

dhananjay shukla & associates
Company Secretaries

House No.-23, Basement, Sector-30, Gurugram (Hr.), India-122001
Mobile: +91 9873347280, Tel: +91-124-2382323/3693773
Email: dshukla2007@gmail.com/dshukla.fcs@gmail.com

30th August 2024

To
The Board of Directors
Sterling Tools Limited
(L29222DL1979PLC009668)
Regd. Office: DJ-1210, 12th floor,
DLF Tower -B, Jasola District Centre,
New Delhi - 110025

Re.: Certificate of Secretarial Auditor to Sterling Tools Limited ("the Company") pursuant to requirement of the stock exchanges i.e. National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE", and collectively the "Stock Exchanges"), on compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("Regulations")

1. We, Dhananjay Shukla & Associates, Company Secretaries, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on **2nd August 2023** by the Board of Directors of Sterling Tools Limited ("the Company") and the engagement letter dated **15th August 2024**.
2. The company has approached us as a "Secretarial Auditor" to issue a certificate as it has to be placed before the shareholder at the ensuing Annual General Meeting of the company scheduled to be held on **13th September 2024** under Regulation 13 of the "Regulations".
3. As requested, we have examined the "STL -Employee Stock Option Plan 2023" ("ESOP Plan") furnished to us by the company, as originally formulated and approved by the Board on 30th October 2023 and approved by the shareholders of the Company through Postal Ballot on 21st December 2023 in accordance with the "Regulations" to read with Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, as may be applicable, issued by the Securities and Exchange Board of India and the applicable provisions of the Companies Act, 2013 and the relevant Referencer issued by the Institute of Company Secretaries of India and in accordance with the resolution approving the ESOP Plan passed by the members of the Company as above said.

Management's Responsibility

4. Management of the Company is responsible for:
 - I. Designing of "ESOP Plan" in compliance with applicable extant Regulations, as amended from time to time.



- II. Maintaining the information and documents, which are required to be kept and maintained under the relevant extant laws and regulations;
- III. Implementing the "ESOP Plan" in accordance with the applicable extant Regulations and the resolutions passed at the general meeting of the Company;
- IV. Establishing and maintaining effective internal control for properly recording the information related to the "ESOP Plan" in the records maintained by the Company.

Verification

As abovesaid, the members of the company, through Postal Ballot, have approved the "ESOP Plan" on 21st December 2023 in the form of Special Resolution, hereinafter to be referred as "ESOP Plan"

For the purpose of verifying the compliance of the "Regulations", we have examined the following documents:-

1. "ESOP Plan" Scheme furnished by the company;
2. The Articles of Association of the company;
3. Minutes of the meeting of the Board of Directors;
4. Outcome of Postal Ballot and Scrutinizer report for approving the ESOP Plan;
5. Minutes of the Nomination and Remuneration committee;
6. Detailed terms and conditions of the scheme as approved by the Nomination and Remuneration committee ("Compensation Committee");
7. Relevant provisions of the Regulations and Companies Act, 2013
8. Other relevant documents /filings/records/ information as maintained by the company

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the company and its officers, we hereby certify that "ESOP Plan" is in conformity with the extant provisions of the "Regulations".

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors/Officers of the company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information as furnished to us. It is neither an audit nor an investigation.





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3. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted or otherwise referred to for any purpose other than for placing it before the shareholders at the ensuing Annual General Meeting of the company scheduled to be held on **13th September 2024** under Regulation 13 of the "Regulations".

**For Dhananjay Shukla & Associates
Company Secretaries**

Dhananjay Shukla
Proprietor
FCS-5886, CP No. 8271
Peer Review No. 2057/2022
UDIN: F005886F001084909

