.

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.



## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 44 Fair value measurements (Contd..)

#### 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.

#### 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 2025			31 March 2024		
	Gross amount	Expected credit loss	Net amount	Gross amount	Expected credit loss	Net amount
<b>Financial assets for which loss allowance is measured using 12 months expected credit loss model:</b>						
Non-current investments	-	-	-	1,153.98	-	1,153.98
Other non-current financial assets	654.99	-	654.99	541.90	-	541.90
Current investments	1,502.28	-	1,502.28	-	-	-
Cash and cash equivalents	2,350.27	-	2,350.27	2,460.58	-	2,460.58
Other bank balances	12,427.23	-	12,427.23	8,038.78	-	8,038.78
Current loans	11.78	-	11.78	10.40	-	10.40
Other current financial assets	67.48	-	67.48	166.65	-	166.65
	<b>17,014.03</b>	<b>-</b>	<b>17,014.03</b>	<b>12,372.29</b>	<b>-</b>	<b>12,372.29</b>
<b>Financial assets for which loss allowance is measured using life time expected credit loss:</b>						
Trade receivables	6,824.53	(279.77)	6,544.76	9,129.60	(164.86)	8,964.74
	<b>6,824.53</b>	<b>(279.77)</b>	<b>6,544.76</b>	<b>9,129.60</b>	<b>(164.86)</b>	<b>8,964.74</b>

#### 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.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 44 Fair value measurements (Contd..)

The expected credit loss on trade receivables has been determined as follows under the simplified approach:

Ageing as at 31 March 2025	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 2025	5,365.17	1,127.19	87.41	27.91	69.07	147.77	6,824.53
Expected loss rate	-	-	46%	89%	98%	100%	
Expected credit losses	-	-	40.00	24.80	67.68	147.29	279.77
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>5,365.17</b>	<b>1,127.19</b>	<b>47.41</b>	<b>3.11</b>	<b>1.40</b>	<b>0.48</b>	<b>6,544.76</b>

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
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>6,014.55</b>	<b>2,778.81</b>	<b>108.29</b>	<b>54.36</b>	<b>1.96</b>	<b>6.75</b>	<b>8,964.74</b>

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.

As at 31 March 2025, the Group has a working capital of ₹ 23,184.11 lakh (31 March 2024 - ₹ 20,609.61 lakh) including cash and cash equivalents of ₹ 2,350.27 lakh (31 March 2024 - ₹ 2,460.58 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 2025	As at 31 March 2024
<b>Non- derivative financial liabilities</b>		
<b>Floating-rate borrowings</b>		
- Expiring within one year	12,442.45	16,147.45
- 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 excluding interest for future years :





## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

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### 44 Fair value measurements (Contd..)

31 March 2025

Contractual maturities of financial liabilities	Contractual cash flows					Total
	Less than 90 days	90-180 days	180-270 days	270-360 days	More than 360 days	
<b>Non-derivative financial liabilities</b>						
Non current borrowings	475.50	475.50	454.67	444.25	3,468.06	5,317.98
Lease liabilities	33.35	54.75	54.75	54.76	1,565.14	1,762.75
Other non-current financial liabilities						
- Security deposits	-	-	-	-	46.25	46.25
Current borrowings						
- Working capital loans	8,388.86	-	-	-	-	8,388.86
Trade payables	6,230.81	-	-	-	-	6,230.81
Creditors for capital goods	265.87	-	-	-	-	265.87
Interest accrued but not due	37.82	-	-	-	-	37.82
Employee related payables	404.16	-	-	-	-	404.16
Unclaimed dividend	8.40	-	-	-	-	8.40
<b>Total</b>	<b>15,844.79</b>	<b>530.25</b>	<b>509.43</b>	<b>499.01</b>	<b>5,079.46</b>	<b>22,462.92</b>

31 March 2024

Contractual maturities of financial liabilities	Contractual cash flows					Total
	Less than 90 days	90-180 days	180-270 days	270-360 days	More than 360 days	
<b>Non-derivative financial liabilities</b>						
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
<b>Derivative financial liabilities</b>						
Other forward exchange contracts	8.23	-	-	-	-	8.23
<b>Total</b>	<b>15,108.67</b>	<b>724.40</b>	<b>630.01</b>	<b>444.74</b>	<b>3,684.89</b>	<b>20,592.73</b>

### 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 of the Holding Company 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.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

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### 44 Fair value measurements (Contd..)

