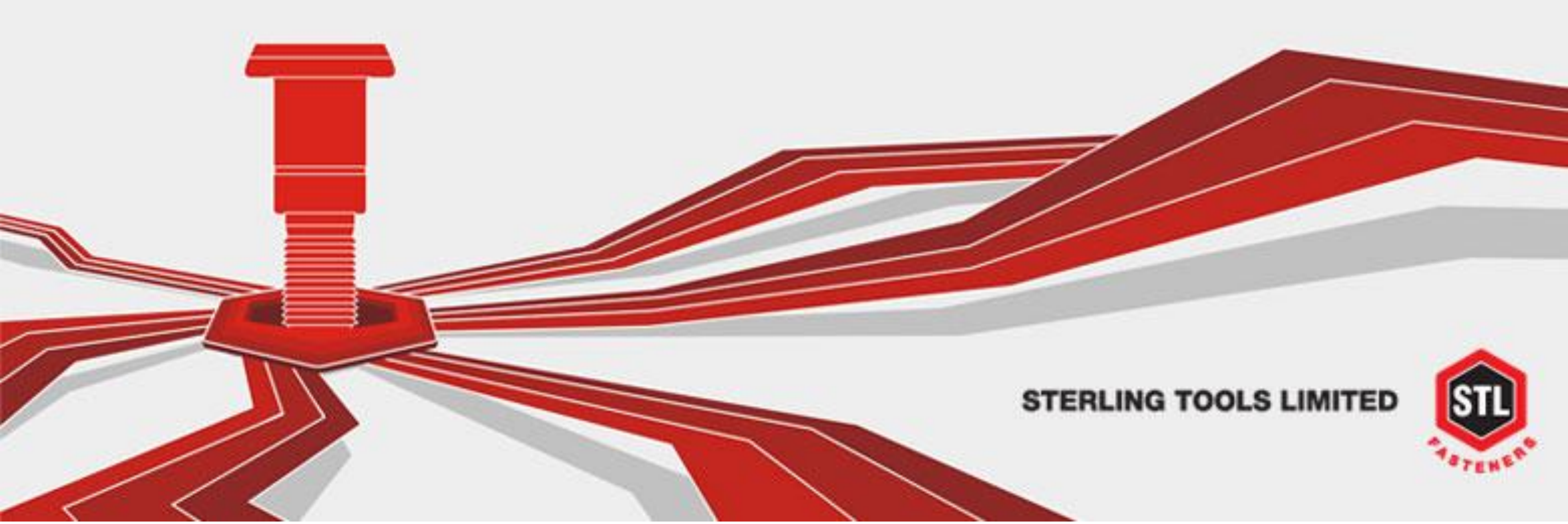


Sterling Tools Limited

(BSE: 530759; NSE: STERTOOLS)

Q4 and Full Year FY2014

Earnings Presentation

Forward Looking Statements

This presentation contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Sterling Tools Limited ('Sterling Tools') future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Sterling Tools undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances

Financial Performance

Highlights – Q4 FY2014 vs. Q4 FY2013

- Net Sales increased by 21.0% to Rs. 854 million
- EBITDA increased by 5.3% to Rs. 97 million
- Profit after Tax of Rs. 35 million, at 4.1% margin
- Net Debt of Rs. 591 million (Q4 FY2013: Rs. 796 million); Debt / Equity ratio of 0.65x (Q4 FY2013: 0.98x)
- Capacity utilization of 59.3%, an increase of 5.9%
- Dividend of 50% paid for FY2014

Management Commentary

Commenting on the results and performance, **Mr. Atul Aggarwal, Whole Time Director** said**:**

"During the financial year 2014, the economic environment in India continues remain under pressure. The weak consumer sentiment and slowdown in the industrial activity has affected the automobile industry. Despite the prevailing industry challenges, we have reported an encouraging performance with topline growth of 7% during the year. Our ongoing efforts to improve operational efficiencies have supported margins, leading to a significant Net Profit growth of over 43%.

With the newly elected government, the macro economic scenario is expected to stabilize. The management is optimistic about mid to long term growth prospects as the Company is well positioned to leverage upon any improvement in the auto industry demand in the near future."

