

**STERLING TOOLS LIMITED**

CIN : L29222DL1979PLC009668

WORKS : 5-A DLF Industrial Estate  
Faridabad - 121 003 Haryana India  
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To,

The Manager  
**National Stock Exchange of India Limited**  
"Exchange Plaza", Bandra-Kurla Complex, Bandra (E)  
Mumbai-400051  
**Scrip Symbol: STERTOOLS**

To,

The Secretary  
Corporate Compliance Department  
**Bombay Stock Exchange Limited**  
1<sup>st</sup> Floor, P. J. Towers, Dalal Street, Fort  
Mumbai – 400001  
**Scrip Id: STERTOOLS Scrip Code: 530759**

**Date: 21<sup>st</sup> September, 2021**  
**Ref.: STL/SD/1&2/2021-2022**

**Sub: Summary of proceeding of 42<sup>nd</sup> Annual General Meeting held on 21<sup>st</sup> September 2021 pursuant to Regulation 30(4) of (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose gist of proceedings of the 42<sup>nd</sup> Annual General Meeting held on Tuesday, September 21, 2021.

Kindly take the above intimation in your record.

Thanking you,

Sincerely  
For **Sterling Tools Limited**

**Vaishali Singh**  
Company Secretary



## **Gist of proceedings of the 42<sup>nd</sup> Annual General Meeting of Sterling Tools Limited**

### **A. Date, time and venue of the Annual General Meeting (Meeting):**

The 42<sup>nd</sup> Annual General Meeting of the Company was held on Tuesday, September 21, 2021 through Video Conferencing (VC) / Other Audio-Visual Means (OAVM). The Meeting commenced at 10:00 a.m. (IST) and concluded at 10:55 a.m. (IST).

### **DIRECTORS PRESENT THROUGH VIDEO CONFERENCE**

1. Mr. Anil Aggarwal	Chairman & Managing Director
2. Mr. Atul Aggarwal	Whole time Director
3. Mr. C. R. Sharma	Independent Director & Chairman-Audit Committee
4. Ms. Malini Sud	Independent Director
5. Mr. Jaideep Wadhwa	Director
6. Mr. Akhill Aggarwal	Director
7. Mr. Rahoul Kabir Bhandari	Independent Director
8. Mr. Rakesh Batra	Independent Director

### **ATTENDANCE:**

1. Mr. Pankaj Gupta	Chief Financial Officer
2. Ms. Vaishali Singh	Company Secretary

### **INVITEES:**

1. Mr. Ankit Aggarwal	Statutory Auditor
2. Mr. Dhananjay Shukla	Secretarial Auditor
3. Mr. Santosh Pradhan	Scrutinizer

73 members attended the meeting through Video conferencing.

### **B. Proceedings in brief:**

- Shri Anil Aggarwal, Chairman & Managing Director, chaired the Meeting.
- All the Directors were present in AGM except Shri Shailendra Swarup and Dr. T. N. Kapoor who could not attend the meeting due to their pre-occupation elsewhere but in absence of Sh. Shailendra Swarup, he had Authorised Mr. C.R. Sharma to act as chairman of Stakeholders Relationship Committee.
- The requisite quorum being present, the Chairman called the Meeting to order.
- The Chairman informed that the Meeting was held through VC / OAVM in compliance with the circulars issued by the Ministry of Corporate Affairs, Government of India and Securities and Exchange Board of India.
- The Chairman addressed the members. A copy of the Chairman's Speech attached to this letter is also available on the website of the Company.
- The Chairman informed that 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@stlfasteers.com](mailto:csec@stlfasteers.com).

- The Company Secretary informed that remote e-voting commenced at 9:00 a.m. on Friday, September 17, 2021 and concluded at 5:00 p.m. on Monday, September 20, 2021.
- With the consent of the members, the Notice convening the 42<sup>nd</sup> Annual General Meeting along with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2021, including Balance Sheet as at 31<sup>st</sup> March, 2021 and the statement of Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon, were taken as read.
- The following items of business as set out in the Notice convening the 42<sup>nd</sup> Annual General Meeting were commended for members consideration and approval:

**Ordinary Business:**

1. To receive, consider and adopt the Standalone & Consolidated Financial Statements containing the Balance Sheet as at 31<sup>st</sup> March 2021 and the Profit and Loss Account for the financial year ended on that date alongwith the Cash Flow statements, Notes & Schedules appended thereto together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend of 50% for the Financial Year 2020-2021.
3. To appoint a Director in place of Shri Jaideep Wadhwa (DIN: 00410019) who retires by rotation and being eligible offers himself for re-appointment.