#### (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 2025					
	EURO	JPY	USD	CNY	GBP	HKD
<b>Financial assets</b>						
Trade receivables	82.61	-	0.57	0.11	24.64	0.05
<b>Financial liabilities</b>						
Trade payables	-	-	21.24	2,042.18	-	-
<b>Net exposure to foreign currency risk - assets / (liabilities)</b>	<b>82.61</b>	<b>-</b>	<b>(20.67)</b>	<b>(2,042.07)</b>	<b>24.64</b>	<b>0.05</b>

Particulars	As at 31 March 2025					
	EURO	JPY	USD	CNY	GBP	HKD
<b>Financial assets</b>						
Trade receivables	108.88	0.08	3.17	0.02	0.63	0.06
<b>Financial liabilities</b>						
Trade payables	-	-	45.12	2,340.18	-	-
Derivatives liabilities	-	-	8.23	-	-	-
<b>Net exposure to foreign currency risk - assets / (liabilities)</b>	<b>108.88</b>	<b>0.08</b>	<b>(50.18)</b>	<b>(2,340.16)</b>	<b>0.63</b>	<b>0.06</b>

#### 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
<b>31 March 2025</b>		
INR/EUR	4.13	(4.13)
INR/USD	(1.03)	1.03
INR/CNY	(102.10)	102.10
INR/GBP	1.23	(1.23)

5% movement	Profit and loss (after tax) and equity	
	Strengthening	Weakening
<b>31 March 2024</b>		
INR/EUR	5.44	(5.44)
INR/USD	(2.51)	2.51
INR/CNY	(117.01)	117.01
INR/GBP	0.03	(0.03)



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(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 44 Fair value measurements (Contd..)

#### (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 2025	31 March 2024
<b>Financial assets:</b>		
<b>Fixed rate instruments</b>		
- Fixed deposits	13,802.77	7,303.92
<b>Total</b>	<b>13,802.77</b>	<b>7,303.92</b>
<b>Variable-rate instruments</b>		
- Rupee term loans	5,317.98	5,289.18
- Working capital facilities	7,557.55	4,852.54
<b>Total</b>	<b>12,875.53</b>	<b>10,141.72</b>

#### 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 bp increase	100 bp decrease
<b>31 March 2025</b>		
Rupee term loans	(28.80)	28.80
Working capital facility	(27.02)	27.02
<b>Cash flow sensitivity (net)</b>	<b>(55.82)</b>	<b>55.82</b>

Particulars	Profit or loss (after tax) and equity	
	100 bp increase	100 bp decrease
<b>31 March 2024</b>		
Rupee term loans	(38.97)	38.97
Working capital facility	(39.51)	39.51
<b>Cash flow sensitivity (net)</b>	<b>(78.48)</b>	<b>78.48</b>

#### (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.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

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### 44 Fair value measurements (Contd..)

#### 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 2025		For the year ended 31 March 2024		As at 31 March 2025		As at 31 March 2024	
	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	11.24	(11.24)	-	-	15.02	(15.02)	-	-

### 45 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 2025	31 March 2024
Total borrowings	13,744.66	11,601.35
Less: Cash and cash equivalents	2,350.27	2,460.58
<b>Net debt</b>	<b>11,394.39</b>	<b>9,140.77</b>
<b>Total equity</b>	<b>49,967.44</b>	<b>44,710.85</b>
<b>Net debt to equity ratio</b>	<b>0.23</b>	<b>0.20</b>

### 46 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 2025	31 March 2024	31 March 2025	31 March 2024	
Sterling Gtack 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
Sterling Tech Mobility Limited	India	100.00%	-	-	-	Manufacturing of motor vehicle electrical equipments



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(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 46 Interests in other entities

Name of entity	Principal place of business	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31 March 2025	31 March 2024	31 March 2025	31 March 2024	
Sterling E-Mobility Private Limited	India	100.00%	-	-	-	Design, develop, manufacture and promote mechanical and electrical components
Sterling Overseas Pte. Ltd.	Singapore	100.00%	-	-	-	The company is engaged in investment activities

