dhananjay shukla & associates
Company Secretaries
House No.-23, Basement, Sector-30, Gurugram (Hr.), India-122001
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Email: dshukla2007@gmail.com/dshukla.fcs@gmail.com

11th August, 2026

To,
The Board of Directors
M/s Sterling Tools Limited
(CIN: L29222DL1979PLC009668)
Regd. Office: DJ-1210, 12th floor,
DLF Tower -B, Jasola District Centre,
New Friends Colony, 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 pursuant to the recommendation of the Board of Director at its meeting held on **7th August 2025** and the subsequent approval by the shareholders at the Annual General Meeting held on **25th September 2025** of Sterling Tools Limited ("the Company") and the engagement letter dated **31th July 2026.**

2. The company has approached us to issue a certificate as a "Secretarial Auditor", as it has to be placed before the shareholder at the ensuing Annual General Meeting of the company scheduled to be held on **4th September 2026** 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 Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 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-2023 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.

DHANANJAY SHUKLA & ASSOCIATES COMPANY SECRETARIES
Dhananjay Shukla CP 8271

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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.

DHANANJAY SHUKLA & ASSOCIATES
Dhananjay Shukla
CP 8271
COMPANY SECRETARIES

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2. Our responsibility is to give certificate based upon our examination of relevant documents and information as furnished to us. It is neither and audit nor an investigation.
3. This certificate is neither and 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 **4th September 2026** under Regulation 13 of the "Regulations".

For Dhananjay Shukla & Associates
Company Secretaries

DHANANJAY SHUKLA & ASSOCIATES COMPANY SECRETARIES
Dhananjay Shukla CP 8271

Dhananjay Shukla
Managing Partner
FCS-5886, CP No. 8271
Peer Review No. 2057/2022
UDIN: F005886H001077737

Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 regarding Employee Stock Option of the Company for the year ended 31st March, 2025

Sl. No.	Particulars	Details
A.	**Disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share based payments' issued in that regard from time to time**	Members may refer Notes to Accounts Note no. 51 to the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2024-25. (Disclosures are provided in accordance with Ind AS 102, Share-based payment)
B.	**Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.**	₹ 11.81
C.	**Details related to ESOPs**	
(i)	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including	STL-Employee Stock Option Plan-2023
a)	Date of shareholders' approval	21st December 2023
b)	Total number of options approved under ESOP	9,00,605 (Nine Lacs Six Hundred and Five) Employee Stock Options ('ESOP Options')
c)	Vesting requirements	Options granted under the Plan shall vest not earlier than one year but not later than a maximum of 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.
d)	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 options.
e)	Maximum term of options granted	Any time after the Vesting Date and within 10 (Ten) years from the date of vesting of such Options
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of options	No Variation/modification held.
(ii)	**Method used to account for ESOP**	Fair Value Method for valuation of Options
(iii)	**Where the company opts for expensing of the options using the intrinsic value of the options, 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 of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed**	**Not applicable**
(iv)	**Option movement during the year (For each ESOP)**	
a)	Number of options outstanding at the beginning of the period	4,80,324
b)	Number of options granted during the year	Nil
c)	Number of options forfeited / lapsed during the year	Nil
d)	Number of options vested during the year	1,60,108
e)	Number of options exercised during the year	1,60,108
f)	Number of shares arising as a result of exercise of options	1,60,108
g)	Money realized by exercise of options (₹), if scheme is implemented directly by the company	N.A.
h)	Loan repaid by the Trust during the year from exercise price received	N.A.
i)	Number of options outstanding at the end of the year	3,20,216

j)	Number of options exercisable at the end of the year	**Nil**
(V)	**Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.**	- Weighted-average exercise prices for options granted during the year: ₹2/- - Weighted-average fair values for options granted during the year: ₹500.90/-
(Vi)	**Employee wise details of options granted to**	
a)	senior managerial personnel;	**None**
b)	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Mr. Jaideep Wadhwa, Managing Director of Sterling Gtake E-Mobility Limited (subsidiary company), was granted 6,40,431 options in FY 2023-24..
c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
(Vii)	**A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**	No ESOP granted during FY 2025-26 under the STL-Employee Stock Option Plan-2023
a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	NA
b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	NA
c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	NA
d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	N.A.
	Details related to ESPS	**Not Applicable**
E	**Details related to SAR**	**Not Applicable**
F	**Details related to GEBS / RBS**	**Not Applicable**
G	**Details related to Trust**	**Not Applicable**