



**STERLING TOOLS LIMITED**

**CIN : L29222DL1979PLC009668**

**Regd. Office:** Unit No. 515, DLF Tower A, Jasola District Centre, New Delhi-110025

**Corporate Office:** Plot No. 4, DLF Industrial Estate, Faridabad-121003, Haryana

**E-mail:** csec@stlfasteners.com, **Website:** www.stlfasteners.com

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

**NOTICE OF POSTAL BALLOT**

[Pursuant to Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended]

**Dear Member(s),**

**NOTICE** is hereby given, pursuant to Section 110 of the Companies Act, 2013 (the “**Companies Act**”), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the “**Rule**”), read with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (the “**MCA**”) (hereinafter collectively referred to as “**MCA Circulars**”), Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (“**SS-2**”) and any other applicable law, rules and regulations, including any statutory modification or re-enactment thereof for the time being in force, that the Resolutions appended below are proposed to be passed as Special Resolutions by the Members of Sterling Tools Limited (“**Company**”) through Postal Ballot by remote e-voting process only (“**remote e-voting**”).

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. If your e-mail address is not registered with the Company/ Depositories, please follow the process provided in the Notes to receive this Postal Ballot Notice and login ID and password for remote e-voting. The communication of the assent (FOR) or dissent (AGAINST) of the Members on the resolution would only take place through the remote e-voting system.

An explanatory statement pursuant to Section 102 of the Companies Act and other applicable provisions of the Companies Act, the Companies (Meetings of Board and its Powers) Rules, 2014, pertaining to the said Resolutions, setting out the material facts and the reasons thereof, is also appended. Pursuant to Rule 22(5) of the Companies (Management and Administration Rules) 2014, the Company has appointed Mr. Santosh Kumar Pradhan, Practicing Company Secretary (C.P. No. 7647) as the scrutinizer (the “**Scrutinizer**”) to conduct the Postal Ballot voting through remote e-voting process in a fair and transparent manner.

The remote e-voting period will commence on Wednesday, 22<sup>nd</sup> November 2023 from 9:00 A.M (IST) and ends on Thursday, 21<sup>st</sup> December 2023 at 5:00 P.M.(IST). The Scrutinizer will submit his report to the Chairman of the Company, or any person authorized by him upon completion of the scrutiny of the votes cast through remote e-voting.

Members desiring to exercise their vote through remote e-voting process are requested to carefully read the instructions indicated in this Notice and record their assent (FOR) or dissent (AGAINST) by following the procedure as stated in the Notes forming part of the Notice not later than 5:00 P.M. (IST) on 21<sup>st</sup> December 2023. The e-voting facility will be disabled by NSDL immediately thereafter and will not be allowed beyond the said date and time.

The said result of Postal Ballot along with the Scrutinizer’s Report would be intimated to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed and would be available on their website at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. Additionally, the results will also be uploaded on the Company’s website [www.stlfasteners.com](http://www.stlfasteners.com) and on the website of National Securities Depository Limited (NSDL) (Agency for providing e-voting platform) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## **SPECIAL BUSINESSES:**

### **Item No. 1: To Approve the “STL - Employee Stock Option Plan 2023”:**

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 62(1)(b), and other applicable provisions of the Companies Act, 2013 (‘Act’) read together with Companies (Share Capital and Debentures) Rules, 2014 (‘Rules’) including any statutory modification(s) or re-enactment of the Act, for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto (‘SEBI SBEB Regulations’) and in accordance with, the Memorandum and Articles of Association of the Company, and such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and as recommended by the Nomination & Remuneration Committee and the Board, the consent of the members of the Company be and is hereby accorded for the introduction and implementation of **“STL - Employee Stock Option Plan 2023” (‘ESOP Plan’)** for the benefit of the present and future permanent employees, officers and Director(s) not being an Independent Director of the Company or Subsidiary Company, whether working in India or not, whether Whole Time Director or not, but excluding (i) an employee/director who is a Promoter(s) or persons belonging to the Promoter Group and or (ii) Directors who either himself or through his relative or through any body corporate holds directly or indirectly more than 10% (Ten percent) of the outstanding equity shares of the Company (hereinafter referred to as “Employees”) and authorising the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers including the powers conferred by this resolution) to exercise its powers including the powers conferred by this resolution to adopt and implement the ESOP Plan, the salient features of which are furnished in the Explanatory Statement.

**RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby accorded to the Board to create, offer and grant from time to time up to 9,00,605 (Nine Lacs Six Hundred and Five) Employee Stock Options (‘**ESOP Options**’/ ‘**Options**’), representing 2.44% of the post issuance paid-up equity share capital of the Company, as may be determined by the Board in accordance with the ESOP Plan exercisable into not more than 9,00,605 (Nine Lacs Six Hundred and Five) fully paid-up equity shares in the Company with face value of Rs. 2/- (Rupees Two only) each, at such price or prices, in one or more tranches and on such terms and conditions as may be determined by the Board in accordance and compliance with the provisions of the ESOP Plan and applicable provisions of the Act, and Rules and SEBI SBEB Regulations made thereunder.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to:

- i. Administer, implement and supervise the operation of the ESOP Plan on such terms and conditions as it may specify.
- ii. Determine the terms and conditions of grant, issue, re-issue, cancellation, and withdrawal of Options from time to time.
- iii. Formulate, approve, evolve, decide upon, and bring into effect, suspend, withdraw, or revive any sub-plan for the purpose of grant of Options to the Employees and to make any modifications, changes, variations, alterations or revisions in such sub-plan from time to time.
- iv. To do all such acts, deeds, things and matters as may be considered necessary or expedient for the purpose of giving effect to the above resolution; and
- v. To settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members/shareholders of the Company.

**RESOLVED FURTHER THAT** the aforesaid ceiling of 9,00,605 (Nine Lacs Six Hundred and Five) ESOP Options convertible into 9,00,605 (Nine Lacs Six Hundred and Five) fully paid-up equity shares of the Company of face value of Rs. 2/- (Rupees Two only) each shall be appropriately adjusted in case of any corporate action(s) such as rights issues, bonus issues, sub-division, split or consolidation of shares, any change in capital structure, merger and/or sale of division/undertaking or any other re-organisation /restructuring of the Company, without affecting any other rights or obligations of the option grantees.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP Plan.

**RESOLVED FURTHER THAT** for the purpose of creating, offering, issuing, allotting, and listing of the securities and/ or for the purpose of complying with any guidelines or regulations that may be issued from time to time by any appropriate authority(ies), the Board be and is hereby authorized on behalf of the Company to make modifications, changes, variations, alterations, or revisions in the ESOP Plan as it may deem fit, from time to time in its sole and absolute discretion in compliance with the provisions of the Act and Rules made thereunder, Memorandum and Articles of Association of the Company and any other applicable laws.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot equity shares of the Company upon exercise of ESOP Options, from time to time, in accordance with the ESOP Plan and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the equity shares allotted under ESOP Plan on the stock exchanges, where the equity shares of the Company are listed as per the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI SBEB Regulations and other applicable laws, rules and regulations.

**RESOLVED FURTHER** that the Board be and is hereby authorised to do all such acts, deeds and things, as it may, in its absolute discretion, deem necessary including authorising or directing to appoint merchant bankers, brokers, solicitors, and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, Mr. Atul Aggarwal (DIN:00125825), Whole Time Director, Mr. Pankaj Gupta, Chief Financial Officer and Mr. Abhishek Chawla, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required for the purpose of giving effect to the above resolutions including the filing of necessary e-forms with the Registrar of Companies, Stock Exchange(s) and other relevant authorities, to issue Grant / Offer Letter(s) and to settle all questions, difficulties or doubts that may arise in this regard.”

**Item No. 2 – To approve the grant of ESOP Options to the employees of subsidiary(ies) of Sterling Tools Limited under the “STL- Employee Stock Option Plan 2023”:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b), and other applicable provisions of the Companies Act, 2013 (‘Act’) read together with Companies (Share Capital and Debentures) Rules, 2014 (‘Rules’) including any statutory modification(s) or re-enactment of the Act, for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto (‘SEBI SBEB Regulations’) and in accordance with the Memorandum and Articles of Association of the Company, and such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and as recommended by the Nomination & Remuneration Committee and the Board, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to extend the benefit and coverage and to offer, issue, grant and allot from time to time, in one or more tranches, Employee Stock Options (‘ESOP Options’/ ‘Options’) under ‘STL – Employee Stock Option Plan 2023’ (‘ESOP Plan’) to the present and future permanent employees, officers and director(s) not being an Independent Director of the Subsidiary company of the Company, whether working in India or not, whether Whole Time Director or not, but excluding (i) an employee/director who is a

promoter(s) or belonging to the Promoter Group or (ii) Directors who either himself or through his relative or through any body corporate holds directly or indirectly more than 10% (Ten percent) of the outstanding equity shares of the Company (hereinafter referred to as “Employees”), within the ceiling of total number of ESOP Options and equity shares, as specified in ESOP Plan i.e. 9,00,605 (Nine Lacs Six Hundred and Five) equity shares (including equity shares allotted to the employees of the Company) along with such other terms and in such manner in accordance with the provisions of the applicable laws and the provisions of ESOP Plan.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to modify, change, vary, alter, amend, suspend or terminate the ESOP Plan at any time subject to compliance with applicable laws and regulations to the extent required under SEBI SBEB Regulations, and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP Plan and do all other things incidental and ancillary thereto in conformity with the provisions of the Act, SEBI SBEB Regulations, the relevant provisions of the Memorandum and Articles of Association of the Company and any other applicable laws in force.”