### 47 Employee Stock Option Plan ('ESOP')

During the previous 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 2025		Year ended 31 March 2025	
	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		6,40,431	
Opening balance as at the beginning of the year	6,40,431	2	-	-
Granted during the year	-	-	6,40,431	2
Exercised during the year	(1,60,107)	-	-	-
Forfeited during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Closing balance as at the end of the year</b>	<b>4,80,324</b>	<b>2</b>	<b>6,40,431</b>	<b>2</b>
Exercisable as at the end of the year	-	-	-	-
Weighted average share price at the date of exercise (₹)	-	-	-	-
Weighted average remaining period (in years)	6.84 years		7.34 years	
Exercise price (₹)	2		2	-

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 47 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 2025	Year ended 31 March 2024
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 ₹ 1118.88 lakhs during the year (31 March 2024: ₹ 199.69) under 'employee benefits expense' in accordance with Ind AS 102, Share based payments.

Pursuant to the ESOP Plan 2023, 1,60,107 options have been granted to an employee of a subsidiary company which were vested on 31st January 2025 and were subsequently exercised by employee. Based on the Exercise Letter, Nomination and Remuneration Committee recommendation, and Board approval of Sterling Tools Limited, the equity shares have been allotted to the employee.

**48** The Hon'ble National Company Law Tribunal, New Delhi Bench, vide order dated 27 March 2025 ("Order"), has approved the Scheme of Amalgamation of Haryana Ispat Private Limited ('Wholly Owned Subsidiary') with Sterling Tools Limited ("Company") with effect from 01 April 2024 ("Appointed Date") and the Order was filed by the Company with the Registrar of Companies, NCT of Delhi and Haryana on 23 April 2025.

**49** The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which 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 changes were made and ensuring that the audit trail cannot be disabled.

For the year ended 31 March 2025, 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 and application level was enabled at certain specific areas/tables except for Fixed Asset Register. Furthermore, the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.

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) are 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). Also, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Also, the merged company, Haryana Ispat Private Limited used accounting software for maintenance of books of account, has a feature of recording audit trail facility except that the audit trail feature was not operative from period 01 April 2024 to 08 May 2024. Furthermore, in the previous year, the books of accounts of the Company are maintained manually, accordingly, audit trail could not be preserved by the Holding Company as per the statutory requirements for record retention.





## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 49 (Contd..)

Also, the audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of accounting records by one subsidiary.

### 50 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 2025	Year ended 31 March 2024
<b>Revenue by geography</b>		
Domestic	1,00,494.52	91,358.45
Export	1,276.30	932.07
	<b>1,01,770.82</b>	<b>92,290.52</b>
<b>Customer wise</b>		
Related party	-	-
Non-related party	1,01,770.82	92,290.52
	<b>1,01,770.82</b>	<b>92,290.52</b>
<b>Revenue by time</b>		
Revenue recognised at point in time	1,01,770.82	92,290.52
	<b>1,01,770.82</b>	<b>92,290.52</b>

#### (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. Disclosure for the same is as below:

Description	Year ended 31 March 2025	Year ended 31 March 2024
Amounts included in contract liabilities at the beginning of the year	310.84	211.51
Performance obligations satisfied in previous years	-	-
	<b>310.84</b>	<b>211.51</b>

#### (c) Assets and liabilities related to contracts with customers

Particulars	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
<b>Contract assets related to sale of goods</b>	-	-	-	-
<b>Contract liabilities related to sale of goods</b>				
Contract liabilities - Advance from customers	-	722.45	-	310.84
Contract liabilities - Security deposit	52.50	-	54.40	-

#### (d) Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

Description	31 March 2025	31 March 2024
<b>Opening balance of contract liabilities</b>	<b>365.24</b>	<b>259.41</b>
Amount of revenue recognised against opening contract liabilities	(310.84)	(211.51)
Addition in balance of contract liabilities for current year	720.55	317.34
<b>Closing balance of contract liabilities</b>	<b>774.95</b>	<b>365.24</b>

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 50 Disclosures pursuant to Ind AS 115, Revenue from Contracts with Customers, are as follows: (Contd..)

There has been no significant changes in contract assets/liabilities during the year.