Financial Performance

Key Financial Statistics

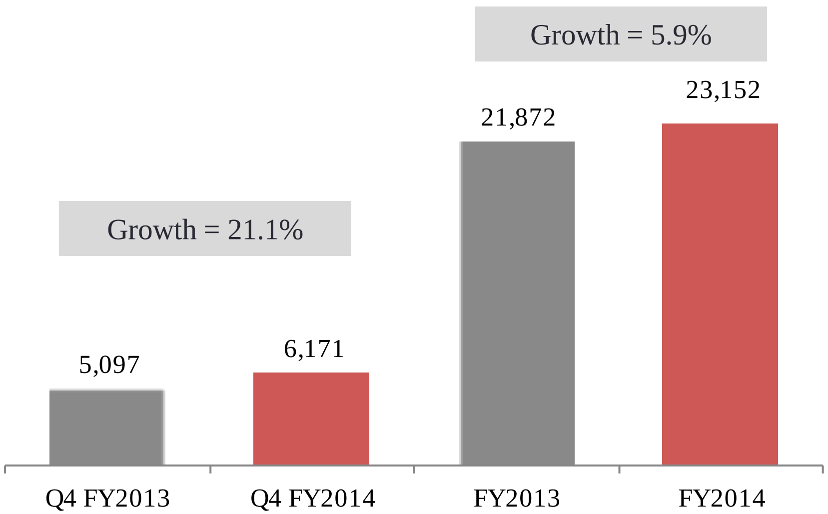
(Rs. Millions)	Q4		*y-o-y*	Q3	*q-o-q*	Full Year Ended		*y-o-y*
	FY2014	FY2013	*Growth (%)*	FY2014	*Growth (%)*	FY2014	FY2013	*Growth (%)*
Total Income	854	706	*21.0%*	740	*15.4%*	3,014	2,825	*6.7%*
EBITDA	97	92	*5.3%*	109	*(11.0)%*	422	357	*18.3%*
Margin %	*11.4%*	*13.1%*		*14.8%*		*14.0%*	*12.6%*	
Profit Before Tax (PBT)	61	49	*22.9%*	64	*(4.5)%*	242	173	*40.0%*
Margin %	*7.1%*	*7.0%*		*8.6%*		*8.0%*	*6.1%*	
Profit After Tax (PAT)	35	36	*(2.5)%*	42	*(16.7)%*	156	109	*43.7%*
Margin %	*4.1%*	*5.1%*		*5.6%*		*5.2%*	*3.8%*	
Basic EPS (Rs.)	5.09	5.22	*(2.5)%*	6.10	*(16.6)%*	22.83	15.89	*43.7%*

Performance Discussion

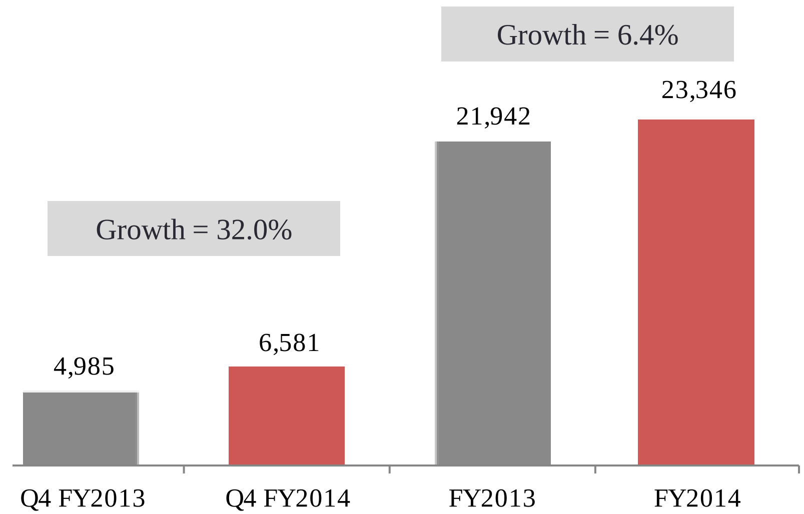
- Net sales during the quarter increased by 21.0% y-o-y. Sales volume had shown a significant growth of 36.5%, despite subdued performance by overall automotive industry. Revenue contribution from Fasteners has decline marginally during the quarter as compared to Q4 FY2013
- During the quarter, cost of goods sold has remained flat as compared to the same period last year. However, total expenses increased by 23% in Q4 FY2014 on a like-to-like basis. Production volume has increased by 25.5% during Q4 FY2014. This was due to an enhancement in capacity utilization by 8%
- Q4 FY2014 EBITDA increased by 5.3% on a y-o-y basis at a margin of 11.4%. This was on account of better price realizations and stable raw material prices
- Q4 FY2014 PAT was Rs. 35 million as compared to Rs. 36 million in Q4 FY2013. Interest expense during the quarter decreased significantly by (27.8)% as compared to Q4 FY2013. This was on account of reduction in debt by 25.9% y-o-y