**Item No. 3 - To approve the grant of ESOP Options exceeding one percent of the issued capital of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b), and other applicable provisions of the Companies Act, 2013 (‘Act’) read together with Companies (Share Capital and Debentures) Rules, 2014 (‘Rules’) including any statutory modification(s) or re-enactment of the Act, for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto (‘SEBI SBEB Regulations’) and in accordance with the Memorandum and Articles of Association of the Company, and such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and upon recommendation of Nomination & Remuneration Committee and the Board, the consent of the members of the Company be and is hereby accorded to create, offer and grant Employee Stock Options (‘ESOP Options’/‘Options’) to Mr. Jaideep Wadhwa under the “STL – Employee Stock Option Plan 2023” (‘ESOP Plan’), during any 1 (one) year equal to or in excess of 1% (one percent) of the issued share capital of the Company, at the time of grant of ESOP Options in accordance with the SEBI SBEB Regulations and ESOP Plan.

**RESOLVED FURTHER THAT** the ESOP Options are being issued to Mr. Jaideep Wadhwa owing to his employment in Sterling Gtake E-Mobility Limited (wholly owned subsidiary of Company). The details of remuneration to be payable in the form of ESOP Options are set out below:

Employee Stock Options	Mr. Jaideep Wadhwa will be entitled for upto 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) Options that can be converted to a maximum of 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) equity shares of face value of Rs. 2/- (Rupees Two only) of the Company under ESOP Plan (subject to approval of such plan by the members of the Company) and will be entitled to participate in various employee incentive plans, including any employee stock options plans, as may be announced by the Company from time to time at the discretion of the Board.
------------------------	---

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard, as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the members/Shareholders.”

**Item No. 4 – To approve payment of proposed remuneration to Mr. Jaideep Wadhwa (DIN: 00410019), Non-Executive Non-Independent Director, during the Financial Year ending March 31, 2024:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 197 and 198 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendments thereto or re-enactment thereof for the time being in force and the amended Regulation 17(6)(a) and (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, upon recommendation of the Nomination and Remuneration Committee and Board of the Company, the consent of the members of the Company be and is hereby accorded to the payment of remuneration in the form of ESOP Options to Mr. Jaideep Wadhwa, Non-Executive Non-Independent Director of Company, which is expected to be in excess of limit of 1% (One percent) of the net profits of the Company owing to the remuneration for all the Directors who are neither Managing Directors nor Whole Time Directors-and also exceed the overall limit on total managerial remuneration of 11% (Eleven percent) as specified under section 197 of the Act and is expected to exceed 50% (Fifty Percent) of the total annual remuneration payable to all the Non-Executive Directors of the Company during the financial year ending March 31, 2024.

**RESOLVED FURTHER THAT** the aforementioned ESOP Options are proposed to be issued to Mr. Jaideep Wadhwa owing to his employment in Sterling Gtake E-Mobility Limited (wholly owned subsidiary of Company). The details of remuneration to be payable in the form of ESOP Options are set out below:

Employee Stock Options	Mr. Jaideep Wadhwa will be entitled for 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) options that can be converted to a maximum of 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) equity shares of face value of Rs. 2/- (Rupees Two only) of the Company under ESOP Plan (subject to approval of such plan by the members of the Company) and will be entitled to participate in various employee incentive plans, including any employee stock options plans, as may be announced by the Company from time to time at the discretion of the Board.
------------------------	--

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers including the powers conferred by this resolution) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard, as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the members/Shareholders.”

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

**Date: 30<sup>th</sup> October, 2023  
Place: Faridabad**

**Registered Office:  
Unit No. 515, DLF Tower A  
Jasola District Centre,  
New Delhi-110025**

**(Abhishek Chawla)**  
Company Secretary  
Membership No. A34399  
House No. 004, Tower B 12A  
RPS Savana, Sector 88  
Faridabad-121003

## **NOTES:**

1. An Explanatory Statement pursuant to Section 102 read with Section 110 and other applicable provisions, as amended, of the Companies Act, 2013 setting out all material facts in respect of the resolutions contained in the above Postal Ballot Notice is appended and forms part of this Notice.
2. Pursuant to the provisions of Section 110 of the Act read with the Rules and the MCA Circulars, your Company has an option for the above mentioned resolutions, to seek the approval of the Members through Postal Ballot (via remote e-voting only), instead of getting the same passed at a General Meeting. Accordingly, if the resolutions are approved by the Members through Postal Ballot via remote e-voting, it shall be deemed to have been passed as if the same has been passed at a General Meeting of the Members convened in this regard.
3. **A. Dispatch of Postal Ballot Notice through electronic mode**

