

30th

Annual Report

2014-15



Quality & Commitment



STI India Limited

A Subsidiary of Bombay Rayon Fashions Limited

Manufacturers of quality Yarn & Knitted Fabrics

CORPORATE INFORMATION

Board of Directors

Dr. R. B. Baheti
Mr. Aman Agrawal
Mr. Prashant Agrawal
Mr. A. R. Mundra
Mr. K. N. Garg
Mr. T. N. Anand Reddy
Mr. A. Arumugham
Mr. John Mathew
(w.e.f. 15th May, 2015)
Ms. Prachi Deshpande
(w.e.f. 15th May, 2015)

Chairman
Vice Chairman
Managing Director
Director
Director
Director
Additional Director
Additional Director

Bankers

State Bank of India
Axis Bank Limited
Indusind Bank Limited

**Regd. Office & Works
STI India Limited**

Rau-Pithampur Link Road, Tehsil - Mhow,
Dist. Indore - 453 332 (M.P.) India
Ph. No. 0091-731-4014400
Fax No.: 0091-731-4020011
Email : share3@stitextile.net
Website: www.stitextile.net
CIN: L27105MP1984PLC002521

Chief Financial Officer

Mr. Mukesh Maheshwari
(w.e.f. 30th October, 2015)

**Company Secretary &
Compliance Officer**

Mr. Deepesh Kumar Nayak

Secretarial Auditor

Rao Saklecha & Co.
Practicing Company Secretaries, Indore

Statutory Auditor

V. K. Beswal & Associates,
Chartered Accountants, Mumbai

Internal Auditor

Fadnis & Gupte
Chartered Accountants, Indore

**Registrar & Share Transfer Agent
Link Intime India Private Limited**

Unit – STI India Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai- 400 078, India
Ph. No. : 0091-022-25946970, 25963838
Fax No. 0091-022-25946969
Email: rnt.helpdesk@linkintime.co.in

Equity Shares Listed at

National Stock Exchange of India Ltd. (NSE)
Bombay Stock Exchange Ltd. (BSE)

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NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of STI India Limited will be held on Monday, the 28th September, 2015, at 11.00 a.m. at the Registered Office of the Company situated at Rau-pithampur Link Road, Tehsil – Mhow, District – Indore, 453 332 (M.P.) India to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended on 31st March, 2015 and Balance Sheet as on that date together with the Reports of Independent Auditor and Directors thereon.
2. To appoint a Director in place of Mr. K. N. Garg (DIN: 00008402) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. R. Mundra (DIN: 00019234) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai (Firm Registration No. 101083W) as Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of this Annual General Meeting till the conclusion of 35th Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. **To appoint Mr. John Mathew (DIN: 01632626) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. John Mathew (DIN: 01632626), who was appointed as an Additional Independent Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years i.e. from 15th May, 2015 to 14th May, 2020 and who shall not liable to retire by rotation;

FURTHER RESOLVED THAT the Board of Directors or Company Secretary of the Company be and are hereby authorised to do all acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. **To appoint Ms. Prachi Deshpande (DIN: 02975271) as Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 152, 160, 161 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Companies Act, 2013, if any, Ms. Prachi Deshpande (DIN: 02975271), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the

Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.

FURTHER RESOLVED THAT the Board of Directors or Company Secretary of the Company be and are hereby authorised to do all acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To alter Article of Association and in this regard 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 14 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with rules made thereunder, the consent of the members be and is hereby accorded for altering the Articles of Association of the Company by way of deletion/substitution of the following clause(s) of the Articles of Association in conformity with the Companies Act, 2013 and rules made thereunder –

- (i) Deletion of clause (f) of sub-article (1) of article 2;
- (ii) Substituting existing clause 6 (2) with the words: ‘Every Certificate shall be issued with the signatures of two directors or a director and the Company Secretary.’
- (iii) Deletion of clause 109 with respect to ‘the Seal’

FURTHER RESOLVED THAT the Board of Directors or Company Secretary of the Company be and are hereby authorised to do all acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To approve remuneration paid to Dr. R. B. Baheti (DIN: 00008202), Chairman and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded for payment of remuneration of ₹ 1 crore per annum payable monthly to Dr. R. B. Baheti, Chairman for the period from 1st November, 2014 to 31st March, 2015;

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company.”

Place: Mumbai
Date: 14th August, 2015

Regd. Off.-
Rau-Pithampur Link Road,
Tehsil-Mhow, Distt- Indore-453 332
(M.P.) India,
Ph: (0731) 4014400, Fax (0731) 4020011,
Email: share3@stitextile.net,
Website: www.stitextile.net,
CIN: L27105MP1984PLC002521

By Order of the Board
For STI India Limited

Deepesh Kumar Nayak
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON POLL, TO VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, the 22nd September, 2015 to Monday, the 28th September, 2015** (both days inclusive).