Quarterly Performance

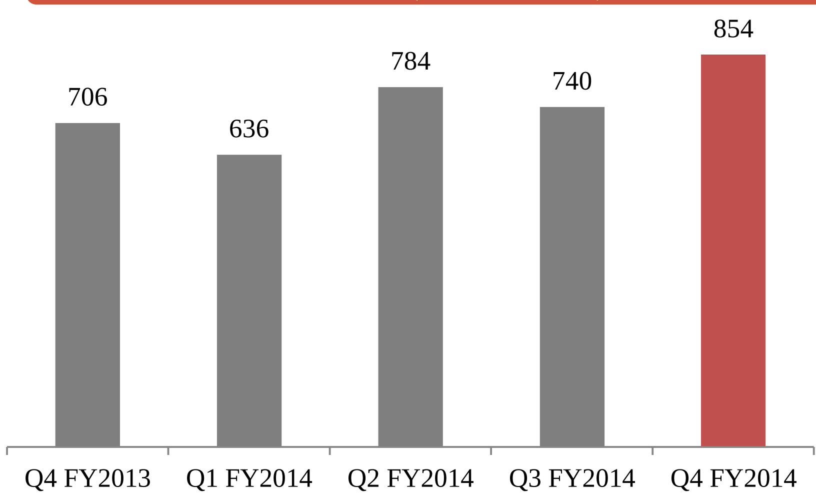
Production Volumes (in MT)



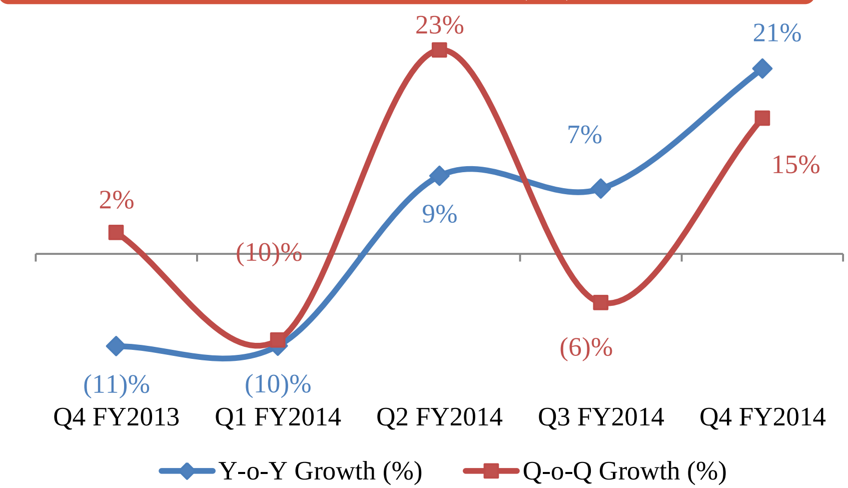
Sales Volumes (in MT)



Revenue (Rs. Million)

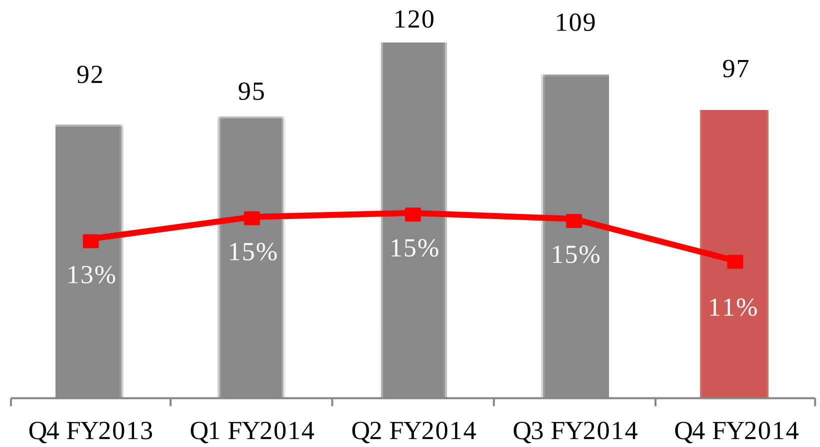


Revenue Growth (%)