In compliance with the MCA Circulars, the Notice of the Postal Ballot is being sent by electronic mode only to those members whose names appears in the Register of Members/ List of Beneficial Owners maintained by the Registrar and Share Transfer Agent (“RTA”)/ Depositories respectively as at closure of business hours on **Friday, 17<sup>th</sup> November, 2023**, (the ‘cut-off date’) and whose e-mail IDs are registered with the Company/RTA/ Depositories. As per the MCA Circulars, physical copy of the Notice, postal ballot forms and pre-paid business reply envelopes are not being sent to members for this Postal Ballot. Members are requested to provide their assent (FOR) or dissent (AGAINST) through remote e-voting only. Further, the members who have not registered their email IDs can get register the same in the manner provided in this Notice.

### **B. Registration of Email ID**

Members are requested to register their email ID permanently by following the procedure as mentioned below:

- (i) Members holding shares in physical mode are requested to send Form ISR-1, SH-13, ISR-2 (if signature is not match with Company’s record) to the registered office of the Registrar and Share Transfer Agent (‘RTA’) of the Company i.e. MAS Services Ltd, T-34, 2nd Floor, Okhla Industrial Area Phase-II, New Delhi-110020 for receiving the Postal Ballot Notice, remote e-voting instructions and User ID & Password.
- (ii) Members holding shares in demat form are requested to register/update email ID with your Depository Participant (“DP”) and generate password as per procedure given in e-voting instructions as below.
- (iii) Members whose names appears in the Register of Members/ List of Beneficial Owners as on the cut-off date i.e. **Friday, 17<sup>th</sup> November, 2023** are eligible to e-vote on the resolution set forth in this Notice of Postal Ballot.

### **C. Updation/ Registration of KYC Details**

The Securities and Exchange Board of India (‘SEBI’) vide its circular dated 3<sup>rd</sup> November, 2021 read with circular dated 14<sup>th</sup> December, 2021, 16<sup>th</sup> March, 2023 and circular dated 26<sup>th</sup> September, 2023 has made it mandatory for the Members holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent (‘RTA’) of the Company. Effective from 1<sup>st</sup> January, 2024, RTA/registrar will not process, any service requests or complaints received from the member until unless above KYC and nomination will not be completed by Member and such Members holding will be freezed by RTA on or after 1<sup>st</sup> January, 2024.

The Members holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such Members shall be frozen on or after 1<sup>st</sup> January 2024 by the RTA. In view of the above, Members of the Company holding securities in physical form are requested to provide following documents/details to RTA:

**In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:**

- (i) PAN; (using ISR-1)
- (ii) Confirmation of signature of Securities holder by the Banker. (using ISR-2)
- (iii) Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3 ;
- (iv) Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- (v) Bank Account details including Bank name and branch, Bank account number, IFS code;
- (vi) Any cancellation or change in nomination shall be provided in Form No.SH-14

All of the above required documents/details to be sent at the address of registered office of the RTA at T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020. The Members can download the forms mentioned in SEBI circular from the website of the RTA website i.e. [www.masserv.com](http://www.masserv.com).

**For any queries in this regard send an e-mail request at [investor@masserv.com](mailto:investor@masserv.com).**

4. The Notice of Postal Ballot is also placed on the website of the Company i.e., [www.stlfasteners.com](http://www.stlfasteners.com) and the website of National Securities Depository Limited (NSDL) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and at the relevant sections of the websites of the stock exchanges on which the shares of the Company are listed i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
5. In compliance with the provisions of Sections 108 and 110 of the Act, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is pleased to offer E-voting facility to its Members, to enable them to cast their votes electronically. The Company has appointed National Securities Depository Limited (NSDL) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) for facilitating e-voting to enable the members to cast their votes electronically (hereinafter referred to as the "Remote e-voting").
6. Pursuant to the provisions of Section 110, the MCA Circulars and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, assent (FOR) or dissent (AGAINST) of the Members in respect of the resolutions contained in this Notice dated 30<sup>th</sup> October, 2023 is being taken through remote E-voting only.
7. There will be one E-vote for every Folio/Client ID irrespective of the number of joint holders.
8. The remote e-voting period commence on **Wednesday, 22<sup>nd</sup> November 2023 from 9:00 A.M. (IST) and ends on Thursday, 21<sup>st</sup> December 2023 at 5:00 P.M. (IST)**. During this period, the Members, whose names appear in the Register of Members /Beneficial Owners as on the record date (cut-off date) i.e **17<sup>th</sup> November 2023**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being, **17<sup>th</sup> November, 2023**.
9. Voting Rights in the Postal Ballot cannot be exercised by a proxy.
10. The Board of Directors have appointed Mr. Santosh Kumar Pradhan (C.P. No. 7647), Practising Company Secretary as the Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner. The Scrutiniser has communicated his willingness to be appointed for the said purpose.
11. The Scrutiniser will, after the conclusion of remote e-voting, scrutinise the votes cast through remote e-voting, submit his report to the Chairman or a person authorised by him, who shall countersign the same and declare results of the Postal Ballot/E-voting at the Corporate Office of the Company within two working days from the conclusion of remote e-voting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company website- [www.stlfasteners.com](http://www.stlfasteners.com) and the website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) immediately after the declaration of result by the Chairman and in his absence, any Director/officer of the Company authorised by the Chairman and the same will also be communicated to BSE Limited and the National Stock Exchange of India Limited i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