**Special Business**

4. To ratify the remuneration of the Cost Auditors for the Financial Year 2021-2022.
5. Appointment and Regularization of appointment of Shri Rakesh Batra (DIN No. 06511494) as an Independent Director of the Company
6. Approval of remuneration payable to Shri Jaideep Wadhwa (DIN No. 00410019), Non-Executive Non-Independent Director, during the Financial Year ending March 31, 2022 which is expected to exceed 50% of the total annual remuneration payable to all Non-Executive Directors for the said year.

**C. Voting by members:**

- The Company had provided remote e-voting facility to its members to cast votes electronically on all 6 items of business set out in the Notice.
- Further, the facility to vote on resolutions through electronic voting system at the meeting was made available to the members who participated in the meeting and had not cast their votes through remote e-voting.
- The Company Secretary informed the members that Shri Santosh Kumar Pradhan, practicing Company Secretary, is appointed as the scrutinizer to scrutinize the voting through electronic means (i.e. remote e-voting and voting at the meeting by using electronic system).
- The Chairman informed the members that the results of e-voting shall be disseminated to the stock exchanges and also uploaded on the website of the Company and National Securities Depository Limited, the authorized agency provided e-voting facility.

**D. Question & Answer Session:**

- Thereafter, the Company Secretary opened the stage for 'Questions & Answers' for the members who had registered themselves as the speakers to ask questions or express their views. The management responded to the queries of members and some of the queries raised through emails/chat box will be replied through emails and thereafter through calls with the respective shareholders, if needed.

**E. Vote of Thanks:**

- The Chairman thanks to all the Shareholders who participated in the Annual General Meeting of the Company to make it successful and authorized company secretary to conclude the Meeting.
- The Company Secretary requested shareholders to cast their vote who have not casted yet and voting line remain opened for 15 minutes.

**Notes:**

- i. The Company will separately intimate the results of e-voting to the stock exchanges.
- ii. This document does not constitute minutes of the proceedings of the Annual General Meeting of the Company.

Sincerely  
For **Sterling Tools Limited**

**Vaishali Singh**  
Company Secretary





# STERLING TOOLS LIMITED

CIN No.: L29222DL1979PLC009668

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## Dear Shareholders:

Today, as we convene the 42<sup>nd</sup> Annual General Meeting of Sterling Tools Ltd., I warmly welcome everyone on behalf of the Board of Directors to this virtual platform.

May I start by observing a minute of silence in memory of the citizens of our country and specifically our colleagues, associates, friends and acquaintances who passed away during this terrible Pandemic. My colleagues on the Board and I offer our heartfelt condolences to all those who have lost loved ones in the last year.

## Esteemed shareholders,

I would like to acknowledge and appreciate the efforts that have been taken by the Government and especially the medical community in this fight against Covid.

The COVID-19 global pandemic has changed human as well as organizational behavior, in some cases permanently, in response to this new reality. As a responsible corporate citizen, it is your Company's relentless endeavor to ensure the health and safety of its employees. We are working with various local authorities, agencies and hospitals, supporting them financially and also meeting some of their requirements of medical products/equipment. As a part of the CSR activities, your company has made significant contributions in the fight against Covid-19.

In addition to Covid-19 relief your company's CSR funds have largely been invested in other health projects including cancer relief and Cochlear implants as well as on education of economically weaker sections of society.

### **Performance of Auto Industry in 2020-21**

The Indian auto industry has experienced some unforeseen volatility and disruptions, along with many planned changes over the past 5-6 years – CV axle loading norm revisions, BSVI transition, new safety norms, NBFC crisis, EV policy, GST, etc. The impact of all these changes was a decline in vehicle sales over the past 3 years from a growth of 5% in FY19, to a degrowth of 18% in FY20. In FY 21, the automobile industry witnessed a significant impact due to the pandemic and registered a further degrowth of 13%. Passenger vehicles sales volumes are now below FY16, two wheelers - lowest since FY15, commercial vehicles – lowest since FY11 and three wheelers – lowest since FY03. Undoubtedly, FY21 was a difficult year for the automobile industry including auto-ancillaries.