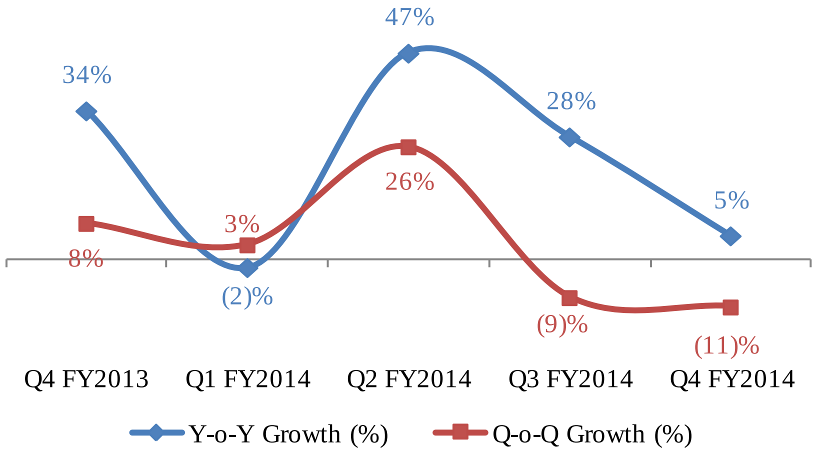


Quarterly Performance

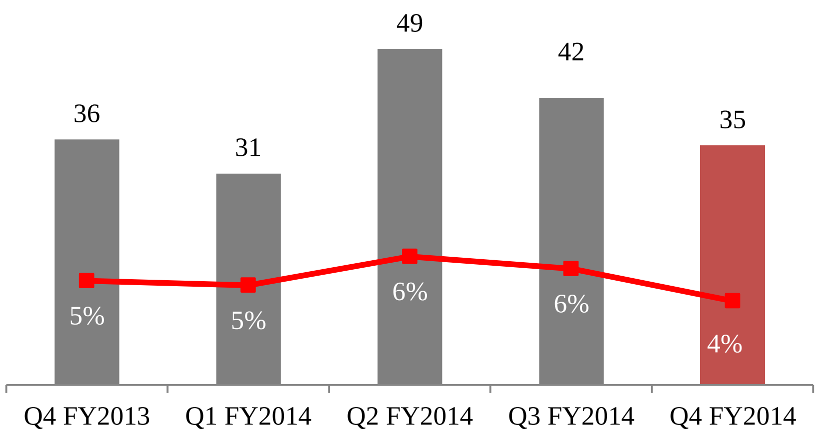
EBITDA (Rs. Million) and Margin (%)



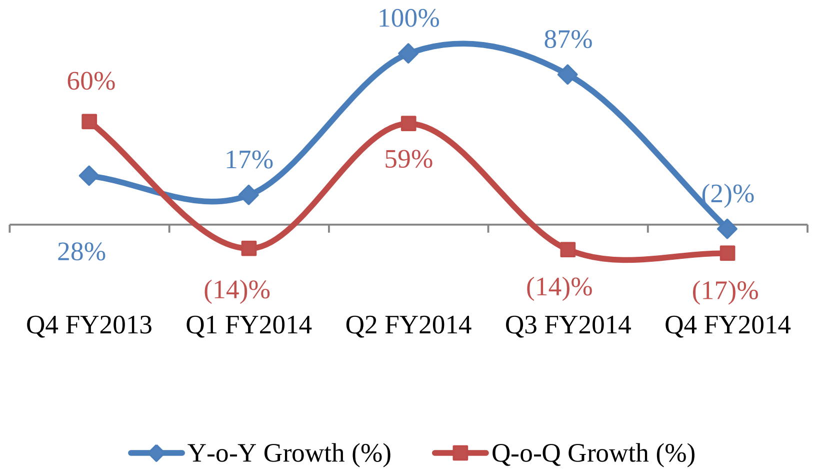
EBITDA Growth (%)



