



STERLING TOOLS LIMITED

CIN No.: L29222DL1979PLC009668

Regd. Office : K-40, Connaught Circus, New Delhi-110001

Corporate Office : Plot No. 4, D L F Industrial Estate, Faridabad-121003

E-mail : sterling@stlfasteners.com, Website : www.stlfasteners.com

Tel : 91 129 2270621-25 / Fax : 91 129 2277359

Notice for the Annual General Meeting

Notice is hereby given that Thirty Fifth Annual General Meeting of the Members of **Sterling Tools Limited** will be held at **LakshmiPat Singhania Auditorium**, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 on Tuesday, 2nd September, 2014 at 9:30 A.M. to transact the following business(s):

Ordinary Business

1. Adoption of Accounts

To receive, consider and adopt the audited Balance Sheet as at 31st March 2014 and the Profit and Loss Account for the financial year ended on that date together with the Directors' Report and Auditors' Report thereon.

"RESOLVED THAT the Audited Balance Sheet as at 31st March 2014 and the Profit and Loss Account for the Financial Year ended 31st March 2014 together with the Directors' Report and Auditors' Report thereon be and are hereby received, considered and adopted."

2. Declaration of Dividend

To confirm the Interim Dividend @ 50% for the Financial Year 2013-2014 as Final Dividend for the said Financial Year.

"RESOLVED THAT the Interim Dividend declared @ 50% by Board of Directors vide their meeting held on 22nd January, 2014 be and is hereby confirmed as Final Dividend for Financial Year 2013-2014."

3. Reappointment of Retiring Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Atul Aggarwal (DIN 00125825) who retires by rotation, and being eligible, offers himself for re-appointment be and is hereby re-appointed as Director".

4. Appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution for the appointment and fixation of the remuneration for the Statutory Auditors for the Financial Year 2014-2015 as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139(1) and other applicable provisions, if any, of the Companies Act, 2013, M/s S. R. Dinodia & Co. LLP., the Chartered Accountants, (ICAI Regn. No. 01478N) be and is hereby re-appointed as the Statutory Auditors of the Company for the Financial Year 2014-2015 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors of the Company."

Special Business

5. Appointment of Dr. T. N. Kapoor as an Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT Dr. T.N. Kapoor (holding DIN 00017692), an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the Company pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, with effect from 1st April 2014 for a period of five years, who shall not liable to retire by rotation."

6. Appointment of Mr. C.R. Sharma as an Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT Mr. C.R. Sharma (holding DIN 00522678), an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the Company pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, with effect from 1st April 2014 for a period of five years, who shall not liable to retire by rotation."

7. Alteration of Articles of Association 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 Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedite to give effect to this resolution."

8. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015:

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 Cost Auditors M/s GT & Co. appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. Re-appointment and payment of remuneration to Shri M.L. Aggarwal, Chairman of the Company:

To consider and, if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, approval of the Company be and is hereby accorded to the re-appointment of Shri M.L. Aggarwal (DIN: 00027380) as Chairman of the Company, for a period of 3 (three) years with effect from 1st April, 2015 to 31st March, 2018, and shall also be liable to retire by rotation on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as the Central Government may deem fit and as may be acceptable to Shri M.L. Aggarwal."

"RESOLVED FURTHER THAT, where, in any financial year, during the currency of the tenure of the Chairman, the Company has no profits or its profits are inadequate, the Company shall pay to the Chairman the above remuneration as minimum remuneration."

"RESOLVED FURTHER THAT pursuant to the provisions of section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, an application be made to the Central Government for seeking approval for the re-appointment and payment of remuneration to Mr. M.L. Aggarwal as Chairman on the aforesaid terms."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. Re-appointment and payment of remuneration to Shri Anil Aggarwal, Managing Director of the Company:

To consider and, if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, approval of the Company be and is hereby accorded to the re-appointment of Shri Anil Aggarwal (DIN: 00027214) as Managing Director of the Company, for a period of 3 (three) years with effect from 1st April, 2015 to 31st March, 2018 and shall also be liable to retire by rotation, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as the Central Government may deem fit and as may be acceptable to Shri Anil Aggarwal."

"RESOLVED FURTHER THAT, where, in any financial year, during the currency of the tenure of the Chairman, the Company has no profits or its profits are inadequate, the Company shall pay to the Managing Director the above remuneration as minimum remuneration."

"RESOLVED FURTHER THAT pursuant to the provisions of section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, an application be made to the Central Government for seeking approval for the re-appointment and payment of remuneration to Shri Anil Aggarwal as Managing Director on the aforesaid terms."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. Re-appointment and payment of remuneration to Shri Atul Aggarwal, Whole Time Director of the Company:

To consider and, if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, approval of the Company be and is hereby accorded to the re-appointment of Shri Atul Aggarwal (DIN: 00125825) as Whole Time Director of the Company, for a period of 3 (three) years with effect from 1st April, 2015 to 31st March, 2018 and shall also be liable to retire by rotation, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as the Central Government may deem fit and as may be acceptable to Shri Atul Aggarwal."

"RESOLVED FURTHER THAT, where, in any financial year, during the currency of the tenure of the Chairman, the Company has no profits or its profits are inadequate, the Company shall pay to the Whole Time Director the above remuneration as minimum remuneration."

"RESOLVED FURTHER THAT pursuant to the provisions of section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, an application be made to the Central Government for seeking approval for the re-appointment and payment of remuneration to Shri Atul Aggarwal as Whole Time Director on the aforesaid terms."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board
For Sterling Tools Limited**

**Date: 30th May, 2014
Place: Faridabad**

**(Vaishali Singh)
Company Secretary
Membership No. A15108**

**Registered Office:
K-40, Connaught Circus
New Delhi-110001**

**House No. 466, 2nd Floor
Ashoka Enclave Part -III,
Faridabad-121003**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. In terms of Section 102(1) (a) and (b), none of the Directors, Key Managerial Persons or their relatives have any concern, financial or otherwise and does not have any conflict of interest in Item No. 5 to Item No. 11 except as expressed under each of the items in the explanatory statement.
3. Explanatory Statements in respect of items (including the ones for items of Special Business under Section 102 of the Companies Act, 2013) are annexed herewith.
4. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
5. In case of joint holders attending the Meeting, only such a joint holder who is higher in the order of names will be entitled to vote.
6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
7. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report. Members/Proxy Holders/Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue of the AGM. Proxy/Authorized Representatives of a member should state on the attendance slip as 'Proxy or Authorized Representative' as the case may be.
8. The Directors' Report, Auditors' Report and Audited Balance Sheet as at 31st March 2014 and the Profit and Loss Account for the financial year ended on that date are enclosed.
9. In terms of Article 89 of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Mr. Atul Aggarwal, Whole time Director, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company commends his respective re-appointment. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges of person seeking re-appointment as director under Item No. 3 are annexed herewith.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days between 10 A.M. to 2 P.M. and upto the date of the Meeting.
11. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 16th August, 2014 to Monday, 25th August, 2014 (both days inclusive) in connection with the ensuing Annual General Meeting and for purpose of determining the entitlement of dividend, if any, declared by the Company.
12. The Company has designated an exclusive e-mail ID called **vaishalis@stlfasteners.com** for redressal of shareholders' / investors' complaints / grievances. In case you have any queries / complaints or grievances, then please write to us at the above e-mail address.
13. Members holding shares in electronic form may please note that the bank account details and 9 digit MICR code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank

account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company.
15. Pursuant to the provisions of Section 205A (5) and 205 (c) of the Companies Act, 1956, read with Section 125 of the Companies Act, 2013 followed by the issue of Investor Education & Protection Fund (Awareness and Protection of the Investors) Rules, any dividend transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to a fund called the Investor Education and Protection Fund (the fund) set up by the Central Government.