12. The Resolution(s) as mentioned in the notice shall be deemed to have been passed on **21<sup>st</sup> December 2023**, being the last date for e-voting. The Company will also display the results of the Postal Ballot at its registered office and at the corporate office.
13. All documents referred to in the accompanying the Postal Ballot Notice, STL - Employee Stock Option Plan 2023 and the statement under Section 102 of the Act, shall be open for inspection during normal business hours i.e. from 10:00 A.M. to 5:00 P.M. on all working days until the last working day specified for casting votes through remote e-voting.

#### 14. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E- VOTING

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

##### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p>

	<p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;">  App Store          Google Play       </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing Myeasi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 022-23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

**c) How to retrieve your ‘initial password’?**

- I. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - II. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
    - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to santosh@kritiadvisory.com with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@masserv.com or [csec@stlfasteners.com](mailto:csec@stlfasteners.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [csec@stlfasteners.com](mailto:csec@stlfasteners.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## “EXPLANATORY STATEMENT

### Pursuant to Section 102 of the Companies Act, 2013 (‘the Act’)

The following statements sets out all material facts relating to the businesses mentioned under Resolution Nos.1, 2 and 3 of the accompanying Notice of Postal Ballot along with the disclosures as required under Regulation 6(2) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (‘SEBI SBEB Regulations’).

#### **Item Nos. 1, 2 and 3:**

Company appreciates the critical role played by people in the organizational growth. It strongly feels that the value created by its people should be shared with them. To promote the culture of employee ownership, and to attract and retain valuable talent and resources towards the Company’ growth, it is contemplating to implement an STL-Employee Stock Option Plan 2023 (‘ESOP Plan’) for its employees as well as employees of its subsidiary Company(ies).

The Company intends to implement the ESOP Plan and grant Employee Stock Options (‘ESOP Options’) to the eligible employee(s), over the time, with an objective to achieve sustained growth of the Company and create shareholder value by aligning the interests of the employees with the long-term interests of the Company, to attract, incentivize and retain key talent as well as to motivate the employees to contribute to the Company’s growth and profitability, and to recognize and reward the efforts of employees and their continued association with the Company and its subsidiary Company(ies).

The rationale for extending the ESOP Options to employees of the subsidiary company is to ensure uniformity and consistency in the employee benefits schemes across the Sterling group and to promote a sense of belonging and loyalty among the employees of different entities. As the Company’s equity shares are listed on stock exchanges in India and are currently frequently traded on such stock exchanges (BSE Limited and National Stock Exchange of India Limited), it intends to provide the benefits across the group to incentivize the employees along with alignment of their interest with the success of the Company.

The Company seeks approval of the members in respect of ESOP Plan and for grant of ESOP Options to the eligible employees / Directors of the Company and that of its subsidiary Company (ies) as may be decided by Board and / or the Nomination and Remuneration Committee (‘Committee’) and/ or other approvals as required, from time to time in due compliance with Companies, Act, 2013 (including rules framed thereunder), SEBI SBEB Regulations and other applicable laws and regulations.

As per Regulation 6(3)(d) of the SEBI SBEB Regulations, a separate resolution is also required to be passed if the benefits of the ESOP Plan are to be extended to identified employees, during any 1 (one) year, equal to or exceeding 1% (one per cent) of the issued capital of the Company at the time of grant of option.