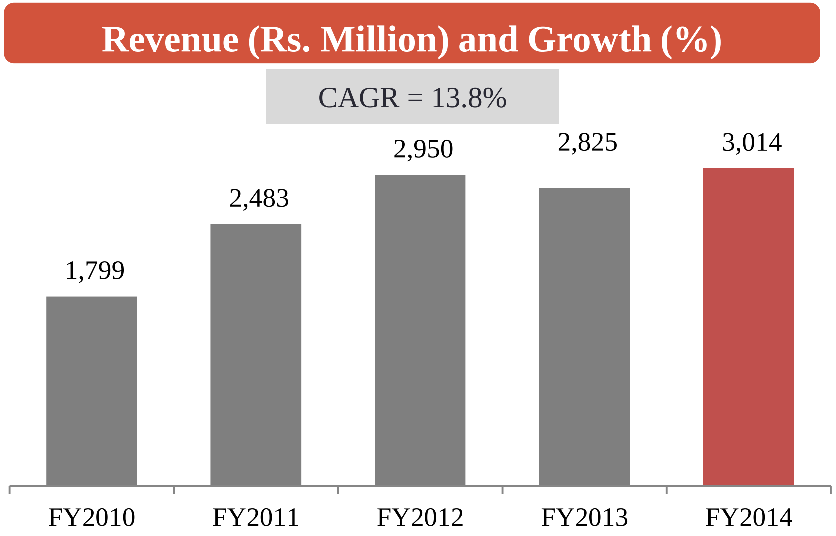
PAT (Rs. Million) and Margin (%)

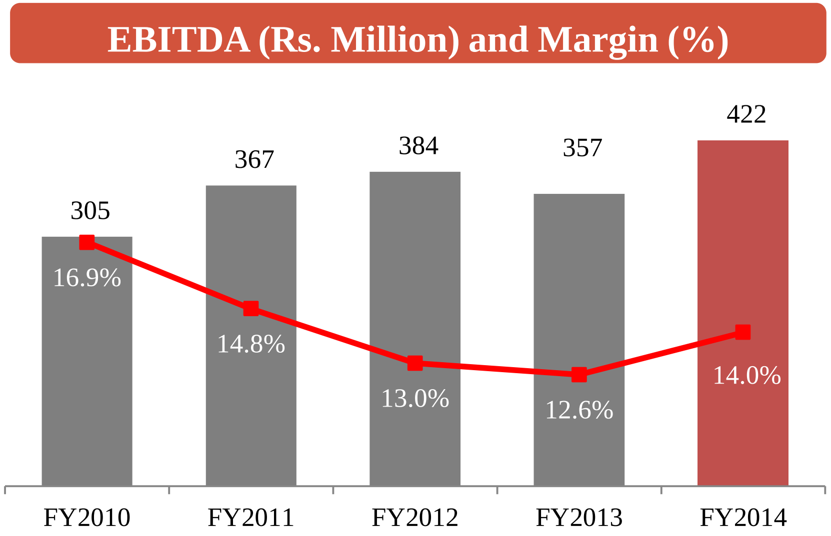


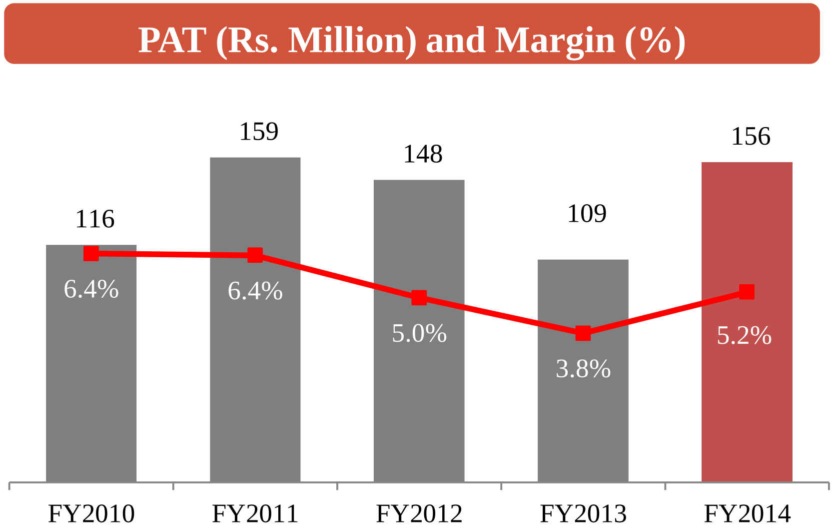
PAT Growth (%)