Accordingly, unpaid / unclaimed dividend for the Financial Year 2006-2007 has already been transferred to the fund on 23rd May, 2014, followed by the transfers of the amounts of unpaid / unclaimed dividends for the subsequent years. No claim shall lie thereafter against the fund or the company in respect of such amounts transferred. Shareholders are therefore requested to verify their records and send claims, if any, for the relevant years from 2006-2007 onwards, before the respective amounts become due for transfer to the fund. The following are the details of the dividends declared by the Company and respective due dates for claiming by the shareholders:

Dividend Year	Date of declaration of dividend	Last Date for claim
2007-2008	07/08/2008	12/09/2015
2008-2009	01/09/2009	07/10/2016
2009-2010 -Interim	18/02/2010	26/03/2017
2009-2010	30/08/2010	05/10/2017
2010-2011	06/07/2011	10/08/2018
2011-2012	06/07/2012	10/08/2019
2012-2013 - Interim	18/02/2013	26/03/2020
2013-14-Interim	22/01/2014	01/03/2021

Those members who have not so far claimed their dividend for the financial year 2007-2008, 2008-2009, 2009-2010-Interim, 2009-2010, 2010-2011, 2011-2012, 2012-2013-Interim & 2013-14-interim are requested to make their claims to the Company for obtaining duplicate dividend warrants.

16. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares in individual name are advised to avail of the nomination facility by filing Form No. 2BV in their own interest. Blank form can be had from MAS Services Limited on request. Members holding shares in dematerialized form may contact their respective DP's for registration of nomination.
17. Members holding physical shares in multiple folios in identical name are requested to send their share certificates to Company's Registrar and Share Transfer Agent, M/s MAS Services Limited for consolidation.
18. The Copies of the Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
19. In case of any query, Members are requested to send the same to the Company Secretary atleast 10 days before the date of the meeting so that information can be made available at the meeting.
20. Members are requested to note that no **GIFT** will be distributed at the meeting.
21. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
22. The entire Annual Report is also available at the Company's Website www.stlfasteners.com.
23. **As per Circular no. 18/2011 and Section 101(1) read with Rule 18 of the Companies (Management & Administration) Rules, 2014 on Green initiative, the Company will send Annual Report along with other documents through emails to all members, who have registered their email address with the depository and physical hard copies will be dispatched to others. In case any member desires to get hard copy of Annual Report, they can write to Company at registered office address or email at vaishalis@stlfasteners.com.**
24. In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the Rules), the Items of Business given in AGM Notice may be transacted through electronic voting system and the Company is providing e-voting facility to the members who are the members as on 18th July, 2014 (End of Day) being the "Record Date" fixed for the purpose, to exercise their right to vote at the 35th AGM by electronic means through the e-voting platform provided by Central Depository Services India Ltd. (CDSL).
25. **The procedure and instructions for e-voting as given in the Notice of the 35th Annual General Meeting are again reproduced hereunder for easy reference:**
 - (A) **In case of members receiving e-mail:**
 - i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.

- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on “Shareholders” tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - “EVSN” along with “COMPANY NAME-Sterling Tools Limited” from the drop down menu and click on “SUBMIT”
- v) Now, fill up the following details in the appropriate boxes:

	For members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's after the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA12340000 in the PAN field • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234. 	
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on cut-off date (record date) of August 01, 2014 in the Dividend Bank details field. 	

- vi) After entering these details appropriately, click on “SUBMIT” tab.
 - vii) Members holding shares in physical form will then reach directly to the EVSN election screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily change their login password, in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
 - viii) Click on the EVSN for Sterling Tools Limited to vote.
 - ix) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
 - xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the Company/ depository participant(s) or requesting physical copy]:
Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
26. The voting period begins on August 27, 2014 at 9.00 a.m. and ends on August 29, 2014 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 18, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 27. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
 28. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of July 18, 2014.
 29. The Company has appointed Mr. A. K. Goyal, Practising Company Secretary (FCS No. 1565, C-7461) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

30. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
31. The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.stlfasterners.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.
32. For any further details in this regard, you may contact MAS Services Limited, RTA of the Company located at T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 (011-26387281) or Sterling Tools Limited, Share Department, Plot No. 4, DLF Industrial Estate, Faridabad-121003 (0129-2270621) or CDSL (022-22723333).
- 33.. Details of Directors seeking appointment/reappointment in the Annual General Meeting scheduled on Tuesday, September 2, 2014 (Pursuant to Clause 49 (IV) (G))**

Name of Director	Shri M.L. Aggarwal	Shri Anil Aggarwal	Shri Atul Aggarwal	Dr. T.N. Kapoor	Shri C.R. Sharma
Date of Birth	15/09/1930	07/05/1958	26/03/1964	02/06/1932	13/11/1942
Expertise in Specific Functional Areas	Raw Material Management	Production	Finance & Marketing	Corporate Affairs, Corporate Management Policy, Finance and Human Resources Management	Corporate Banking and International Banking Affairs
Qualification	B.Sc.	B.Com	MBA	M. Com. LLB, Ph.D.	B.A.
Board Membership of other Public Limited Companies as on 31 st March, 2014	NIL	NIL	NIL	Omax Auto Limited Modern Steel Limited KDDL Limited Swaraj Engines Limited	PNC Infratech Limited JHS Svendgaard Laboratories Limited
Chairman/member of the Committee of the Board of Directors as on 31 st March, 2014	Nomination & Remuneration Committee - Member Share Transfer Committee - Chairman	Audit Committee - Member Share Transfer Committee - Member	Stakeholders Relationship Committee – Member Share Transfer Committee – Member	Stakeholders Relationship Committee – Chairman Audit Committee – Member Nomination & Remuneration Committee – Member	Stakeholders Relationship Committee – Member Audit Committee – Chairman Nomination & Remuneration Committee – Member
Chairman / member of the Committee of Directors of the other Companies in which he is a Director as on March 31, 2014. a. Audit Committee b. Stakeholders Relationship Committee c. Other Committees	NIL	NIL	NIL	Omax Auto Limited Audit Committee – Member Stakeholders Relationship Committee – Chairman Nomination & Remuneration Committee – Member Swaraj Engines Limited Audit Committee – Member Stakeholders Relationship Committee – Chairman Nomination & Remuneration Committee – Member Modern Steel Limited Audit Committee – Member Stakeholders Relationship Committee – Chairman Nomination & Remuneration Committee – Chairman KDDL Limited Audit Committee – Chairman Nomination & Remuneration Committee – Member	PNC Infratech Limited Audit Committee – Member Stakeholders Relationship Committee – Chairman Share Transfer Committee – Member JHS Svendgaard Laboratories Limited Audit Committee – Member
Number of Shares held of Sterling Tools Limited	771016	1568128	1723331	NIL	NIL

**By order of the Board
For Sterling Tools Limited**

Date: 30th May, 2014
Place: Faridabad

Registered Office:
K-40, Connaught Circus
New Delhi-110001

(Vaishali Singh)
Company Secretary
Membership No. A15108
House No. 466, 2nd Floor
Ashoka Enclave Part -III,
Faridabad-121003

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. 5 & 6

The Board of Directors of the Company comprises of an Executive Chairman Shri M.L. Aggarwal, the Managing Director & CEO, Mr. Anil Aggarwal, Whole Time Director (Finance & Marketing), Mr. Atul Aggarwal and two independent directors Mr. C.R. Sharma and Dr. T.N. Kapoor pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges. Section 149(4) of the Companies Act, 2013 states that every listed public company shall have at least one-half of the total number of directors as Independent Directors. Section 149(5) also provides that every company existing on or before the date of commencement of this Act shall, within one year from such commencement or from the date of notification of the rules in this regard as may be applicable; comply with the requirements of the provisions of sub-section (4). Section 149 (10) of the Companies Act, 2013, *inter alia*, provides that subject to the provisions of Section 152, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company. It is further clarified in the proviso to sub-sections (10) and (11) of Section 149 of the Act that, any tenure of an Independent Director on the date of commencement of this Act shall not be counted as a term under those sub-sections (10) and (11).

Your Board is of the opinion that the above mentioned 2 Independent Directors fulfill the conditions specified in the Act for appointment as Independent Directors of the Company and the proposed Directors are independent of the Management of the Company. Details in respect of these two Directors, who are proposed to be appointed as Independent Directors, are furnished in the table at Note No.26 of this Notice. Both are eminent personalities in their respective fields. Your Board considers that their continued association with the Company would be of immense benefit to the Company. In view thereof, your Board has recommended them to be classified as Independent Directors.