#### (e) Reconciliation of revenue recognised in Consolidated Statement of Profit and Loss with contract price

Description	31 March 2025	31 March 2024
Contract price	1,04,444.22	97,198.47
Less: Discounts	2,378.57	4,627.10
Less: Freight	294.83	280.85
<b>Revenue from operations as per Consolidated Statement of Profit and Loss</b>	<b>1,01,770.82</b>	<b>92,290.52</b>

#### (f) Satisfaction of performance obligations

The Group's revenue is derived from single performance obligation to transfer primarily its products under arrangements in which the transfer of control of the products and the fulfilment of the Group's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the Group has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Group will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Group's operations, generally the criteria to 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 recognises revenue for the amounts it ultimately expects to realise 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.

### 51 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 2025

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
<b>Holding Company</b>								
Sterling Tools Limited	46,701.56	93.46%	4,286.97	73.54%	(951.75)	99.90%	3,335.22	68.39%
<b>Subsidiaries</b>								
Sterling Gtake E-Mobility Limited	7,577.90	15.17%	1,658.92	28.46%	(0.79)	0.08%	1,658.13	34.00%



## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2025  
(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

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 (P) Limited	1.54	0.00%	(0.68)	-0.01%	-	-	(0.68)	-0.01%
Sterling Tech Mobility Limited	1,282.77	2.57%	(98.46)	-1.69%	-	-	(98.46)	-2.02%
Sterling E-Mobility Private Limited	2.67	0.01%	0.00	0.00	-	-	-	-
Sterling Overseas Pte. Ltd.	(16.79)	-0.03%	(17.44)	-0.30%	(0.19)	0.02%	(17.63)	-0.36%
<b>Consolidation Adjustment/ Elimination</b>	(5,582.21)	-11.17%	-	-	-	-	-	-
<b>Total</b>	<b>49,967.44</b>	<b>100%</b>	<b>5,829.31</b>	<b>100%</b>	<b>(952.73)</b>	<b>100%</b>	<b>4,876.58</b>	<b>100%</b>

### (II) 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
<b>Holding Company</b>								
Sterling Tools Limited	42,964.73	96.09%	3,880.61	70.09%	(346.22)	99.60%	3,534.39	68.11%
<b>Subsidiaries</b>								
Sterling Gtaka E-Mobility Limited	4,800.90	10.74%	1,664.62	30.07%	(1.40)	0.40%	1,663.22	32.05%
Sterling Advanced Electric Machines (P) Limited	0.72	0.00%	(0.28)	-0.01%	-	-	(0.28)	-0.01%
<b>Consolidation Adjustment/ Elimination</b>	(3,055.50)	-6.83%	(8.45)	-0.15%	-	-	(8.45)	-0.16%
<b>Total</b>	<b>44,710.85</b>	<b>100%</b>	<b>5,536.50</b>	<b>100%</b>	<b>(347.62)</b>	<b>100%</b>	<b>5,188.88</b>	<b>100%</b>

**52** The Board of Directors of the Holding Company at its meeting held on 13 May 2025, have recommended a final dividend of ₹2.5 per share (face value of ₹2 per share) for the financial year 2024-25, which is subject to the approval of the members at the ensuing Annual General Meeting.

### 53 Other statutory information

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Group has not been declared willful defaulter by any bank or financial institutions or other lenders.
- The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

## Summary of Material Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts in lakhs of Indian Rupees, except number of shares, per share data and unless otherwise stated)

### 53 Other statutory information (Contd..)

- (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.
- (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.
- (ix) The Group does not have any charges or satisfaction which is yet to be registered with Registrars of Companies ('ROC') beyond the statutory period.

**54** Previous 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

Place: Faridabad

Date: 13 May 2025

#### For and on behalf of the Board of Directors

Sterling Tools Limited

#### Anil Aggarwal

Director

DIN : 00027214

#### Atul Aggarwal

Managing Director

DIN : 00125825

#### Pankaj Gupta

Chief Financial Officer

**STERLING TOOLS LIMITED**

CIN No.: L29222DL1979PLC009668

Regd. Office: DJ-1210, 12<sup>th</sup> 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](mailto:csec@stlfasteners.com), Website: [www.stlfasteners.com](http://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-Sixth (46) Annual General Meeting of the Members of **Sterling Tools Limited** will be held on Thursday, 25<sup>th</sup> September 2025 at 10:00 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business(s):

**Ordinary Business****1. Adoption of Accounts**

To receive, consider and adopt the audited Standalone & Consolidated Financial Statements containing the Balance Sheet as at 31<sup>st</sup> March 2025 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 resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 134 of the Companies Act, 2013, the audited standalone & consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2025 containing the Balance Sheet and the Profit and Loss Account 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 2024-25**

To declare dividend on equity shares for the financial year ended 31<sup>st</sup> March 2025, 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 ₹ 2.50/- (Two rupees and paise fifty only) per equity share of face value of ₹ 2/- (Two rupees) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared as final dividend for the financial year ended 31<sup>st</sup> March 2025 and the same be paid out of the profits of the Company."

