



STERLING TOOLS LIMITED

CIN No.: L29222DL1979PLC009668

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43rd ANNUAL GENERAL MEETING

Thursday, 22nd September 2022 at 10:00 A.M.

through Video Conferencing and Other Audio Video Visual Means

<p>WELCOME SPEECH by Company Secretary</p>	<p>“I am Vaishali Singh, Company Secretary & Compliance Officer of Sterling Tools Limited.</p> <p>“A very Good morning to all the Shareholders, Board of Directors, Auditors and Scrutinizer, who have joined us today, in the 43rd Annual General Meeting of Sterling Tools Limited through Video Conferencing and Other Audio Video Visual Mode”. Hope, all of you are safe & in good health and wish you all to stay that way.</p> <p>Before commencing the official proceedings, I would like to inform all the attendees about the following points-</p> <ul style="list-style-type: none">• In order to ensure the safety of all the stakeholders, this AGM is being organized through video conferencing, which is in compliance with the guidelines issued by the Ministry of Corporate Affairs, and the Securities and Exchange Board of India. The Company has taken all the efforts feasible under the current circumstances to enable all of you to participate in the meeting through video conferencing and to vote electronically. The Proceedings of this annual general meeting shall be deemed to have been conducted at the registered office of the Company at New Delhi.• Mr. Anil Aggarwal, Chairman & Managing Director of the company shall preside over the meeting as the Chairperson of this Annual General Meeting.• Facility of joining the AGM is being made available on first come first serve basis.
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	<ul style="list-style-type: none"> All members who have joined this meeting are by default placed on mute mode to avoid any disturbance from background to ensure smooth conduct of the meeting. <p>I would now like to request all the Board Members to introduce themselves and confirm from where they are joining this meeting.”</p>
Mr. Anil Aggarwal	“Good Morning everyone, this is Anil Aggarwal, Managing Director and Chairman, joining the AGM from Corporate Office at Faridabad.”
Mr. Atul Aggarwal	“Good Morning everyone, this is Atul Aggarwal, Whole Time Director, joining the AGM from Gurugram.
Mr. Akhill Aggarwal	“Good Morning everyone, this is Akhill Aggarwal, Director, joining the AGM from my office at Faridabad ”.
Sh. C.R. Sharma	“Good Morning everyone this is C.R. Sharma, Independent Director, joining the AGM from my Residence at Gurugram. I am representing the Audit Committee and Nomination and Remuneration Committee.”
Mrs. Malini Sud	“Good Morning everyone this is Malini Sud, Independent Director, joining the AGM from my office at Defence Colony, New Delhi.”
Mr. Jaideep Wadhwa	“Good Morning everyone this is Jaideep Wadhwa, Director, joining the AGM from Corporate Office of Company at Faridabad.”
Mr. Rakesh Batra	“Good Morning everyone this is Rakesh Batra, Independent Director, joining the AGM from my Residence at New Delhi.”
Mr. Shailender Swarup	“Good Morning everyone this is Shailender Swarup, Independent Director, joining the AGM from my Residence at New Delhi. I am representing the Stakeholders’ Relationship Committee”.

CFO	“Good Morning everyone this is Pankaj Gupta, CFO, joining the AGM from Corporate Office at Faridabad.”
CS	<p>Apart from them, we also have Statutory auditors-Walker Chandiook & Co. and Mr. Santosh Pradhan, the Scrutinizer who have joined this meeting from their respective locations.</p> <p>Leave of absence is granted to Dr. T.N.Kapoor who couldn't join this meeting due to his health reasons.</p>
	I would further like to request Mr. Anil Aggarwal, Chairman to commence the proceedings of 43 rd Annual General Meeting.
Chairman	<p>Thank you everyone.</p> <p>We have the requisite quorum present through video conference to conduct the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013.</p> <p>The quorum being present, I call this meeting to order.</p> <p>Since all the members are joining this meeting through Video Conferencing, pursuant to the Circular of Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.</p> <p>The Register of Directors, KMP and their Shareholding and other Statutory Registers as required under Companies Act, 2013 have been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to csec@stlfasteners.com.</p> <p>The Statutory Auditors, Walker Chandiook & Co., and Secretarial Auditor, M/s Dhananjay Shukla & Associates, have expressed unqualified opinion in the respective audit reports for the financial year 2021-22. There were no qualifications or adverse comments on financial statements and matters, which have any material bearing on the functioning of the Company. The Statutory Auditors' report on standalone financial statements and consolidated</p>