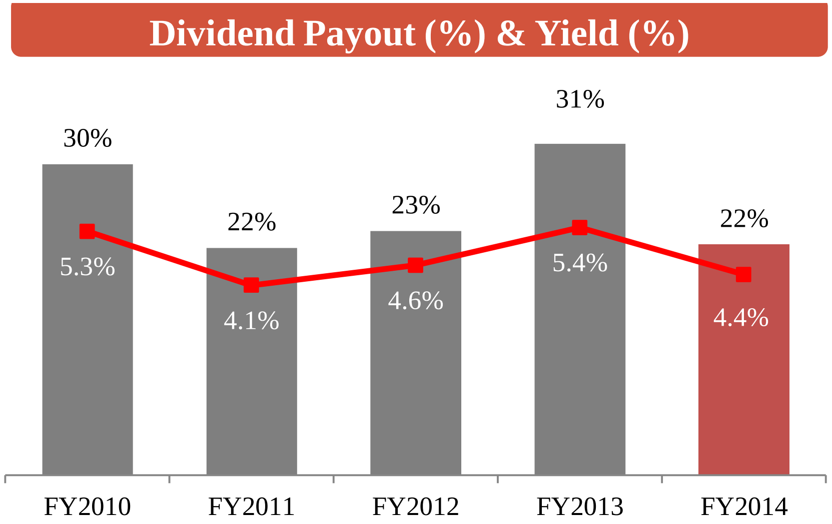


Yearly Performance







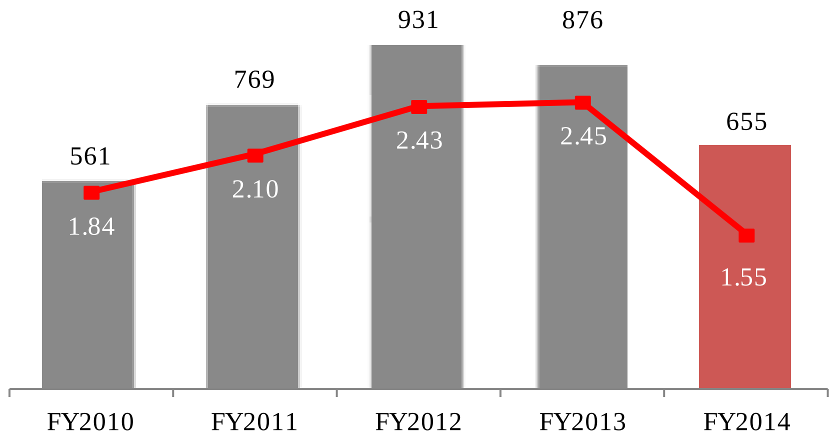


Leverage Profile

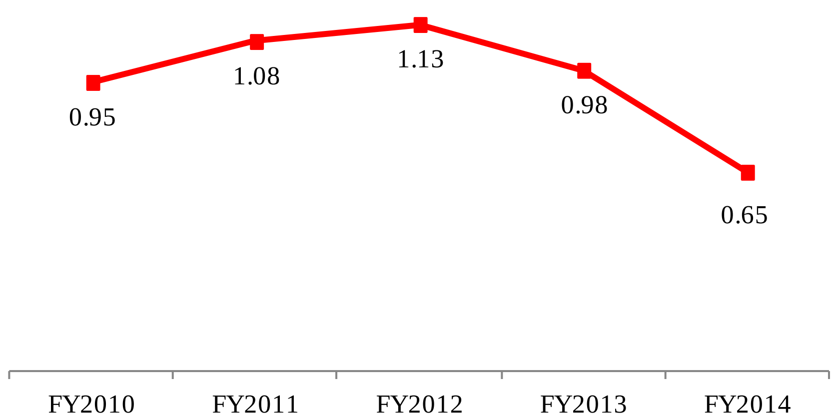
(Rs. Million)	Q4 FY2014	Q4 FY2013
Short Term Borrowings	331	499
Long Term Borrowings	324	377
Total Debt	**655**	**876**
Less: Cash & Cash Equivalents	64	80
Net Debt/(Net Cash)	**591**	**796**
Net Worth	**1,006**	**890**
Debt / Equity (x)	**0.65**	**0.98**

Agency	Instrument	Rating	Comment
CRISIL	Short-Term Funds	A2+	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk
CRISIL	Long-Term Funds	A-	Instruments with this rating are average degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk

Gross Debt & Gross Debt/EBITDA (x)



Debt/Equity (x)