**3. Re-appointment 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. Jaideep Wadhwa (DIN: 00410019), 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. Appointment of M/s Dhananjay Shukla & Associates, Company Secretaries as the Secretarial Auditors of the Company**

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 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and recommendation of the Audit Committee and Board of Director of the Company, M/s Dhananjay Shukla & Associates, Company Secretaries (Peer Review No. 2057/2022) be and are hereby appointed as Secretarial Auditors of the Company, for a term of five (5) consecutive years, i.e. from the financial year 2025-26 until the financial year 2029-30, and to hold office till conclusion of the Annual General Meeting for the financial year 2029-30, at a remuneration and on such terms and conditions as may be determined or modified by the Board of Directors of the Company from time to time in compliance with the applicable laws, in addition to reimbursement of out-of-pocket expenses actually incurred by them in connection with the audit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company 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 FY 2025-26:**

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), appointed by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2026, 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 are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**6. Re-appointment of Mr. Rakesh Batra (DIN: 06511494) as 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 the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Regulations 17, 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Rakesh Batra (DIN: 06511494), who holds office of Independent Director up to 9<sup>th</sup> November 2025 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying intention to propose his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years from 10<sup>th</sup> November 2025 to 9<sup>th</sup> November, 2030.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Date: 7<sup>th</sup> August, 2025  
Place: Faridabad

**Registered Office:**

DJ-1210, 12<sup>th</sup> Floor, DLF Tower B,  
Jasola District Centre,  
New Delhi-110025

By Order of the Board  
For **Sterling Tools Limited**

**Komal Malik**  
Company Secretary  
Membership No. F6430



**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, and 09/2024 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, 28<sup>th</sup> December, 2022, 25<sup>th</sup> September, 2023 and September 19, 2024 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by the Securities and Exchange Board of India ('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 45<sup>th</sup> AGM of the Company is being held through VC/ OAVM which does not require the 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, 12<sup>th</sup> Floor, DLF Tower B, DLF Tower A, Jasola District Centre, New Delhi-110025
  3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act') relating to Special Business, i.e., Item Nos. 4, 5 & 6, to be transacted AGM is annexed hereto.
  4. A statement giving relevant details of the directors seeking re-appointment under Item No. 3 & 6 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 issued by the Institute of Company Secretaries of India, 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 to [santosh@kritiadvosory.com](mailto:santosh@kritiadvosory.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com) and [csec@stlfasteners.com](mailto:csec@stlfasteners.com). Corporate/ Institutional members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
  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 a first-come-first-serve 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-serve 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 a remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
  11. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/ comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at [csec@stlfasteners.com](mailto:csec@stlfasteners.com) the same will be replied by the Company suitably.
- Those Members who have registered themselves before 5:00 P.M. (IST) on Saturday, 20<sup>th</sup> September 2025, 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 Friday, 19<sup>th</sup> September 2025 to Thursday, 25<sup>th</sup> September 2025 (both days inclusive) for the purpose of annual closure of books.
13. Payment of Dividend on Company's Equity Shares for the year ended 31<sup>st</sup> March 2025 as recommended by the Board of Directors, if approved at the AGM, shall be subject to deduction of tax at source and 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 Thursday, 18<sup>th</sup> September 2025
  - (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 Thursday, 18<sup>th</sup> September 2025.
  - (iii) The Dividend, if approved, will be payable as per 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.

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 2<sup>nd</sup> 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](http://www.masserv.com).

A separate communication will be sent to the respective members with in the prescribed time.

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 1<sup>st</sup> 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 25<sup>th</sup> 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.

The Members may note that the SEBI, through its circular dated September 7, 2020, had initially set March 31, 2021, as the deadline for the re-lodgment of such transfer deeds. However, based on the representations received from investors, Registrar and Transfer Agents (RTAs), and listed companies highlighting that several investors were unable to meet the earlier deadline, SEBI has now granted a final opportunity for re-lodgment.