Accordingly, your Board has recommended for approval of the shareholders by way of special resolution, under item nos. 5 to 6 of the accompanying notice, the classification of the aforementioned Directors also as Independent Directors pursuant to Section 149 of the Companies Act, 2013 read with Rules made thereunder, with their respective term of Office to be for a period of five years with effect from 1st April 2014.

The Company has received notices in writing from two members' alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Sh. C. R. Sharma and Dr. T. N. Kapoor for their respective appointment as Independent Director of the Company.

Copy of the draft letters for appointment of Shri C R Sharma and Dr. T. N. Kapoor as an Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges

Mr. C.R. Sharma & Dr. T.N. Kapoor and their relatives are interested in the resolutions set out respectively at Item Nos. 5 & 6 of the Notice with regard to their respective appointments.

Save as except the above, none of the other Directors/ Key managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Item No. 7

The Articles of Association ("AoA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs "MCA" had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, *inter alia*, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247).

However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares, which is as reproduced below:

DRAFT
THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION

OF

STERLING TOOLS LIMITED

The following regulations comprised in these articles of association are to be adopted pursuant to members resolution passed at the Annual General Meeting of the Company held on 2nd September, 2014 in substitution for and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

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| Table "F" not to apply | 1. (i) The regulations contained in the Table marked "F" in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. |
| Company to be governed by these Articles | (ii) The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. |

INTERPRETATION

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| "The Act" | 2. (1) In these Articles -
(a) "Act" means the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant article in which the said term appears in these articles and any previous company law, so far as may be applicable. |
| "Articles" | (b) "Articles" means these Articles of Association of the Company or as altered from time to time. |
| "Board" or "Board of Directors" | (c) "Board" or the "Board of Directors" means the collective body of the Directors of the Company. |
| "The Company" or "This Company" | (d) "The Company" or "This Company" means Sterling Tools Limited |
| "The Rules" | (e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act. |
| "Seal" | (f) "Seal" means the Common Seal of the Company for the time being in force. |
| "Number" and "Gender" Expression in the Act to bear the same meaning as in the Act | (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
(3) Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or the rules, as the case may be. |

SHARE CAPITAL AND VARIATION OF RIGHTS

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| Share under control of Board | 3. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. |
| Directors may allot shares otherwise than for cash | 4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the |

		capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than for cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.
Kinds of share Capital	5	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (a) Equity Share Capital: (i) With voting rights; and/or (ii) With differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference Share Capital
Issue of Certificate	6	(1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,- (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
Certificates to bear seal		(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
One Certificate for shares held jointly		(3) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
Option to receive share certificate or hold shares with depository	7	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
Issue of new certificate in lieu of one defaced, lost or destroyed.	8	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
Provisions as to issue of certificates to apply mutatis mutandis to debentures etc.	9	The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures of the company.
Power to pay commission in connection with securities issued.	10	(1) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
Rate of commission in accordance with Rules		(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules.
Mode of payment of Commission		(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
Variation of members' rights	11	(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
Provisions as to general meetings to apply mutatis mutandis to each meeting.		(2) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply
Issue of further shares not to affect rights of existing members	12	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
Power to issue redeemable preference shares	13	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

Power to issue redeemable preference shares	14	<p>(1) The Board or the Company, as the case may be, may in accordance with the Act and the Rules, issue further shares to-</p> <p>(a) Persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the share offered to him or any of them in favour of any other person; or</p> <p>(b) Employees under any scheme of employees' stock option;</p> <p>(c) Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above. Further issue of share capital</p>
Mode of further issue of shares	(2)	A further issue of share may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Lien

Lien to extend to dividends, etc.	15	<p>(1) The company shall have a first and paramount lien-</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p>Provided that the Board directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. Company' lien on shares</p>
Waiver of lien in case of registration.	(2)	The company's lien, if any, on a share shall extend to all dividends or interest payable and bonuses declared from time to time in respect of such shares.
As to enforcing lien by sale	(3)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
Validity of sale	16	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>
Purchaser to be registered owner	17	<p>(1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p>
Purchaser not affected	(3)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in inference to the sale.
Application of proceeds of sale	18	(1) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
Payment of residual money	(2)	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
Payment of residual money	19	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company' lien shall prevail notwithstanding that it has received notice of any such claim Outsider' lien not to affect Company' lien
Provisions as to Lien to apply mutatis mutandis to other securities.	20	The provision of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Calls on Shares

Board may make calls	21	(1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
Notice of Call	(2)	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
Revocation or postponement of call	(3)	A call may be revoked or postponed at the discretion of the Board.
Call to take effect from the date of resolution	22	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
Liability of joint holders of shares	23	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
Interest on Call or installment payable	24	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate as may be fixed by the Board.
Board may waive interest	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
Sums deemed to be calls	25	(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
Effect of non-payment of sums	(2)	In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment in anticipation of calls may carry interest	26	The Board— (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member any right to participate in profits or dividends or any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him,.
Provisions as to call to apply mutatis mutandis to other securities.	27	The provision of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

Transfer of Shares

Instrument of transfer to be executed by transferor and transferee	28	(1) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
Board may refuse to register transfer	29	The Board may, subject to the right of appeal conferred by the Act decline to register— (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the company has a lien.
Board may decline to recognize instrument of transfer	30	In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless- (a) the instrument of transfer is duly executed and is in the form as prescribed in rules made under the Act. (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.

Transfer of shares when suspended 31 On giving not less than seven days' previous notice in accordance with the Act and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Provisions as to transfer to apply mutatis mutandis to other securities. 32 The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Transmission of shares

33 (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares. Title to shares on death of a member

Estate of deceased member liable (2) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Transmission Clause 34 (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

Board's right unaffected (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Indemnity to the Company (3) The company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

Right to election of holder of share 35 (1) if the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he selects.

Manner of testifying election (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

Limitations applicable to notice (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Claimant to be entitled to same advantage 36 A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Provisions as to transmission to apply mutatis mutandis to other securities. 37 The provision of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

Forfeiture of Shares

If call or instalment not paid notice must be given 38 If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

Form of notice 39 The notice aforesaid shall—(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (h) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

In default of payment of shares to be forfeited 40 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the

		notice has been made, be forfeited by a resolution of the Board to that effect
Receipt of part amount or grant of indulgence not to affect forfeiture	41	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
Entry of forfeiture in register of members	42	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
Effect of forfeiture	43	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share,
Effect of forfeiture	44	(1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
Cancellation of forfeiture		(2) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
Member still liable to pay money owing at time of forfeiture	45	(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
Cesser of liability		(2) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
Certificate of forfeiture	46	(1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
Title of purchaser and transferee of forfeited shares		(2) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
Transferee to be registered as holder		(3) The transferee shall thereupon be registered as the holder of the share.
Transferee not affected		(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
Sums deemed to be calls	47	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Provisions as to forfeiture of shares to apply mutatis mutandis to other securities.	48	The provision of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Alteration of Capital

Power to alter share capital	49	Subject to the provisions of the Act, the company may, from time to time, by ordinary resolution: <ul style="list-style-type: none"> (a) increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
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Shares may be converted into stock	50	Where shares are converted into stock,— (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
Right of stockholders		(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
Reduction of capital	51	The company may, by resolution as prescribed by the Act, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account and/or (d) any other reserve in the nature of share capital.