Sterling Tools: At a Glance

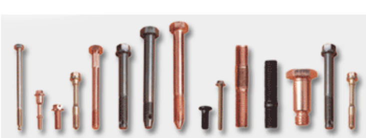
Company Background

- Sterling Tools Limited (STL), founded in 1979, engages in manufacturing of high-tensile (HT) cold forged fasteners mainly for automobiles. The Company is one of top 3 fasteners manufacturers in India and caters to leading automotive companies in India, Europe, South America and USA-NAFTA
- Product portfolio includes special fasteners, standard fasteners, surface treatment and coatings, chassis fasteners and engine fasteners. Product range includes over 2,000 types of fasteners ranging from 5 mm to 24 mm in diameter
- The Company has three manufacturing plants in Haryana with a total capacity of 41,600 MT and has over 1,000 employees
- STL is the largest supplier of HT fasteners to Honda and the second largest supplier to Maruti and Tata . Company's other blue chip customers include Ashok Leyland, Daimler, FIAT, Hero Motocorp, Mahindra & Mahindra, Volvo, Eicher, TAFE and General Motors

Product Profile

Special Fasteners

Designed specially for unique customer specifications, available in a variety of surface protection coatings

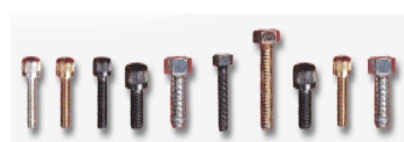


Standard Fasteners

Include socket head cap screws, hexagonal head bolts, studs, hexagon nuts and weld nuts

Chassis Fasteners

Include hub/wheel bolts, hub nuts, wheel studs, bolts, rivets and two wheeler spindles/ wheel axles



Engine Fasteners

Include cylinder head bolts/screws, fly wheel bolts, connecting rod bolts/nuts, balance weight bolts

Audited Results for the quarter and the year ended 31st March 2014
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS		QUARTER ENDED (UNAUDITED)			YEAR ENDED (AUDITED)	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
1.	Income from Operations					
	(a) Net Sales / Income from Operations	8375.74	7224.65	6872.02	29455.81	27524.56
	(Net of excise duty)					
	(b) Other Operating Income	163.48	175.14	183.27	680.14	726.03
	TOTAL INCOME (a+b)	**8539.22**	**7399.79**	**7055.29**	**30135.95**	**28250.59**
2.	Expenses					
	a) Cost of material consumed	3382.77	3010.45	2904.07	12601.18	12489.11
	b) Purchase of stock in trade	0.00	0.00	0.00	0.00	0.00
	c) Change in inventories of finished goods, work-in-progress	660.86	128.24	441.88	453.98	545.68
	and stock in trade					
	d) Employee benefits expenses	563.29	638.49	582.65	2607.60	2407.31
	e) Depreciation and amortization expenses	272.65	258.09	241.35	1029.84	940.76
	f) Other Expenses	2959.80	2556.63	2226.55	10297.18	9295.11
	Total Expenses	**7839.37**	**6591.90**	**6396.50**	**26989.78**	**25677.97**
3.	**Profit from Operations before Other Income, finance costs and Exceptional Items (1-2)**	**699.85**	**807.89**	**658.79**	**3146.17**	**2572.62**
4.	Other Income	1.11	27.85	24.39	45.83	55.03
5.	**Profit from ordinary items before finance costs and Exceptional Items (3+4)**	**700.96**	**835.74**	**683.18**	**3192.00**	**2627.65**
6.	Finance costs	169.20	188.74	234.34	813.31	1003.45
7.	**Profit form ordinary activities after finance costs but before Exceptional Items (5-6)**	**531.76**	**647.00**	**448.84**	**2378.69**	**1624.20**
8.	Exceptional Items	75.71	(11.21)	45.46	42.08	105.41
9.	**Profit from Ordinary Activities before Tax (7+8)**	**607.47**	**635.79**	**494.30**	**2420.77**	**1729.61**
10.	Tax Expenses	259.29	217.94	137.22	858.35	642.09
11.	**Net Profit from Ordinary Activities after Tax (9-10)**	**348.18**	**417.85**	**357.08**	**1562.42**	**1087.52**
12.	Extraordinary Items (net of tax expense Rs. Nil)	0.00	0.00	0.00	0.00	0.00
13.	**Net Profit (11-12)**	**348.18**	**417.85**	**357.08**	**1562.42**	**1087.52**
14.	Share of profit of associates	0.00	0.00	0.00	0.00	0.00
15.	Minority interest	0.00	0.00	0.00	0.00	0.00
16.	**Net Profit after taxes, minority interest and share of profit of associates**	**348.18**	**417.85**	**357.08**	**1562.42**	**1087.52**
17.	Paid-up equity share capital	684.46	684.46	684.46	684.46	684.46
	(Face value of Rs. 10/- each)					
18.	Reserves excluding Revaluation Reserve				9373.07	8211.05
19.	Earnings per share(Face value of Rs. 10/- Each)					
	i) Before Extraordinary items					
	– Basic	5.09	6.10	5.22	22.83	15.89
	– Diluted	5.09	6.10	5.22	22.83	15.89
	i) After Extraordinary items					
	– Basic	5.09	6.10	5.22	22.83	15.89
	– Diluted	5.09	6.10	5.22	22.83	15.89