Accordingly, SEBI, via its circular dated July 2, 2025 (SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97), has announced the opening of a six-month special window – from



July 7, 2025, to January 6, 2026 – during which eligible shareholders may re-lodge their previously rejected or unattended transfer deeds, provided these were originally submitted prior to April 1, 2019.

It is important to note that all such transfers will be processed exclusively in dematerialized form, in compliance with the prescribed procedure for transfer-cum-demat requests.

**Members holding shares in physical form are requested to dematerialize their holdings at the earliest.**

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 2024-25 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@massserv.com](mailto:investor@massserv.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 2024-25 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 46<sup>th</sup> AGM and Annual Report 2024-25 will also be available on the Company's website [www.stlfasteners.com](http://www.stlfasteners.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), National Stock Exchange of India Limited at [www.nseindia.com](http://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 46<sup>th</sup> AGM along with Annual report 2024-25 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 18<sup>th</sup> September 2025, such person may obtain the User ID and Password from RTA by e-mail request on [investor@massserv.com](mailto:investor@massserv.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 2017-18 has already been transferred to IEPF. Members who have not encashed their dividend warrant(s), for the years 2018-19 to 2023-24 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
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
2023-2024 Final	13/09/2024	12/10/2031

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 09/12/2020, 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, Pursuant to SEBI Master Circular no. SEBI/HO/ MIRSD/ MIRSD-POD/P/CIR/2025/91 dated June 23 2025 issued to the Registrar and Transfer Agents SEBI has mandated that, with effect from April 1, 2024, 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 2<sup>nd</sup> 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, unencashed 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, dividend income will be taxable at the hands of shareholders and the Company is required to deduct tax at source from dividend paid to the members at prescribed rates. 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).

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](mailto: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 & Sundays 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 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 46<sup>th</sup> Annual General Meeting (AGM) through electronic voting system, to members holding shares as on Thursday, 18<sup>th</sup> September, 2025 (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 Monday, 22<sup>nd</sup> September 2025 at 9:00 A.M. (IST) and ends on Wednesday, 24<sup>th</sup> September 2025 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) Thursday, 18<sup>th</sup> September 2025, 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 Thursday, 18<sup>th</sup> September 2025.

**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 CDSL	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login of Easi/Easiest the user will be also 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 &amp; 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.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>



**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 022 - 4886 7000
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. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b. For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. 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](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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.
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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 4886 7000 or send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com)

## 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](mailto:santosh@kritiadvisory.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

## 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](mailto:investor@masserv.com) or [csec@stlfasteners.com](mailto: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](mailto:investor@masserv.com) or [csec@stlfasteners.com](mailto: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 Member/members may send a request to [evoting@nsdl.com](mailto: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.
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](mailto:csec@stlfasteners.com). The same will be replied by the company suitably.

## 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.
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.

#### **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](http://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 at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com).
- 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. Thursday, 25<sup>th</sup> September 2025.
- 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, Mr. Jaideep Wadhwa, Non-Executive and Non-Independent Director of the Company, is liable to retire by rotation at the ensuing AGM



## Annexure-I

**Details of Directors seeking appointment / re-appointment in the Annual General Meeting scheduled on Thursday, 25<sup>th</sup> September 2025 (Pursuant to Regulation 36(3) of the SEBI (LODR) regulations, 2015 and Secretarial Standards are as follows:**