Joint Holders

Joint Holders	52	Where two or more persons are registered as joint holders(not more than three) of any share, they shall be deemed(so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
Liability of Joint-holders		(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share. (b) On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.Death of one or more joint holders
Liability of Joint-holders		(c) Any one of such joint holders may give effectual receipts of any dividends, interest or other moneys payable in respect of such share.Receipt of one sufficient
Delivery of certificate and giving of notice to first named holder		(d) Only the person whose name stands first in the register of members as one of joint holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice and any notice served on or sent to such person shall be deemed service on all the joint holders.
Vote of joint-holders		(e) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by any attorney or proxy stands higher in the register in respect of such shares.
Executors or administrators as joint holders		(f) Several executors or administrators of a deceased member in whose sold name any share stand, shall for the purpose of this clause be deemed joint holders.
Provisions as to joint holders as to shares to apply to other securities		(g) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Capitalisation of profits

Capitalisation	53	(1) The Company be ordinary resolution in general meeting may, upon the recommendation of the Board, resolve-
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	(a)	That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company' reserves accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
	(b)	That such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
Sum how applied	(2)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards: <ul style="list-style-type: none"> (a) Paying up any amounts for the time being unpaid on any shares held by such members respectively: (b) Paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up to and amongst such members in the proportions aforesaid. (c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
	(3)	A securities premium account and a capital redemption reserve account or any other permissible reserve account any, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
Power of the Board	54	The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
		Buy Back of Shares
Buy Back of Shares	55	Notwithstanding anything contained in these articles but subject to the applicable provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
		General Meetings
Extraordinary General Meeting	56	All general meetings other than annual general meeting shall be called extraordinary general meeting.
Power of Board to Call Extra ordinary general meeting	57	(1) The Board may, whenever it thinks fit, call an extraordinary general meeting. (2) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
		Proceedings at general meetings
Quorum for general meeting	58	(1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
Business confined to election of Chairperson whilst chair vacant		(2) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.
Quorum for general meeting		(3) The quorum for a general meeting shall be as provided in the Act.
Chairperson of the meeting	59	(1) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
Directors to elect a Chairperson		(2) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting
Members to elect a Chairperson		(3) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
Minutes of proceedings of meetings and resolutions passed by postal ballot	60	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting-

		(a) Is, or could reasonable be regarded, as defamatory or any person; or
		(b) Is irrelevant or immaterial to the proceedings; or
		(c) Is detrimental to the interest of the Company. Certain matters not to be included in Minutes
Discretion of Chairperson in relation to Minutes	(3)	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
Minutes to be evidence	(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
Inspection of minute books of general meeting	61 (1)	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) Be kept at the registered office of the Company; and (b) Be open to inspection of any member without charge, during 11 a.m. to 1 p.m. on all working days.
Members may obtain copy of minutes	(2)	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above, provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
Members may obtain copy of minutes	62	The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision. Powers to arrange security at meetings.

Adjournment of Meeting

Chairperson may adjourn the meeting	63 (1)	The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
Business at adjourned meeting	(2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Notice of adjourned meeting	(3)	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
	(4)	Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting Rights

Entitlement to vote on show of hands and on poll	64	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
Voting through electronic means	65	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once
Seniority of names	66 (1)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
How members non compos mentis and minor may vote	67	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
Business may proceed pending poll	68	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
Restriction on voting rights	69	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

Proxy

Proxies when to be deposited	70	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power a authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
Form of Proxy	71	An instrument appointing a proxy shall be in the form as prescribed in the rules
Proxy to be valid notwithstanding death of the principal	72	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>

Board of Directors

Board of Directors	73	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 and shall not be more than 14.
Same individual may be Chairperson/CEO/Managing Director	74	The same individual may, at the same time, be appointed as the Chairperson of the company as well as the Managing director or Chief Executive Officer of the Company
Remuneration to require members' consent	75	(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
Travelling and other expenses	(2)	<p>In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>(b) in connection with the business of the company.</p>
Execution of negotiable instruments	76	All cheques, promissory notes, drafts, hands, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine
Appointment of additional directors	77	<p>(1) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p>(2) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p>
Appointment of Alternate Director	78	<p>(1) The Board may appoint an alternate director to act for a director(hereinafter in this Article called " the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p> <p>(2) An Alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</p> <p>(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</p>
Duration of office of alternate director		
Reappointment provisions applicable to Original Director		
Appointment of director to fill a casual vacancy	79	(1) If the Office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the board of Directors at a meeting of the Board.
Duration of office of Director appointed to fill casual vacancy	(2)	The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

Powers of Board

General powers of the Company vested in Board.	80	The Management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
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Proceedings of the Board

When meeting to be convened	81	(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
Who may summon Board Meeting		(2) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
Quorum for Board meetings		(3) The quorum for a Board meeting shall be as provided in the Act.
Participation at Board meetings		(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted by law.
Questions at Board Meeting how decided	82	(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
Casting vote of Chairperson at Board Meeting		(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
Directors not to act when number falls below minimum	83	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
Who to preside at meetings of the Board	84	(1) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
Directors to elect a Chairperson		(2) If no such chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.
Delegation of powers	85	(1) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
Committee to conform to Board regulations		(2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
Participation at Committee Meetings		(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted by law.
Participation at Committee Meetings	86	(1) A committee may elect a Chairperson of its meetings unless the Board while constituting a Committee, has appointed a Chairperson of such Committee
Who to preside at meetings of Committee		(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
Committee to meet.	87	(1) A committee may meet and adjourn as it thinks fit.
Questions at Committee meeting how decided		(2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
Acts of Board or Committee valid notwithstanding defect of appointment	88	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director
Passing of resolution by	89	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice

of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

90. (a) Subject to the provisions of the Act,—
- Executive Officer, etc. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- Director may be chief executive officer, etc. (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Registers

- Statutory Registers 91. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11:00 a.m. to 1:00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, on such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- Foreign Register 92. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

The Seal

- The seal, its custody and use 93. (1) The Board shall provide for the safe custody of the seal.
- Affixation of seal (2) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors-and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

- Company in general meeting may declare dividends 94. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
- Interim dividends 95. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
- Dividend only to be paid out of the profits 96. (1) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- Carry forward of profits (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- Division of profits 97. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

Payments in advance	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
Dividends to be apportioned	(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefromRetention of Dividends	98 (1)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
Dividend how remitted	99 (1)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who, is first named on the' register of members, or to such person and to such address as the holder or joint holders may in writing direct.
Instrument of payment	(2)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
Discharge to Company	(3)	Payment in any way whatsoever shall be made at the risk of person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of forgoing permissible means is made.
Receipt of one holder sufficient	100	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
No interest on dividends	101	No dividend shall bear interest against the company.
Waiver of dividends	102	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Accounts

Inspection by Directors	103 (1)	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and Rules.
Restriction on inspection by members	(2)	No member (not being a director) shall have any right of inspecting any books of account or books and papers or documents of the Company except as conferred by law or authorized by the Board.

Winding up

Winding up of Company	104	Subject to the applicable provisions of the Act and rules made there under- <ul style="list-style-type: none"> (a) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in-space or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for • the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
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Indemnity and Insurance

Directors and officers right to indemnity	105 (a)	Subject to the provisions of the Act, every director, managing director, whole time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including
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travelling expense) which such director, manager company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and / or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably. Insurance

General Power

General Power 106 Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors- M/s G.T. & Co. to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at an Annual Fee of Rs. 1 lac plus Taxes plus Out of Pocket Expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Item No. 9

Shri M.L. Aggarwal was re-appointed as Executive Chairman by the Shareholders in their Annual General Meeting held on 30th August, 2010 for a period of 5 years w.e.f. 01/04/2010. His term will expire on 31st March, 2015

Shri M.L. Aggarwal is 84 years of age and was the promoter Director of the Company. He is a Graduate in Science having more than 60 years of engineering experience in handling the corporate planning/ corporate finance/ general administration functions of the Company since the inception of the Company. Under his leadership, the Company has achieved a turnover of more than Rs. 300 Crores during the financial year ended 31st March, 2014. He is also the member of the Share Transfer Committee and the Human Resources Nomination Remuneration Committee of the Company.

In recognition of his excellent performance and to enable the Company to continue to benefit from his stewardship, the Nomination Remuneration Committee has recommended his re-appointment as Whole Time Chairman of the Company with the emoluments and the terms as given below. The Board has also approved the re-appointment of Mr. M.L. Aggarwal as Whole Time Chairman for a period of 3 years with effect from 1st April, 2015, even before the expiration of his present term, subject to the approval of shareholders at the ensuing Annual General Meeting as well as the approval of Central Govt. thereafter.