	<p>financial statements are available on Page Numbers 79 and 148 of the annual report. Secretarial Auditor report is enclosed as Annexure VII to the Board's report on Page Number 43 of the annual report.</p> <p>I now request our Statutory Auditors, Mr. Ankit Aggarwal to read out the Audit' report for the benefit of shareholders.</p>
<p>Ankit Aggarwal</p>	<p>Thank you, Chairman Sir. In the interest of time and with the permission of shareholders, I would be reading the first two paragraphs of our audit report.</p> <p>We have audited the accompanying standalone financial statements of Sterling Tools Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.</p> <p>In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.</p> <p>Thank you.</p>
<p>Chairman</p>	<p>Thank you, Mr. Ankit Aggarwal!</p> <p>Dear Shareholders,</p> <p>As the Notice and Directors' Report have already been emailed to all the members on 31st August 2022, I propose to take them as read.</p>

Before we move to the business items to be transacted through this AGM, wish to share my views on the performance of the Company during F.Y. 2021-22 and the outlook for future.

CHAIRMAN'S SPEECH

Dear Shareholders,

Good morning. On behalf of the Board of directors, I warmly welcome you all to the 43rd Annual General Meeting of your Company. It is always a pleasure to connect with you all, and – although virtual – it is a privilege to host you today. I thank you for your continued trust, encouragement and unequivocal support to the Company and its Management.

Year 2021-22 started with the horrific second wave of Covid pandemic and we are fortunate that its impact was limited to the first quarter. Today, although Covid seems to be passe, yet there is a need to take all precautions including booster shots of the vaccine. I hope 2022-23 will be a healthy year for all of us.

The global economy started to recover with relaxation of Covid-19 restrictions, however the shortage of semiconductors, supply-chain disruptions and rising input costs impacted the industry at large. Indian Government policies have supported economic revival and a few noticeable milestones are all-time high exports and record GST collections, making India one of the fastest growing global economies.

The overall Indian auto industry witnessed a de-growth of (-) 6% in FY22. All segments faced supply-side challenges on account of chip shortage, though despite some recovery from a low base, sales of all four segments are below the 2018-19 level. While some segments like Commercial Vehicles and SUVs are seeing improvement in demand, the mass segments like two-wheelers and smaller cars are facing serious affordability issues. On the positive side, all four segments of the industry have increased their exports. In fact, two-wheelers achieved their highest ever exports.

Your Company grew faster than the industry and our total fasteners sales increased by 33% to reach Rs.474.6 Crores both on account of higher business from our existing

customers and new customer addition. Offsetting the impact of mounting steel prices and commodity inflation through internal cost efficiencies, our EBITDA increased by 8.5% to Rs. 73.3Crores. Your company has a strong balance sheet and the free cash flows enable us to look forward to new and attractive growth opportunities.

One such initiative was the setting up of a manufacturing facility for Motor Control Units (MCUs) under our subsidiary company Sterling Gtack E-mobility Limited in Jan 2020. In the short time since its inception, this entity achieved a total sale of Rs.38.4Crore during the year, and became a supplier to major electric vehicles manufacturers in India.

Auto component manufacturing industry in India today is of Global standards and to be aligned with this, your company has a clear focus on continuous improvement across processes, equipment, and people. Our state-of-the-art Bangalore plant received awards from ACMA for excellence in Manufacturing, Digitalization, HSE and HR.

Your Company remains committed to the highest standards of Safety, Health, and Environment (SHE) and Corporate Governance. We have 1.436MW solar energy generation in our plants and we plan to enhance the same in line with our commitment for better environment.

As our endeavor to provide a consistent return to our shareholders, the Board has recommended a final dividend at the rate of 50% i.e., Rs.1.00 per share on the face value of Rs.2.00 per share. The total dividend payout would amount to Rs.3.60 Crores.

The Directors' Report and the Audited Accounts for the Financial Year ended 31st March, 2022 have been with you and, with your consent, I shall take them as read.

We firmly believe that the cornerstone of our sustainable growth lies in our ability to support our communities and create value for society. Our CSR initiatives focus on providing healthcare and education.

On behalf of the Board of Directors, I assure you that we are well positioned to both, face challenges and leverage future business opportunities. I thank our workforce for their daily and untired efforts to overcome the market challenges and

keeping up the performance. Lastly, I would like to express thanks to all our shareholders, customers, suppliers, and Governments for their support. We remain committed to build long-term value for you always.

Now I request to Company Secretary to give details of Agenda items and voting process.