Name	Mr. Jaideep Wadhwa	Mr. Rakesh Batra
DIN	00410019	06511494
Age	61 Years	69 years
Qualification and Experience (including expertise in specific functional area) / Brief Resume	Mr. Wadhwa is an MBA from the University of Virginia and brings with him over 35 years of rich and diverse industry experience, including more than 27 years in senior leadership roles such as Executive Director, Chief Executive Officer, Managing Director, and President across multiple sectors including Machinery, Auto & Industrial Components, Packaging, and Private Equity. His areas of expertise span strategic growth, operational transformation, business model innovation, mergers and acquisitions, integration, and turnaround management.	Mr. Rakesh Batra is a B. Tech graduate from the Indian Institute of Technology (IIT), Kharagpur and has attained a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and MBT (Master of Business & Technology) from the University of New South Wales (UNSW).  He served as Partner and leader of Automotive Sector with EY India. He brings significant management and consulting experience of more than 43 years in the Automotive, Industrial equipment and manufacturing industries with the corporate strategy, supply chain and business transformation. Mr. Rakesh Batra holds the position of an Industry Expert and Independent Director on the Board of leading Automotive Companies in both the United States and India.
Skills and Capabilities	Mr. Wadhwa has the skills and capabilities in the field of Corporate Management & Leadership quality; Automobile and Auto Ancillary Industry Knowledge; Finance, Accounting and Internal Controls; Sales, Marketing & International Business; Investment, Acquisition & Fund Management; Regulatory Compliance and Governance.	Mr. Batra has the skills and capabilities in the field of Corporate Management & Leadership quality; Automobile and Auto Ancillary Industry Knowledge; Finance, Accounting and Internal Controls; Investment, Acquisition & Fund Management; Regulatory Compliance and Governance required for the role of Non-Executive & Independent Director of the Company.
Date of first appointment on the Board	7 <sup>th</sup> February 2019	10 <sup>th</sup> November 2020
Directorships held in other companies	1. Ultra Barrier Private Limited 2. Sterling Gtake E-Mobility Limited 3. Wadpack Private Limited 4. Sterling Advanced Electric Machines Private Limited 5. Classic Magnetix Private Limited 6. Sterling E-Powertrain Private Limited	1. Sterling Gtake E-Mobility Limited 2. Mahindra USA Inc.
Resignations from the Listed Companies in the past three years	NIL	1. Uno Minda Limited
Memberships/ Chairmanships of committees of other companies	Nil	Nil
Number of Equity Shares held in the Company	1,51,760 equity shares	Nil
Relationship between Directors and other KMPs inter-se	None	None

Name	Mr. Jaideep Wadhwa	Mr. Rakesh Batra
Number of meetings of the Board, attended during the last financial year (FY 2024-25)	5	5
Remuneration (including sitting fees, if any) last drawn in financial year (FY 2024-25)	Being a Non-Executive and Non-Independent Director of the Company, Mr. Wadhwa has not drawn any salary during FY 2024-25. However, being a Managing Director of Sterling Gtake E-Mobility Limited, Wholly Owned Subsidiary of the Company, Mr. Wadhwa was granted 6,40,431 ESOPs in FY 2023-24.	Being a Non-Executive and Independent Director, apart from receiving the sitting fees of Rs. 7.50 lakhs, Mr. Rakesh Batra has not drawn any remuneration.
Remuneration proposed to be paid and Terms and conditions of Appointment/ Re-appointment	Nil	Apart from the payment of sitting fees, no remuneration is sought to be paid to Mr. Rakesh Batra

**By Order of the Board**  
For Sterling Tools Limited

Date: 7<sup>th</sup> August 2025  
Place: Faridabad

**Komal Malik**  
Company Secretary  
Membership No. F6430

**Registered Office**

DJ-1210, 12<sup>th</sup> Floor, DLF Tower B,  
Jasola District Center, 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

The Company is required to appoint a Secretarial Auditor in terms of the provisions of Regulation 24A of the Listing Regulations read with provisions of Section 204 and any other provisions, if any, of the Companies Act, 2013 ("the Act") and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In accordance with the provisions of Regulation 24A of the Listing Regulations from the financial year 2025-26 onwards, the appointment of a Secretarial Auditor is required to be approved by the members in the AGM, and the term of a Secretarial Auditor shall be five years. The Audit Committee and the Board of Directors, at their respective meetings held on 6<sup>th</sup> August 2025 and 7<sup>th</sup> August 2025, have considered the proposal. In compliance with the aforesaid provisions, on the recommendation of the Audit Committee, the Board of Directors recommends the appointment of M/s Dhananjay Shukla & Associates, Company Secretaries (Peer Review Certificate No. 2057/2022), as the Secretarial Auditors for a term of five (5) years commencing from the conclusion of this AGM till conclusion of the Annual General Meeting for financial year 2029-30.

M/s Dhananjay Shukla & Associates, Company Secretaries, Gurgaon is a Partnership firm of Practicing Company Secretaries. It is a peer-reviewed firm. The firm has a competent team of qualified and experienced professionals and possesses strong credentials in conducting secretarial audits across various sectors. The Firm has been associated with a number of renowned Companies for various Corporate, Secretarial, Legal and Financial matters.