The requisite information as stipulated in Schedule V of the Companies Act, 2013 is as furnished below:

I **GENERAL INFORMATION**

1. **Nature of industry:** The Company is dealing in Automobile Component Industry. Since 1979, the Company was engaged in the manufacturing and marketing of high tensile cold forged fasteners. Today, we are among the leading OEM suppliers in India serving the needs of leading automotive companies in India, Europe and USA. A large part of this success can be credited to our competent workforce that has helped us surpass new boundaries at every step. It is through their contribution that we have been able to achieve our corporate vision of “sustainable growth through overall excellence”.

The ‘360 degree’ philosophy looks at all aspects of the company, from manufacturing and quality control to human resource development as a tool to produce total customer satisfaction. All around excellence for all around perfection, which is the promise of our ‘360 degree’ approach.

With the expertise of over two decades, the company’s manufacturing facility today includes state-of-the-art annealing, cold forging, inline rolling, heat treatment, finishing/coating, CNC turning, centre less grinding, circular thread rolling and other secondary operations. In addition, we have also introduced a complete range of multi station headers with automatic motorised adjustment systems that facilitate smooth and fast job changes.

Induction hardening of critical fasteners, use of sophisticated in-line hardening and tempering furnaces with auto-load, pre-wash and post-washers, and the manufacture of special fasteners with very close tolerance are key features of our manufacturing process. Our finishing operations with hydrogen embrittlement facilities also include complete waste treatment processes that bring us a step closer to an eco-friendly environment.

STL’s engineering department is led by a team of highly experienced leaders. Equipped with the latest in CAD and simulation softwares and armed with the knowledge of an extensive library, our engineering team is extremely competent, especially in the manufacture of precision parts. Manufacturing feedback for improving the overall machine effectiveness (O.E.E), APQP (Advanced Product Quality Planning) through cross functional teams and in-house testing facilities like the SCHATZ torque testing machine helps us understand and meet client needs consistently.

In order to ensure consistent quality of the final product, we have harnessed the power of several high accuracy specialised instruments. These include the Contour graph, Metrology-fisher scope, Tri-roll gauges for thread checking, Torque wrench, Vicker hardness tester, Eddy current tester, Spectrometer, Microscope (with image analyser), Universal tensile machine and the Charpy tester. By identifying potential problems and flaws early, we ensure that STL fasteners reduce operating and replacement costs and ensure greater operating safety.

The Company’s focus on quality is evident from our attention to cellular manufacturing, operator quality assurance and established traceability. In addition, our NABL certified laboratories equipped with various high accuracy specialised instruments ensure unquestionable quality at every step. Little wonder then, that our manufacturing facilities are all TS 16949 and ISO 14001 certified.

2. **Date of commencement of commercial production:**

The Company was incorporated on 07/06/1979 as a Pvt. Ltd. Company and it commenced its commercial activities immediately thereafter.

3. **In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus:** N.A.

4. **Financial Performance based on given indicators:** Financial indicators of the Company are summarized below:

Particulars	(Rs. in Lacs)		
	2013-14	2012-2013	2011-2012
Total Income	30181.79	28305.62	29563.45
Net Profit (as computed u/s 198)	2733.29	2012.11	2456.17
Net Profit after Tax as Profit & Loss A/C	1562.42	1087.52	1476.01
Rate Of Dividend declared	50%	50%	50%

5. **Foreign investments or Collaborators, if any:** The Company has not made any foreign investments or foreign collaboration till date.

II INFORMATION ABOUT THE APPOINTEE:

- 1 **Background Details:** Shri M.L. Aggarwal is 84 years of age and was the promoter Director of the Company. He is a Graduate in Science having more than 60 years of engineering experience in handling the corporate planning/ corporate finance/ general administration functions of the Company since the inception of the Company. Under his leadership, the Company has achieved a turnover of more than Rs. 300 Crores during the financial year ended 31st March, 2014. He is also the member of the Share Transfer Committee and the Human Resources Nomination Remuneration Committee of the Company. Under his leadership, the Company has achieved ISO 14001:2004 Certification and ISO/TS-16949:2002 Certification from DNV Certification B.V., The Netherlands. Also the Company has achieved Testing Laboratory Certification by NABL, Department of Science & Technology, India.
2. **Past Remuneration:** The details of total remuneration (salary, perquisites, allowances and commission) paid to Mr. M L Aggarwal since financial year 2010-11 (the date of last re-appointment) is detailed below:-

(Rs. In Lacs)

2013-14	2012-13	2011-12	2010-11
91.64	68.80	82.18	78.12

3. **Recognition or awards:** Under his leadership, the Company has received following awards:
- Supplier Quality Excellence Award by General Motors
 - Best Supplier Award by New Holland
 - Hardware and consumables award for outstanding contribution to supply chain management by V E Commercial in year 2007, 2008 and 2010.
 - Amity HR Excellence Award for Intellectual Human Resource Utilisation by Amity International Business School.
 - Haryana State Safety and Welfare Award by Haryana Govt.
4. **Job Profile and His Suitability:** Shri M.L. Aggarwal is 84 years of age with 60 year of experience in Engineering Industry. He has satisfactorily handled the corporate planning/corporate finance/general administration functions since the inception of the Company. He is also the member of the Share Transfer Committee and the Human Resources Nomination Remuneration Committee of the Company.
5. **Remuneration Proposed:** The details of remuneration payable to Shri M. L. Aggarwal, as Executive Chairman are set out as below:
- Basic Salary (Including HRA)**
Rs. 90,00,000 per annum with a fixed increment of 15% P.A on cumulative basis.
 - Perquisites and allowances**
Rs. 3,00,000 per annum with a fixed increment of 15% P.A. on Cumulative basis.

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or therewith) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
 - Commission**
Commission in addition to Basic Salary, Perquisites and other allowances, benefits or amenities at the rate of 1% of the net profits of the Company in a particular financial year as computed in the manner referred to in section 196 of the Companies Act, 2013.

d. Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance/medical expenses incurred, surgery in India or abroad as well as travelling cost including for their respective family members shall be reimbursed at actuals and not considered as perquisites.

e. Club Fees: Fees of clubs including admission and life membership fees shall not be considered as perquisite.

f. Personal Accident Insurance: For self with a sum insured of Rs. 50 Lacs P.A.

g. Gratuity: Fifteen days salary for each completed year of service.

h. Provident Fund and Superannuation Fund: Contribution to Provident Fund and Superannuation Fund in accordance with the rules of the Company.

General:

- (i) The Chairman shall be liable to retire by rotation and he will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (ii) The Chairman shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Chairman shall adhere to the Company's Code of Conduct for Directors and Management Personnel.

6. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position or person:

Name of Comparative Industry	Annual Turnover as on 31.03.2013	Position of the person	Annual Salary (in lac)
Lakshmi Precision Screw Ltd.	320 Crores	Chairman & Managing Director	120.00
Sundram Fasteners Ltd.	2069 Crores	Chairman & Managing Director	288.33
Ramkrishna Forgings Ltd.	467 Crores	Chairman	186.56
Rane Holdings Limited	57 Crores	Executive Chairman	155.00
Sona Koyo Steering Limited	1469 Crores	Executive Chairman	132.00
Rico Auto Limited	1186 Crores	Chairman & Managing Director	138.00

7. Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Shri M. L. Aggarwal Holds 11.27% shares of Sterling Tools Ltd. He is the promoter Director of this company. He along with his relatives holds 70.05% share of this company. Mr. Anil Aggarwal, the Managing Director and Mr. Atul Aggarwal, the whole time Director are sons of Shri M. L. Aggarwal.