The turnover of the **automotive component industry** stood at ₹3.40 lakh crore (\$45.9 billion) for the period April **2020** to March 2021, registering a degrowth of 3 per cent over the previous year. In the volatility created by the pandemic the industry displayed great resolve, including your Company, and supported our customers by ensuring business continuity across the value chain.

### **Financial Performance of your Company during F.Y. 2020-21:**

Inspite of several challenges because of Covid-19 and the slow down in Automotive Sector in Financial Year 2020-21, your Company was able to

deliver a reasonable financial as well as operational performance. At a standalone Company level, revenue from operations decreased marginally from Rs. 36,424 lacs to 35,295 lacs. Profit After Tax (PAT) decreased from Rs. 2904.91 lacs to Rs. 2441.80 lacs. The complete details of the performance of the Company, have been included in the Annual Report, which is circulated to all the stakeholders and is with you. With your permission, I would like to take them as read.

Considering the overall financial performance of the Company for the year and to maintain a consistent track record of declaring dividends, the Board of Directors have recommended a dividend of Rs. 1 per equity share (50%) for the financial year 2020-2021.

Despite a challenging year, Sterling Tools has continued to invest and build a strong Leadership Team as it foresees numerous opportunities for both organic and inorganic growth in the near future.

Your Company maintains low debt levels and capital deployment is closely monitored regularly.

### **Outlook for Future**

As per the International Monetary Fund (IMF), the latest forecast for India's GDP growth is about 9.5% and the long-term prospects for the Indian economy continue to be robust. Various reforms and growth initiatives of the Government, including privatization of public sector enterprises, targeted investment incentives through the Production-Linked Incentives (PLI) Schemes and the new Labor Code, are likely to spur investments and drive business growth in the medium-term.

Vehicle sales are expected to record strong growth in 2021-22, post recovery from effects of the COVID-19 pandemic and absence of third wave. Electric vehicles, especially two-wheelers, are also likely to witness strong sales growth in 2021-22, driven by incentives from Central and State Governments and increasing number of new brands and models on offer in the market.

In the medium term , the Indian automotive industry (including component manufacturing) is expected to reach a turnover of Rs. 16 to-18 trillion (US\$ 251.4-282.8 billion) by 2026.

### **Road Map for your Company**

The Indian Auto Industry is beginning to transition from ICE based vehicles to electric vehicles in future and Sterling is also adapting itself to this shift in powertrain technology. Even though the impact of the shift to EVs will not be substantial on the demand for fasteners in the short term, the Company is preparing itself to take on this challenge in future.

The Company's Electric Vehicle component Subsidiary, Sterling Gtake E-Mobility Ltd., which was incorporated in January 2020 provides a foothold in the EV segment and positions the Company to be "Future Ready". The said Subsidiary Company has bagged an Order of Rs. 60 Crores from a major renowned Indian Two Wheeler EV Manufacturer for Motor Control Units (MCUs).

Further, the state-of-the-art fastener manufacturing facility at Bangalore is now commissioned to enable the Company to increase its share of business in South India.



With intense impetus on the vaccination program and other proactive initiatives of the Government, we are confident of a strong resurgence in customer demand in FY22 and anticipate a strong business pipeline. Additionally, we are also taking initiatives to reduce costs wherever possible.

I take this opportunity to sincerely appreciate the dedication and zeal of all our employees who strived through a difficult period and ensured that as an organization, we surmounted all the challenges and progressed. I would also like to thank all my colleagues on the Board for their continued guidance. We acknowledge the unstinted support extended by our valued Customers, Associates, Business Partners, Bankers and the State and Union Governments. Finally, I thank all our shareholders for their enduring trust and confidence. Your support has given us the confidence to keep pushing ourselves, beyond challenges, and complexities, to deliver good returns and consistent value for you year after year.

I wish all of you and your families a safe and healthy year ahead.

Thank You

**Anil Aggarwal**  
**Chairman & Managing Director**