

STERLING TOOLS LIMITED

CIN : L29222DL1979PLC009668

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**By NEAPS****National Stock Exchange of India
Limited**

"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051

Scrip Code: STERTOOLS**Date: 13th August, 2021****Sub: Clarification on Announcement submitted dated 11th August regarding giving Corporate Guarantee for Sterling Gtake E-Mobility Ltd.**

Dear Sir/ Madam,

This is regarding subject cited above.

Preamble: Sterling Tools Limited holds 8446000 shares(99.88%) of Sterling Gtake E-Mobility Limited as on date and is in process of acquiring balance 10000 shares (0.12%) to make that Company a Wholly Owned Subsidiary Company of Sterling Tools Limited.

The said Subsidiary Company has been incorporated on 10th January, 2020 and is in its initial phase of operations. In order to meet its operational fund requirements, the said Company has approached to HDFC Bank Limited and has got Cash Credit(CC) limits of Rs. 20 Crores sanctioned on a condition that the said limits be guaranteed by Sterling Tools Limited as a Corporate Guarantor.

Accordingly, Sterling Tools Limited, pursuant to the recommendations of Audit Committee and then with the approval of Board of Directors, has agreed to give said Corporate Guarantee on behalf of its Subsidiary Company.

Clarification on Announcement: Please find below the point wise clarification regarding subject announcement:

- a) **Whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at arms length:** No, the Promoters/Promoter Group/Group Companies have no interest in this transaction. This is a facilitation support given

For STERLING TOOLS LIMITED


(VAISHALI SINGH)
Company Secretary

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by Sterling Tools Limited to its Subsidiary Company, which very soon is going to be its Wholly owned Subsidiary Company, for enabling that Company to run its business operations smoothly. This Corporate Guarantee is proposed to be given against the Cash Credit Limits amounting to Rs. 20 Crores sanctioned by HDFC Bank Limited to said subsidiary Company.

b) **Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;** A Corporate Guarantee of Rs. 20 Crores is proposed to be given in favour of HDFC Bank Limited, on behalf of Subsidiary Company against the Cash Credit limits sanctioned by HDC Bank Limited. The said CC limits will be used by the Subsidiary Company for running its principal business activities.

c) **Impact of such guarantees or indemnity or surety on listed entity:** This Corporate Guarantee will form a part of our Contingent Liability.

The said Corporate Guarantee is proposed to be given in compliance with the applicable provisions of Section 185, Section 186 of the Companies Act, 2013.

Hope the above said information is found in order.

Sincerely
for **Sterling Tools Limited**

For **STERLING TOOLS LIMITED**

Vaishali Singh

Company Secretary
(VAISHALI SINGH)
Company Secretary