III. OTHER INFORMATION:

- 1. Reasons for inadequacy of profits:** The Project Profit of the Company for financial year 2014-15 and for the next three years don't seem to be inadequate. But the remuneration as proposed by Human Recourses nomination remuneration committee for the reappointment of Shri M. L. Aggarwal for a period of three year starting from 1st April, 2015 to 31st March, 2018 will be in excess of the prescribed limit u/s 196 of the Companies Act 2013 read with schedule V of the said Act. Hence the approval of Central Government is sought.
- 2. Steps taken or proposed to be taken for improvement:** The Project Profit of the Company for financial year 2014-15 and for the next three years don't seem to be inadequate. But the remuneration as proposed by Human Recourses nomination remuneration committee for the reappointment of Shri M. L. Aggarwal for a period of three year starting from 1st April, 2015 to 31st March, 2018 will be in excess of the prescribed limit u/s 196 of the Companies Act 2013 read with schedule V of the said Act. Hence the approval of Central Government is sought

3. Expected Increase in productivity and profits in measurable terms:

Year	2014-15 (Projected)	2013-14 (Audited)	(Audited) 2012-13	(Audited) 2011-12	(Audited) 2010-11
Revenue from Operation (in Lac)	33000.00	30181.79	28305.62	29563.45	24860.54
Net Profit Before Tax (in lac)	2700.00	2420.78	1729.61	2031.57	2365.24

Shri M.L. Aggarwal is not disqualified from being appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Shri M.L. Aggarwal under Section 190 of the Act. Brief resume of Shri M.L. Aggarwal, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri M. L. Aggarwal for his re-appointment as Chairman of the Company.

Shri M.L. Aggarwal, Shri Anil Aggarwal and Shri Atul Aggarwal are interested in the resolutions set out respectively at Item No. 9 of the Notice, which pertain to respective re-appointment and remuneration payable to Shri M.L. Aggarwal

The relatives of Shri M.L. Aggarwal may be deemed to be interested in the resolutions set out respectively at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at item no. 9 for approval by the shareholders.

Item no. 10

Shri Anil Aggarwal was re-appointed as Managing Director by the Shareholders in their Annual General Meeting held on 30th August, 2010 for a period of 5 years w.e.f. 01/04/2010. His term will expire on 31st March, 2015

Shri Anil Aggarwal is 56 years of age and is a Graduate in Science & has 39 years of rich experience of manufacturing, Accounts, Projects and Quality functions and is presently in charge of the entire manufacturing operations and Strategic Sourcing function. He is largely responsible for building up abiding business relationships with OEM's like Maruti Udyog limited, Hero Honda, Honda Motorcycle and Scooters India Limited, Eicher, Punjab Tractors, Tafe, Telco etc. he has satisfactorily handled the production corporate planning/corporate finance/general administration functions since the inception of the Company. He is also the member of the Share Transfer Committee and the Human Resources Nomination Remuneration Committee of the Company.

In recognition of his excellent performance and to enable the Company to continue to benefit from his stewardship, the Human Resources Nomination Remuneration Committee has recommended his re-appointment as Managing Director of the Company with the emoluments and the terms as given below. The Board has also approved the re-appointment of Mr. Anil Aggarwal as Managing Director for a period of 3 years with effect from 1st April, 2015, even before the expiration of his present term, subject to the approval of shareholders at the ensuing Annual General Meeting as well as the approval of Central Govt. thereafter.

The requisite information as stipulated in Schedule V of the Companies Act, 2013 is as furnished below:

I GENERAL INFORMATION

1. **Nature of industry:** The Company is dealing in Automobile Component Industry. Since 1979, the Company was engaged in the manufacturing and marketing of high tensile cold forged fasteners. Today, we are among the leading OEM suppliers in India serving the needs of leading automotive companies in India, Europe and USA. A large part of this success can be credited to our competent workforce that has helped us surpass new boundaries at every step. It is through their contribution that we have been able to achieve our corporate vision of "sustainable growth through overall excellence".

The '360 degree' philosophy looks at all aspects of the company, from manufacturing and quality control to human resource development as a tool to produce total customer satisfaction. All around excellence for all around perfection, which is the promise of our '360 degree' approach.

With the expertise of over three decades, the company's manufacturing facility today includes state-of-the-art annealing, cold forging, inline rolling, heat treatment, finishing/coating, CNC turning, centre less grinding, circular thread rolling and other secondary operations. In addition, we have also introduced a complete range of multi station headers with automatic motorised adjustment systems that facilitate smooth and fast job changes.

Induction hardening of critical fasteners, use of sophisticated in-line hardening and tempering furnaces with auto-load, pre-wash and post-washers, and the manufacture of special fasteners with very close tolerance are key features of our manufacturing process. Our finishing operations with hydrogen embrittlement facilities also include complete waste treatment processes that bring us a step closer to an eco-friendly environment

STL's engineering department is led by a team of highly experienced leaders. Equipped with the latest in CAD and simulation softwares and armed with the knowledge of an extensive library, our engineering team is extremely competent, especially in the manufacture of precision parts. Manufacturing feedback for improving the overall machine effectiveness (O.E.E), APQP (Advanced Product Quality Planning) through cross functional teams and in-house testing facilities like the SCHATZ torque testing machine helps us understand and meet client needs consistently.

In order to ensure consistent quality of the final product, we have harnessed the power of several high accuracy specialised instruments. These include the Contour graph, Metrology-fisher scope, Tri-roll gauges for thread checking, Torque wrench, Vicker hardness tester, Eddy current tester, Spectrometer, Microscope (with image analyser), Universal tensile machine and the Charpy tester. By identifying potential problems and flaws early, we ensure that STL fasteners reduce operating and replacement costs and ensure greater operating safety.

The Company's focus on quality is evident from our attention to cellular manufacturing, operator quality assurance and established traceability. In addition, our NABL certified laboratories equipped with various high accuracy specialised instruments ensure unquestionable quality at every step. Little wonder then, that our manufacturing facilities are all TS 16949 and ISO 14001 certified.

2. Date of commencement of commercial production:

The Company was incorporated on 07/06/1979 as a Pvt. Ltd. Company and it commenced its commercial activities immediately thereafter.

3. In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus: N.A.

4. Financial Performance based on given indicators: Financial indicators of the Company are summarized below:

(Rs. In Lacs)

Particulars	2013-14	2012-2013	2011-2012
Total Income	30181.79	28305.62	29563.45
Net Profit (as computed u/s 198)	2733.29	2012.11	2456.17
Net Profit after Tax as Profit & Loss A/C	1562.42	1087.52	1476.01
Rate of Dividend declared	50%	50%	50%

5. Foreign investments or Collaborators, if any: The Company has not made any foreign investments or foreign collaboration till date.

II INFORMATION ABOUT THE APPOINTEE:

1 Background Details: Shri Anil Aggarwal is 56 years of age and is a Bachelor of Science and has 39 years of rich experience of manufacturing, Accounts, Projects and Quality functions and is presently in charge of the entire manufacturing operations and Strategic Sourcing function. He is largely responsible for building up abiding business relationships with OEM's like Maruti Udyog limited, Hero Honda, Honda Motorcycle and Scooters India Limited, Eicher, Punjab Tractors, Tafe, Telco etc. he has satisfactorily handled the production corporate planning/corporate finance/general administration functions since the inception of the Company. He is also the member of the Share Transfer Committee and the Human Resources Nomination Remuneration Committee of the Company.

In recognition of his excellent performance and to enable the Company to continue to benefit from his stewardship, the Human Resources Nomination Remuneration Committee has recommended his re-appointment as Managing Director of the Company with the emoluments and the terms as given below. The Board has also approved the re-appointment of Mr. Anil Aggarwal as Managing Director for a period of 3 years with effect from 1st April, 2015, even before the expiration of his present term, subject to the approval of shareholders at the ensuing Annual General Meeting as well as the approval of Central Govt. thereafter.