CS

Thank you Sir!

In terms of Companies Act, 2013 and the Listing Regulations, the Company has provided to shareholders remote e-voting facility through the system of NSDL to all the persons who were members on 15th September, 2022 being the cut off date for vote on all the resolutions set out in the notice of AGM. The remote e-voting period commenced at **09:00 am 19th September, 2022 and ended at 05:00 p.m. 21st September, 2022.**

Such members, who have not already cast their vote through remote e-voting, can cast their vote now during this meeting through e-voting facility by visiting the NSDL voting page. The voting is opened and shall remain open till 15 minutes after the conclusion of this AGM.

Mr. Santosh Pradhan, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the vote cast at remote e-voting and open Voting at this AGM.

Since the meeting is being conducted through Video Conferencing and the resolutions stated in the Notice of AGM are already put to vote through remote e-voting, there will no proposing and seconding of the resolutions.

Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through Remote evoting and voting during AGM and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any. The results of the voting shall be declared within 48 hours of the conclusion of this AGM.

	<p>The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of NSDL and Stock Exchanges.</p> <p>In the Notice of this 43rd AGM, 6 resolutions have been proposed for the approval by the members. There are 4 Ordinary Businesses and 2 Special Businesses.</p>
	<p>Ordinary Business(s):</p> <ol style="list-style-type: none"> 1. To receive, consider and adopt the standalone and consolidated Audited Financial Statements for the financial year ended 31st March, 2022 together with the reports of Directors and Auditors thereon. 2. To declare the final Dividend for the F.Y.2021-22. 3. To reappoint Retiring Director. 4. To reappoint Statutory Auditors of the Company. <p>Special Business(s):</p> <ol style="list-style-type: none"> 5. Ratification of Remuneration of Cost Auditor for financial year 2022-23. 6. To approve the remuneration payable to Mr. Jaideep Wadhwa, Non-Executive Non-Independent Director during the F.Y. ending March 31, 2023. <p>Resolution No 1 to 4 have been proposed to be passed as Ordinary Resolutions and Resolution no. 5 & 6 have been proposed to be passed as Special Resolution.</p>
<p>Questions by shareholders if any- Company Secretary</p>	<p>Now we move to question-answer session. Only those Shareholders who have sent their queries in advance or have registered themselves for speaking at the meeting shall be eligible to raise their query.</p> <p>We will announce the name of the Shareholder one by one who has registered himself/herself for speaking. To start speaking, the Shareholders are requested to switch on their video mode. If such Shareholder is not able to join through video for any reason then that member can join through the audio mode only. The Shareholders are advised to use headphone for Clear Audio and switch off other background applications, if any, running.</p>

	<p>If there is connectivity issue for any speaker shareholder end, then we will request to next speaker shareholder to speak. Once the connectivity improves, we will call again the previous registered speaker shareholder. We request to speaker shareholder to kindly limit the speech/ queries within 3 minutes As per the information which the shareholders have sent to us, Now I request Mr. Ajay Jain to express his views/ask the question:</p> <p>Mr. Ajay Jain</p> <p>Now I request Mr. G.V. Naga Brahma to express his views/ask the question:</p> <p>Mr. G.V. Naga Brahma</p> <p>Now I request Mr. Praveen Kumar to express his views/ask the question:</p> <p>Mr. Praveen Kumar</p> <p>Now I request Mr. J Abhishek to express his views/ask the question:</p> <p>Mr. J Abhishek</p> <p>Now I request Mr. Raju Verma to express his views/ask the question:</p> <p>Mr. Raju Verma</p> <p>Now I request Mr. Viraj Bharat Khacharia to express his views/ask the question:</p> <p>Mr. Viraj Bharat Khacharia</p> <p>With this, we conclude the Q & A session from all Registered Speakers. Questions asked through Chat box, if any, will be replied at the time of Meeting.</p>
<p>Vote of thanks, by Chairman</p>	<p>I would like to thanks to all the shareholders who participated in the Annual General Meeting of the Company to make it successful.</p> <p>Now I authorize the Company Secretary to conclude the</p>

	<p>meeting. The results would be announced on or before the 24th September, 2022 and the same would be intimated to Stock Exchanges and will be uploaded on the website of the Company and NSDL.</p> <p>Thank you.</p>
Company Secretary	<p>I Request all shareholders please cast your vote who have not casted yet. If you have any difficulty to cast the vote please write in the Q & A box, we will help you in the same. The Voting is open for more 15 minutes from now.</p>