Audited Results for the quarter and the year ended 31st March 2014
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PART-II SELECT INFORMATION FOR THE QUARTER ENDED 31.03.2013

PARTICULARS		QUARTER ENDED (UNAUDITED)			YEAR ENDED (AUDITED)	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
A.	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	– Number of Shares	2049725	2052062	2055936	2049725	2055936
	– Percentage of Shareholding	29.95	29.98	30.04	29.95	30.04
2	Promoters and promoters Group shareholding					
	a) Pledged/Encumbered					
	– Number of Shares	0	0	0	0	0
	– Percentage of share (as a % of the total shareholding of promoter and promoter group)	0	0	0	0	0
	– Percentage of share (as a % of the total share capital of the company)	0	0	0	0	0
	b) Non-encumbered					
	– Number of Shares	4794875	4792538	4788664	4794875	4788664
	– Percentage of share (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	– Percentage of share (as a % of the total share capital of the company)	70.05	70.02	69.96	70.05	69.96

	Particulars	Quarter ended 31.03.2014
B.	INVESTOR COMPLAINTS	
	Pending at the beginning of the year	Nil
	Received during the Quarter	Nil
	Disposed during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

STERLING TOOLS LIMITED ★ FARIDABAD ★

Audited Results for the quarter and the year ended 31st March 2014
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

STL FASTENERS

			As at 31st March(Audited)	
			2014	2013
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital		684.46	684.46
	(b) Reserves and surplus		9373.07	8211.05
		Sub-total - Shareholders' funds	10057.53	8895.51
2	Minority interest *			
3	Non-current liabilities			
	(a) Long-term borrowings		2506.32	2663.45
	(b) Deferred tax liabilities (net)		1307.46	1208.56
	(c) Other long-term liabilities		52.84	50.95
	(d) Long-term provisions		55.28	50.50
		Sub-total - Non-current liabilities	3921.90	3973.46
4	Current liabilities			
	(a) Short-term borrowings		3305.58	4994.45
	(b) Trade payables		2051.52	1553.36
	(c) Other current liabilities		1155.11	1509.35
	(d) Short-term provisions		188.16	68.88
		Sub-total - Current liabilities	6700.37	8126.04
		TOTAL - EQUITY AND LIABILITIES	20679.80	20995.01
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets		11222.10	10727.55
	(b) Goodwill on consolidation *			
	(c) Non-current investments		475.75	375.00
	(d) Deferred tax assets (net)		0.00	0.00
	(e) Long-term loans and advances		559.12	367.59
	(f) Other non-current assets		0.00	0.00
		Sub-total - Non-current assets	12256.97	11470.14
2	Current assets			
	(a) Current investments			
	(b) Inventories		3580.36	4027.25
	(c) Trade receivables		3479.47	3690.50
	(d) Cash and cash equivalents		639.89	798.33
	(e) Short-term loans and advances		542.37	815.22
	(f) Other current assets		180.74	193.57
		Sub-total - Current assets	8422.83	9524.87
		TOTAL - ASSETS	20679.80	20995.01

NOTES:
1. The above results were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 30th May, 2014.
2. The Board of Directors have recommended that the Interim Dividend @50% (₹ 5/- Per Equity Share) already declared on 22nd January, 2014 and paid, be treated as final dividend for the Financial Year 2013-2014.
3. The Company operates only in one segment.
4. Previous year figures have been regrouped wherever necessary.

for and on behalf of the Board of Directors
-Sd-
Anil Aggarwal
Managing Director

Place: Faridabad
Date: 30.05.2014

STERLING TOOLS LIMITED FARIDABAD

STERLING TOOLS LIMITED

Contact Details:

Sterling Tools Limited

Plot No. 4, DLF Industrial Estate,

Faridabad – 121 003, Haryana

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