2. **Past Remuneration:** The details of total remuneration (salary, perquisites, allowances and commission) paid to Mr. Anil Aggarwal since financial year 2010-11 (the date of last re-appointment) is detailed below:-

(Rs. In Lacs)

2013-14	2012-13	2011-12	2010-11
85.22	63.17	76.66	72.67

3. **Recognition or awards:** Under his leadership, the Company has received following awards:
- Supplier Quality Excellence Award by General Motors
 - Best Supplier Award by New Holland
 - Hardware and consumables award for outstanding contribution to supply chain management by V E Commercial in year 2007, 2008 and 2010.
 - Amity HR Excellence Award for Intellectual Human Resource Utilisation by Amity International Business School.
 - Haryana State Safety and Welfare Award by Haryana Govt.
4. **Job Profile and His Suitability:** Shri Anil Aggarwal is 56 years of age and has 39 years of rich experience of manufacturing, Accounts, Projects and Quality functions and is presently in charge of the entire manufacturing operations and Strategic Sourcing function. He is largely responsible for building up abiding business relationships with OEM's like Maruti Udyog limited, Hero Honda, Honda Motorcycle and Scooters India Limited, Eicher, Punjab Tractors, Tafe, Telco etc. he has satisfactorily handled the production corporate planning/corporate finance/general administration functions since the inception of the Company. He is also the member of the Share Transfer Committee and the Human Resources Nomination Remuneration Committee of the Company.
5. **Remuneration Proposed:** The details of remuneration payable to Shri Anil Aggarwal, as Managing Director are set out as below:
- Basic Salary (Including HRA)**
Rs. 82,20,000 per annum with a fixed increment of 15% P.A on cumulative basis.
 - Perquisites and allowances**
Rs. 3,00,000 per annum with a fixed increment of 15% P.A. on Cumulative basis.
The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
 - Commission**
Commission in addition to Basic Salary, Perquisites and other allowances, benefits or amenities at the rate of 1% of the net profits of the Company in a particular financial year as computed in the manner referred to in section 196 of the Companies Act, 2013.
 - Reimbursement of Expenses:**
Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance/medical expenses incurred, surgery in India or abroad as well as travelling cost including for their respective family members shall be reimbursed at actuals and not considered as perquisites
 - Club Fees:** Fees of clubs including admission and life membership fees shall not be considered as perquisite.
 - Personal Accident Insurance:** For self with a sum insured of Rs. 50 Lacs P.A.
 - Gratuity:** Fifteen days salary for each completed year of service.
 - Provident Fund and Superannuation Fund:** Contribution to Provident Fund and Superannuation Fund in accordance with the rules of the Company.

General:

- The Managing Director shall be liable to retire by rotation and he will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

- (ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Managing Director shall adhere to the Company's Code of Conduct for Directors and Management Personnel.
6. **Comparative Remuneration profile with respect to industry, size of the Company, profile of the position or person:**

Name of Comparative Industry	Annual Turnover as on 31.03.2013	Position of the person	Annual Salary (in lac)
Lakshmi Precision Screw Ltd.	320 Crores	Vice Chairman & Managing Director	120.00
Sundram Fasteners Ltd.	2069 Crores	Joint Managing Director	303.00
Ramkrishna Forgings Ltd.	467 Crores	Managing Director	150.00
Rane Holdings Limited	57 Crores	Vice Chairman	102.00
Sona Koyo Steering Limited	1469 Crores	Vice Chairman & Managing Director	263.00
Rico Auto Limited	1186 Crores	Chairman & Managing Director	138.00

7. **Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Shri Anil Aggarwal Holds 22.91% shares of Sterling Tools Ltd. He is the promoter Director of this company. He along with his relatives holds 70.05% share of this company. Mr. Anil Aggarwal, the Managing Director and Mr. Atul Aggarwal, the whole time Director are sons of Shri M. L. Aggarwal.

III. **OTHER INFORMATION:**

1. **Reasons for inadequacy of profits:** The Project Profit of the Company for financial year 2014-15 and for the next three years don't seem to be inadequate. But the remuneration as proposed by Human Recourses nomination remuneration committee for the reappointment of Shri Anil Aggarwal for a period of three year starting from 1st April, 2015 to 31st March, 2018 will be in excess of the prescribed limit u/s 196 of the Companies Act 2013 read with schedule V of the said Act. Hence the approval of Central Government is sought.
2. **Steps taken or proposed to be taken for improvement:** The Project Profit of the Company for financial year 2014-15 and for the next three years don't seem to be inadequate. But the remuneration as proposed by Human Recourses nomination remuneration committee for the reappointment of Shri Anil Aggarwal for a period of three year starting from 1st April, 2015 to 31st March, 2018 will be in excess of the prescribed limit u/s 196 of the Companies Act 2013 read with schedule V of the said Act. Hence the approval of Central Government is sought.
3. **Expected Increase in productivity and profits in measurable terms:**

Year	2014-15 (Projected)	2013-14 (Audited)	(Audited) 2012-13	(Audited) 2011-12	(Audited) 2010-11
Revenue from Operation (in Lac)	33000.00	30181.79	28305.62	29563.45	24860.54
Net Profit Before Tax (in lac)	2700.00	2420.78	1729.61	2031.57	2365.24

Shri Anil Aggarwal is not disqualified from being appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Anil Aggarwal under Section 190 of the Act. Brief resume of Shri Anil. Aggarwal, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Anil Aggarwal for his re-appointment as Managing Director of the Company.

Shri M.L. Aggarwal, Shri Anil Aggarwal and Shri Atul Aggarwal are interested in the resolutions set out respectively at Item No. 10 of the Notice, which pertain to respective re-appointment and remuneration payable to Shri Anil Aggarwal.

The relatives of Shri Anil Aggarwal may be deemed to be interested in the resolutions set out respectively at Item No. 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at item no. 10 for approval by the shareholders.

Item no. 11

Shri Atul Aggarwal was re-appointed as Whole Time Director by the Shareholders in their Annual General Meeting held on 30th August, 2010 for a period of 5 years w.e.f. 01/04/2010. His term will expire on 31st March, 2015

Shri Atul Aggarwal is 50 years of age and is a master in Business Administration (MBA) from UNC Kanan Flagler Business School, Chappel Hill, USA and has 25 years of rich experience of Marketing / Sales, Accounts, Projects and Quality functions and is presently in charge of the entire Marketing & Finance operations and Strategic Sourcing function.

He has handled his various responsibilities with dedication and high degree of competence. He is also the member of Share Transfer Committee, Stakeholders' Relationship Committee and Special Invitee of the Audit Committee.

In recognition of his excellent performance and to enable the Company to continue to benefit from his stewardship, the Human Resources Nomination Remuneration Committee has recommended his re-appointment as Whole Time Director of the Company with the emoluments and the terms as given below. The Board has also approved the re-appointment of Mr. Atul Aggarwal as Whole Time Director for a period of 3 years with effect from 1st April, 2015, even before the expiration of his present term, subject to the approval of shareholders at the ensuing Annual General Meeting as well as the approval of Central Govt. thereafter.

The requisite information as stipulated in Schedule V of the Companies Act, 2013 is as furnished below:

I GENERAL INFORMATION

- 1. Nature of industry:** The Company is dealing in Automobile Component Industry. Since 1979, the Company was engaged in the manufacturing and marketing of high tensile cold forged fasteners. Today, we are among the leading OEM suppliers in India serving the needs of leading automotive companies in India, Europe and USA. A large part of this success can be credited to our competent workforce that has helped us surpass new boundaries at every step. It is through their contribution that we have been able to achieve our corporate vision of "sustainable growth through overall excellence".

The '360 degree' philosophy looks at all aspects of the company, from manufacturing and quality control to human resource development as a tool to produce total customer satisfaction. All around excellence for all around perfection, which is the promise of our '360 degree' approach.

With the expertise of over two decades, the company's manufacturing facility today includes state-of-the-art annealing, cold forging, inline rolling, heat treatment, finishing/coating, CNC turning, centre less grinding, circular thread rolling and other secondary operations. In addition, we have also introduced a complete range of multi station headers with automatic motorised adjustment systems that facilitate smooth and fast job changes.

Induction hardening of critical fasteners, use of sophisticated in-line hardening and tempering furnaces with auto-load, pre-wash and post-washers, and the manufacture of special fasteners with very close tolerance are key features of our manufacturing process. Our finishing operations with hydrogen embrittlement facilities also include complete waste treatment processes that bring us a step closer to an eco-friendly environment

STL's engineering department is led by a team of highly experienced leaders. Equipped with the latest in CAD and simulation softwares and armed with the knowledge of an extensive library, our engineering team is extremely competent, especially in the manufacture of precision parts. Manufacturing feedback for improving the overall machine effectiveness (O.E.E), APQP (Advanced Product Quality Planning) through cross functional teams and in-house testing facilities like the SCHATZ torque testing machine helps us understand and meet client needs consistently.