The Company has identified the below mentioned employee to grant option exceeding 1% (one per cent) in 1 (one) year as per the terms of the ESOP Plan. The details of remuneration to be payable in the form of ESOP Options are set out below -

Employee Stock Options:	Mr. Jaideep Wadhwa will be entitled for upto 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) options that can be converted to a maximum of 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) equity shares of face value of Rs. 2/- (Rupees Two only) of the Company under ESOP Plan (subject to approval of such plan by the members of the Company) and will be entitled to participate in various employee incentive plans, including any employee stock options plans, as may be announced by the Company from time to time at the discretion of the Board.
-------------------------	---

Mr. Jaideep Wadhwa, aged 59 years, is an MBA from the Darden School at the University of Virginia and has nearly 35 years of industry experience, with 27+ years as Executive Director, CEO, Managing Director or President in different organisations in India. He has served as Managing Director of Ingersoll Rand, President of Tomkins Industrial & Automotive, Director Value Creation at Actis and CEO of Max Speciality Films covering varied industries such as Machinery, Auto & Industrial Components, Private Equity and

Packaging. His experience spans delivering dynamic growth and operational improvements, new business model development, acquisitions & integration as well as turnarounds.

Mr. Wadhwa has been associated with the Sterling Group since 2018 and was appointed as a Non-Executive, Non-Independent Director of the Company vide Board Meeting held on 07<sup>th</sup> Feb 2019. He was appointed on the Board of the Company to provide strategic guidance and to support the Company on inorganic growth initiatives including greenfield ventures, collaborations, acquisitions, and strategic investments.

Under his guidance, the group diversified into EV components and Sterling Gtake E-Mobility Limited (SGEM), a wholly owned subsidiary of the Company, was formed in 2020. SGEM has since become the largest MCU Company in India with monthly revenues of over Rs. 20 Crore. SGEM continues to increase its contribution in the overall STL consolidated revenues. SGEM was EBITDA positive in its first full year of operation and now has 16 customer contracts covering over 20 vehicle platforms.

Mr. Wadhwa identified the MCU opportunity, selected and negotiated with the technology partner and provided the leadership in setting up the business, securing the initial orders and steering SGEM to profitability despite the vagaries of this nascent industry. He continues to lead the business as the Managing Director of SGEM. Mr. Jaideep Wadhwa continues to lead SGEM successfully and is spearheading the various EV related opportunities for the Group.

Mr. Jaideep Wadhwa is pivotal to the success of SGEM and other STL ventures in the EV space and to ensure the long-term continuity of his service, the Company is contemplating to grant ESOP Options equal to or exceeding 1% (one per cent) in 1 (one) year to him.

Particulars as required under Section 62(1)(b) of the Act read together with Part C of Schedule I to Regulation 6(2) of SEBI SBEB Regulations are given below:

#### **1. Brief description of the Plan:**

It is proposed to implement the “STL – Employee Stock Option Plan 2023” [‘ESOP Plan’ / ‘Plan’] pursuant to which share – based benefits will be granted to eligible employees with a view to reward the talents, motivate the workforce, create an employee ownership structure, attract and retain talents and ensured sustained growth.

The Board of Directors of the Company [‘Board’], based on the recommendation of the Nomination and Remuneration Committee [‘NRC’] of the Board has approved the detailed terms and conditions of the Plan, formulated by the NRC, for the issue of Employee stock Options [‘ESOP Options’/‘Options’] to eligible employees of the Company or its subsidiary(ies), at their meeting held on 30<sup>th</sup> October 2023, subject to approval of the members.

#### **2. Total number of stock Options offered and to be granted:**

- i. Total number of Options aggregating to 9,00,605 (Nine Lacs Six Hundred and Five) would be available for grant to eligible employees of the Company and/or eligible employees of the Subsidiary Company of the Company, in one or more tranches under ESOP Plan. Each option when exercised would be converted into 1 (one) equity share of the Company of Rs.2/- each fully paid-up.
- ii. If an ESOP Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all applicable laws. The NRC will have powers to re-grant such Options.
- iii. In the case of corporate action(s) such as rights issues, bonus issues, sub-division, split or consolidation of shares, any change in capital structure, merger, reconstitution, dissolution, liquidation or reorganization, exchange of shares, share swaps, sale of all or substantially all of the assets of the Company or a transaction similar thereto, or any other event which in the judgment of the NRC necessitates action of making a fair and reasonable adjustment to the number of Grants and/or Exercise Price, such adjustment shall be made in a manner that the NRC considers prudent and reasonable.

### **3. Identification of class(es) of employees entitled to participate in the ESOP Plan:**

- i. Subject to the determination / selection by the NRC, the following class of employees are eligible to be granted Options under the “ESOP Plan”:
  - a. any Permanent employee(s) of the Company working in or outside India; or
  - b. Director of the Company, whether a whole-time or not, but excluding an Independent Director; or
  - c. employees as mentioned in (a) and (b) above of Company’s subsidiary(ies), in India or outside India; or
- ii. However, the following class of employees are not eligible to be granted Options under the ESOP Plan:
  - a. an employee who is a promoter or belongs to the promoter group; and
  - b. a director, who either by himself or through his relative or through any body corporate, directly or indirectly, holds more than 10 (ten) percent of the outstanding equity shares of the Company.