The firm is headed by CS Dhananjay Shukla (FCS:5886, COP :8271) who is the Managing Partner of the firm and he possesses experience of more than two decades in the Company Secretary Profession.

M/s. Dhananjay Shukla & Associates has been associated with the Company since FY 2019-20, and, considering their continued excellence in service, strong technical proficiency, understanding of the Company's business operations, and their reputation in the profession, the Board has found them best suited for the appointment for Five years from Financial Year 2025-26 to Financial year 2029-30.

The remuneration payable for the secretarial audit will be as may be approved by the Board of Directors of the Company from time to time.

M/s Dhananjay Shukla & Associates has conveyed its consent to act as the Secretarial Auditors of the Company and has confirmed compliance with the eligibility criteria and other applicable requirements under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular dated 31<sup>st</sup> December 2024.

The approval of the members of the Company is sought by way of an ordinary resolution as set out at Item No. 4 of the accompanying Notice.

None of the Directors, Key Managerial Personnel, or their relatives is concerned or interested, financially or otherwise, in the said Resolution.

### Item No. 5

The Board of Directors of the Company, at its meeting held on 7<sup>th</sup> August, 2025, on the recommendation of the Audit Committee, approved the appointment of M/s Jitender, Navneet & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year ending March 31, 2026, to audit the cost records maintained by the Company in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Board has approved a remuneration of ₹1.60 lakhs (Rupees One Lakh Sixty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses for conducting the said audit.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, the Board recommends the Ordinary Resolution set out in Item No. 5 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel, or their relatives is concerned or interested, financially or otherwise, in this Resolution.

### Item No. 6

The Members of the Company in the 42<sup>nd</sup> Annual General Meeting had approved the appointment of Mr. Rakesh Batra (DIN: 06511494) as an Independent Director of the Company effective from 10<sup>th</sup> November 2020 for a term of five (5) consecutive years ending on 9<sup>th</sup> November 2025.

The Board of Directors of the Company at its meeting held on 7<sup>th</sup> August 2025, based on the recommendation of the Nomination and Remuneration Committee and performance evaluation, approved and recommended for the approval of the members of the Company by Special Resolution, the re-appointment of Mr. Rakesh Batra as an Independent Director of the Company for a second term of five (5) consecutive years commencing from 10<sup>th</sup> November 2025. Mr. Rakesh Batra is not disqualified from being reappointed as Director in terms of Section 164 of the Companies Act 2013 ("Act") and has consented to act as Director of the Company in terms of Section 152 of the Act. The Company

has also received following declarations from him (i) intimation in Form DIR-8 to the effect that he is not disqualified under the Act; (ii) declaration that he meets with the criteria of independence as prescribed under the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"); (iii) declaration towards inclusion of his name in the data bank maintained for Independent Directors; and (iv) In terms of Regulation 25(8) of Listing Regulations, a confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, Mr. Rakesh Batra fulfills the conditions specified in the Act and the rules made thereunder and also under the Listing Regulations for re-appointment as an Independent Director and is independent of the Management. The Company has received a notice in writing from a Member under the provisions of Section 160(1) of the Act proposing the candidature of Mr. Rakesh Batra for the office of the Director.

The Board is of the view that given the contribution to Board processes by Mr. Rakesh Batra and his knowledge, time

commitment, experience and performance, his continued association would benefit the Company. He possesses appropriate skills, experience, knowledge and capabilities required for the role of an Independent Director of the Company. He also possesses appropriate skills, expertise and competencies in the context of the Company's businesses, particularly in the areas of financial acumen, strategic insight, governance and stakeholder engagement.

The profile and specific areas of expertise of Mr. Rakesh Batra and other relevant information as required under the Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure I to this Notice.

Accordingly, the Board recommends the Special Resolution set out in Item No. 6 of the accompanying Notice for the approval of the Members.

Except Mr. Rakesh Batra, being the proposed appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

**Registered Office:**

DJ-1210, 12<sup>th</sup> Floor, DLF Tower B,  
Jasola District Centre  
New Delhi-110025  
Date: 7<sup>th</sup> August, 2025

By Order of the Board  
**For Sterling Tools Limited**

**Komal Malik**  
Company Secretary  
Membership No. F6430







## **Sterling Tools Limited**

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