In order to ensure consistent quality of the final product, we have harnessed the power of several high accuracy specialised instruments. These include the Contour graph, Metrology-fisher scope, Tri-roll gauges for thread checking, Torque wrench, Vicker hardness tester, Eddy current tester, Spectrometer, Microscope (with image analyser), Universal tensile machine and the Charpy tester. By identifying potential problems and flaws early, we ensure that STL fasteners reduce operating and replacement costs and ensure greater operating safety.

The Company's focus on quality is evident from our attention to cellular manufacturing, operator quality assurance and established traceability. In addition, our NABL certified laboratories equipped with various high accuracy specialised instruments ensure unquestionable quality at every step. Little wonder then, that our manufacturing facilities are all TS 16949 and ISO 14001 certified.

- 2. Date of commencement of commercial production:**

The Company was incorporated on 07/06/1979 as a Pvt. Ltd. Company and it commenced its commercial activities immediately thereafter.

- 3. In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus: N.A.**

4. **Financial Performance based on given indicators:** Financial indicators of the Company are summarized below:

(Rs. In Lacs)

Particulars	2013-14	2012-2013	2011-2012
Total Income	30181.79	28305.62	29563.45
Net Profit (as computed u/s 198)	2733.29	2012.11	2456.17
Net Profit after Tax as Profit & Loss A/C	1562.42	1087.52	1476.01
Rate Of Dividend declared	50%	50%	50%

5. **Foreign investments or Collaborators, if any:** The Company has not made any foreign investments or foreign collaboration till date.

II **INFORMATION ABOUT THE APPOINTEE:**

1 **Background Details:** Shri Atul Aggarwal is 50 years of age and is a master in Business Administration (MBA) from UNC Kanan Flagler Business School, Chappel Hill, USA and has 25 years of rich experience of Marketing / Sales, Accounts, Projects and Quality functions and is presently in charge of the entire Marketing & Finance operations and Strategic Sourcing function.

He has handled his various responsibilities with dedication and high degree of competence. He is also the member of Share Transfer Committee, Stakeholders' Relationship Committee and Special Invitee of the Audit Committee.

In recognition of his excellent performance and to enable the Company to continue to benefit from his stewardship, the Human Resources Nomination Remuneration Committee has recommended his re-appointment as Whole Time Director of the Company with the emoluments and the terms as given below.

2. **Past Remuneration:** The details of total remuneration (salary, perquisites, allowances and commission) paid to Mr. Atul Aggarwal since financial year 2010-11 (the date of last re-appointment) is detailed below:-

(Rs. In Lacs)

2013-14	2012-13	2011-12	2010-11
83.43	61.22	74.35	70.74

3. **Recognition or awards:** Under his leadership, the Company has received following awards:

- Supplier Quality Excellence Award by General Motors
- Best Supplier Award by New Holland
- Hardware and consumables award for outstanding contribution to supply chain management by V E Commercial in year 2007, 2008 and 2010.
- Amity HR Excellence Award for Intellectual Human Resource Utilisation by Amity International Business School.
- Haryana State Safety and Welfare Award by Haryana Govt.

4. **Job Profile and His Suitability:** Shri Atul Aggarwal is 50 years of age has 25 years of rich experience of Marketing / Sales, Accounts, Projects and Quality functions and is presently in charge of the entire Marketing & Finance operations and Strategic Sourcing function. He has handled his various responsibilities with dedication and high degree of competence. He is also the member of Share Transfer Committee, Stakeholders' Relationship Committee and Special Invitee of the Audit Committee.

5. **Remuneration Proposed:** The details of remuneration payable to Shri Atul Aggarwal, as Whole Time Director are set out as below:

a. **Basic Salary (Including HRA)**

Rs. 78,00,000 per annum with a fixed increment of 15% P.A on cumulative basis.

b. **Perquisites and allowances**

Rs. 3,00,000 per annum with a fixed increment of 15% P.A. on Cumulative basis.

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or therewith) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

c. Commission

Commission in addition to Basic Salary, Perquisites and other allowances, benefits or amenities at the rate of 1% of the net profits of the Company in a particular financial year as computed in the manner referred to in section 196 of the Companies Act, 2013.

d. Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance/medical expenses incurred, surgery in India or abroad as well as travelling cost including for their respective family members shall be reimbursed at actuals and not considered as perquisites

e. Club Fees: Fees of clubs including admission and life membership fees shall not be considered as perquisite.

h. Personal Accident Insurance: For self with a sum insured of Rs. 50 Lacs P.A.

k. Gratuity: Fifteen days salary for each completed year of service.

l. Provident Fund and Superannuation Fund: Contribution to Provident Fund and Superannuation Fund in accordance with the rules of the Company.

General:

- (i) The Whole Time Director shall be liable to retire by rotation and he will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (ii) The Whole Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Whole Time Director shall adhere to the Company's Code of Conduct for Directors and Management Personnel.

6. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position or person:

Name of Comparative Industry	Annual Turnover as on 31.03.2013	Position of the person	Annual Salary (in lac)
Lakshmi Precision Screw Ltd.	320 Crores	Joint Managing Director	120.00
Sundram Fasteners Ltd.	2069 Crores	Deputy Managing Director	169.00
Ramkrishna Forgings Ltd.	467 Crores	Managing Director	150.00
Rane Holdings Limited	57 Crores	Vice Chairman	102.00
Sona Koyo Steering Limited	1469 Crores	Deputy Managing Director	130.00
RicoAuto Limited	1186 Crores	Chairman & Managing Director	138.00

7. Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Shri Atul Aggarwal Holds 25.18% shares of Sterling Tools Ltd. He is the promoter Director of this company. He along with his relatives holds 70.05% share of this company. Mr. Anil Aggarwal, the Managing Director and Mr. Atul Aggarwal, the whole time Director are sons of Shri M. L. Aggarwal.

III. OTHER INFORMATION:

1. Reasons for inadequacy of profits: The Project Profit of the Company for financial year 2014-15 and for the next three years don't seem to be inadequate. But the remuneration as proposed by Human Resources nomination remuneration committee for the reappointment of Shri Atul Aggarwal for a period of three year starting from 1st April, 2015 to 31st March, 2018 will be in excess of the prescribed limit u/s 196 of the Companies Act 2013 read with schedule V of the said Act. Hence the approval of Central Government is sought.

2. **Steps taken or proposed to be taken for improvement:** The Project Profit of the Company for financial year 2014-15 and for the next three years don't seem to be inadequate. But the remuneration as proposed by Human Resources nomination remuneration committee for the reappointment of Shri Atul Aggarwal for a period of three year starting from 1st April, 2015 to 31st March, 2018 will be in excess of the prescribed limit u/s 196 of the Companies Act 2013 read with schedule V of the said Act. Hence the approval of Central Government is sought.
3. **Expected Increase in productivity and profits in measurable terms:**

Year	2014-15 (Projected)	2013-14 (Audited)	(Audited) 2012-13	(Audited) 2011-12	(Audited) 2010-11
Revenue from Operation (in Lac)	33000.00	30181.79	28305.62	29563.45	24860.54
Net Profit Before Tax (in lac)	2700.00	2420.78	1729.61	2031.57	2365.24

Shri Atul Aggarwal is not disqualified from being appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Atul Aggarwal under Section 190 of the Act. Brief resume of Shri Atul Aggarwal, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Atul Aggarwal for his re-appointment as Whole Time Director of the Company.

Shri M.L. Aggarwal, Shri Anil Aggarwal and Shri Atul Aggarwal are interested in the resolutions set out respectively at Item No. 11 of the Notice, which pertain to respective re-appointment and remuneration payable to Shri Anil Aggarwal.

The relatives of Shri Atul Aggarwal may be deemed to be interested in the resolutions set out respectively at Item No. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at item no. 11 for approval by the shareholders.

**By order of the Board
For Sterling Tools Limited**

**Date: 30th May, 2014
Place: Faridabad**

**Registered Office:
K-40, Connaught Circus
New Delhi-110001**

**(Vaishali Singh)
Company Secretary
Membership No. A15108
House No. 466, 2nd Floor
Ashoka Enclave Part -III,
Faridabad-121003**