### **4. Requirements of vesting and period of vesting:**

- i. The Options granted under this Plan would not vest earlier than a minimum period of 1 (One) year from the date of grant and not later than maximum Period of 5 (Five) years from the date of Grant of such Options, at the discretion of and in the manner prescribed by the NRC and set out in the Grant Letter.

In case of deputation to the Subsidiary Company, as the case may be, the period of employment with the respective Company may also be considered at the discretion of the NRC and thus the Option would vest essentially on passage of time. In addition to this, the NRC may from time to time, also specify certain other parameters subject to satisfaction of which the Options would vest.

- ii. Vesting of Option would be subject to continued employment with Company or its Subsidiary Company(ies), as the case may be.
- iii. The Vesting schedule and specific Vesting Conditions, subject to which vesting would take place, would be outlined in the Letter of Grant given to the Option Grantee at the time of grant of Options.
- iv. The Grantee shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the Options granted to him/her, till the Shares are issued upon the exercise of the Options.
- v. Subsequent to the date of Vesting, the Grantee shall Exercise the Vested Options on or before the last day of the Exercise Period.
- vi. Vesting of Options in case of Employees on long leave:

Period of long leave shall not be included in determining the vesting period in the event the Employee is on a sabbatical. However, the NRC at its discretion, may include the period of long leave in determining the vesting period. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the vesting period unless otherwise determined by the NRC.

### **5. The Maximum Period within which the Options shall be vested:**

The maximum period within which the Options shall vest from the date of grant of such Options would be 5 (Five) years.

### **6. Exercise price or pricing formula:**

The exercise price shall not be less than the face value and shall not be more than the Market Price (‘MP’) of the equity share of the Company at the time of grant of option as determined by the NRC from time to time and shall be in the conformity with the applicable accounting policies/standards, if any.

## **7. Exercise period and the process of Exercise:**

### **Exercise Period:**

The Options granted may be exercised by the grantee at one time or at various points of time within the exercise period as determined by the Board of Directors / Nomination and Remuneration Committee from time to time. For the purposes of the Plan, the Exercise Period for the Vested Options shall be as follows:

- i. Any time after the Vesting Date and within 10 (Ten) years from the date of vesting of such Options; and
- ii. In the event of resignation or termination of employment, the maximum Exercise Period available with respect to Vested Options shall be 60 days from the date of resignation or termination of employment unless any other period is decided by the Board.

### **Exercise Procedure:**

- i. The Exercise shall take place at the time and place designated by the NRC and by executing such documents as may be required under the Applicable Laws to pass a valid title of the relevant shares of the Company to the grantee, free and clear of any liens, encumbrances and transfer restrictions save for those set out as per terms and conditions of the Plan.
- ii. A grant shall be deemed to be validly exercised only when the Company receives a duly completed application, written or electronic, for exercise of Options, containing such details as may be required along with the aggregate exercise price (in accordance with the Plan) payable, and such other duly completed and signed documents as may be considered necessary by the Board to lawfully execute/enforce various provisions of the Plan.

## **8. Appraisal process for determining the eligibility of the employees to be granted ESOP Options:**

The NRC shall determine the eligibility criteria for the employees under ESOP Plan based on any or one of the attributes like designation, period of service, performance linked parameters, Company's overall performance and such other criteria as the NRC may deem fit.

## **9. Maximum number of Options to be issued per employee and in aggregate:**

The maximum number of options to be granted per employee per grant and in aggregate in any financial year shall not exceed (i) one percent of the issued capital of the Company at the time of grant of options during any one year; and (ii) 9,00,605 (Nine Lacs Six Hundred and Five) in aggregate. The Board and / or the Nomination and Remuneration Committee may decide to grant such number of Options equal to or exceeding 1% of the issued share capital of the Company to any eligible Employee as the case may be, subject to the separate approval of the shareholders in a general meeting.

## **10. Maximum quantum of benefits to be provided per employee under a scheme:**

The aggregate number of equity shares upon Exercise of all Options under this ESOP Plan, shall not exceed 9,00,605 (Nine Lacs Six Hundred and Five) equity shares of face value of Rs. 2/-(Rupees Two only), each fully paid up, of the Company.

## **11. Whether the scheme is to be implemented and administered directly by the Company or through a trust:**

The Plan shall be implemented and administered directly by the Company.

## **12. Whether the scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:**

The Company shall issue new shares on exercise of stock options under the STL-Employee Stock Option Plan 2023.

**13. The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.:**

Not Applicable

**14. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s):**

Not Applicable

**15. A statement to the effect that the company shall conform to the accounting policies specified:**

Members are requested to note that the Company shall conform to the applicable Accounting Standards and Policies as applicable to the Company, from time to time.

**16. Method of Option valuation:**

The Company shall adopt 'Fair Value Method' for valuation of Options as prescribed under Guidance Note or under any relevant accounting standard notified by the authorities from time to time.

**17. Statement with regard to disclosure in Director's report:**

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

**18. Period of lock-in:**

The Shares issued upon Exercise of Vested Options shall not be subject to any lock-in period restriction after such allotment and credit to the respective demat account.

**19. Terms & conditions for buyback, if any, of specified securities covered under these regulations:**

The NRC has the power to specify the procedure and any other terms and conditions for buy-back of Options granted, if the Company decides to undertake the buy-back of the Options granted/Specified Securities in compliance with applicable laws.

In terms of provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and Regulation 6(3)(c) and (d) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 ("SEBI SBEB Regulations"), consent of the members/shareholders is being sought by way of Special Resolution(s) set out at Item Nos. 1, 2 & 3 of this Notice for grant of options to the employees of the Company and its Subsidiary Company(ies) and for grant of options to the identified employees during any one year equal to or exceeding 1% of the issued capital of the Company.

Except Mr. Jaideep Wadhwa, being the interested Director, none of the other Directors and Key Managerial Personnel of the Company/their relatives who may be granted Options under ESOP Plan may be deemed to be concerned or interested in the aforesaid Special Resolutions set out at Item Nos. 1, 2 & 3, except to the extent of their shareholding, if any, in the Company.

Save as aforesaid, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said special resolutions. This Explanatory Statement may also be regarded as an appropriate disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Item No. 4:**

Mr. Jaideep Wadhwa (DIN 00410019) is a Non-Executive Non-Independent Director of the Company and holds the position of Managing Director of Sterling Gtake E-Mobility Limited (Wholly Owned subsidiary of the Company) ["SGEM"].

The Nomination and Remuneration Committee ("NRC") of the Company has proposed to grant 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty-One Only) options to Mr. Jaideep Wadhwa pursuant to the proposed "STL- Employee Stock Option Plan 2023" ("ESOP Plan"/ "Plan").

In terms of Regulation 17(6)(a) and (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and provisions of Section 197 of the Companies Act 2013, ("Act"), approval of members/shareholders is being sought by way of Special Resolution as contained in the Notice, for payment of remuneration arising out of the proposed grant of 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) options to Mr. Jaideep Wadhwa for his valuable contribution towards the growth of the business of SGEM, and the said proposed grant shall be payable in the capacity of Managing Director of SGEM. In accordance with Section 197 of the Act, the aforesaid remuneration in the form of proposed grant of 6,40,431 options payable by the Company, in respect of any financial year may exceed the limits of 1% (One percent) of the net profits owing to the remuneration for all the directors who are neither managing directors nor Whole time Directors and also exceed the overall limit on total managerial remuneration of 11% (Eleven percent) of the net profits, computed in accordance with the provisions of Section 198 of the Act.

Pursuant to Regulation 17(6)(a) and (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of members/shareholders is also being sought by way of Special Resolution, for payment of remuneration in the form of proposed grant of 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) options to Mr. Jaideep Wadhwa for the financial year ending 31<sup>st</sup> March, 2024 as the annual remuneration payable to a single non-executive director, would be expected to exceed 50% (Fifty percent) of the total remuneration payable to all the Non-Executive Directors of the Company. The above said remuneration has been approved by the Committee(s) and the Board of Directors at its respective meetings.

The details of remuneration to be payable in the form of employee stock options are set out below:

Employee Stock Options	Mr. Jaideep Wadhwa will be entitled for 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) options that can be converted to a maximum of 6,40,431 (Six Lacs Forty Thousand Four Hundred and Thirty One Only) equity shares of face value of Rs. 2/- (Rupees Two only) of the Company under ESOP Plan (subject to approval of such plan by the members of the Company) and will be entitled to participate in various employee incentive plans, including any employee stock options plans, as may be announced by the Company from time to time at the discretion of the Board.
------------------------	--

Except Mr. Jaideep Wadhwa, being the interested Director, none of the other Directors and Key Managerial Personnel of the Company and their relatives is neither concerned nor interested, financially or otherwise, in the above resolution except to the extent of their shareholding if any, in the Company. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Your directors recommend the Special Resolution(s) proposed at Item No. 4 of this Notice for your approval.

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

**Date: 30<sup>th</sup> October, 2023**  
**Place: Faridabad**

**Registered Office:**  
**Unit No. 515, DLF Tower A**  
**Jasola District Centre,**  
**New Delhi-110025**

**(Abhishek Chawla)**  
Company Secretary  
Membership No. A34399  
House No. 004, Tower B 12A  
RPS Savana, Sector 88  
Faridabad-121003