2. The relative explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of item nos. 5 to 8 set out in the notice is annexed hereto.
3. Information under clause 49 of the Listing Agreement in respect of Directors seeking re-appointment at the Annual General Meeting is annexed hereto.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a Certified True Copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
6. Members desirous of getting any information about the accounts and operation of the Company are requested to address their queries to the Secretarial Department at the Registered Office well in advance or may email at share3@stitextile.net, so that the same may reach at least seven days before the date of the Meeting to enable the management to keep the required information readily available at the Meeting.
7. The Members having physical shares are requested to notify immediately any change in their addresses with the Postal Identity Number (Pin Code) and quoting their folio number(s) to the Company. The Members holding shares in

Demat form are required to update their addresses through their Depositories.

8. The Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies and has issued Circular No. 17/2011 dated April 21, 2011 and another Circular 188/2011 dated April 29, 2011. This will ensure prompt receipt of communication, avoid loss in postal transit and reduce paper consumption besides entailing other benefits. Hence, Members are requested to provide their email ID to the depositories who are holding their shares in demat form and the members who are holding their shares in physical form may send the duly filled form to our Registrar and Share Transfer Agent Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai-400 078 for sending the document in electronic form.
9. Electronic copy of the Annual Report will be sent to the members in future whose email IDs are registered with the Company / Registrar and Share Transfer Agent for communication purposes unless any member requests for a physical copy of the same. Therefore, Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, etc. from the Company electronically. A positive consent letter is attached with the report is being sent to the Members for giving consent to receive documents in electronic mode.
10. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report of 2015 will be available on the Company's website www.stitextile.net. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days.
11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company or the Registrar and Share Transfer Agent.
13. Members are requested to provide their details / information in the prescribed format as annexed with the annual report, to the Company or Registrar and Share Transfer Agent for updation of their information in the record of the Company and Registrar and Share Transfer Agent.

14. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and Register of contracts or arrangement in which director are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
15. The route map for venue of the Annual General Meeting has been provided in the last page of the Annual Report.

VOTING THROUGH ELECTRONIC MEANS

- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by Central Depository Services India Limited (CDSL) and the items of business as detailed in this Notice may be transacted through remote e-voting.
- B. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date i.e. **Monday, the 21st September, 2015** only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- C. The facility for voting through ballot paper shall also be made available at the AGM and the Members attending the AGM who have not casted their votes through remote e-voting shall be able to exercise their rights at the AGM.
- D. The Members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

THE INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS AREAS UNDER:

- (i) The remote e-voting period begins on **Friday, the 25th September, 2015 at 09.00 a. m. and ends on Sunday, the 27th September, 2015 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. **Monday, the 21st September, 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVS** for **STI India Limited**.
- (xii) On the voting page, you will see "RESOLUTION

DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- E. Mr. Pankaj Saklecha (Membership No. FCS 6292) M/s Rao Saklecha & Co., Practicing Companies Secretaries, Indore has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
- F. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer by use of "Ballot Paper" for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.

- G. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The Chairman or the authorised person shall declare the result of the voting forthwith.
- H. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.stitextile.net and on the website of CDSL www.evotingindia.com after the same is declared by the Chairman/authorised person. The Results shall also be simultaneously forwarded to the stock exchanges.
- I. Members who are not casting their vote electronically may cast their vote at the Annual General Meeting through postal ballot.

Place: Mumbai
Date: 14th August, 2015

By Order of the Board
For STI India Limited

Deepesh Kumar Nayak
Company Secretary

Regd. Off.-

Rau-Pithampur Link Road,
Tehsil-Mhow, Distt- Indore-453 332
(M.P.) India, Ph: (0731) 4014400,
Fax (0731) 4020011,
Email: share3@stitextile.net,
Website: www.stitextile.net,
CIN: L27105MP1984PLC002521

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND CLAUSE 49 OF THE LISTING AGREEMENT.

ITEM NO. 2

MR. K. N. GARG

Date of Birth	Date of Appointment	Directorship held in other Companies	No. of Shares held in Company
01.02.1945	07.08.1984	07	40 (Forty)

Mr. K. N. Garg is an Industrialist. Mr. Garg born in 1945, having Masters’ Degree in Commerce and Bachelors’ Degree in Law, is a new age entrepreneur. Mr. K. N. Garg has vast experience of Textile, Steel, Granite, Automobile business and Treasury Management for more than four decades.

Mr. Garg has been key driver in making strategic moves for bringing STI Sanoh India Limited, the joint venture company, out of critical conditions and he is now running its business successfully. Presently, he is Whole Time Director of STI Sanoh India Limited and also acting as Director on the Board of other companies.

Other Directorship	Committee Membership
<ul style="list-style-type: none"> • STI Sanoh India Limited • STI Products India Limited • Global Stone India Limited • STI Phoenix Wear Private Limited • STI Power India Private Limited • STI Fabricraft Private Limited • STI Amenities and Hospitality Limited 	<p>STI India Limited:</p> <ul style="list-style-type: none"> • Audit Committee • Stakeholders Relationship Committee • Nomination & Remuneration Committee <p>STI Products India Limited:</p> <ul style="list-style-type: none"> • Audit Committee • Stakeholders Relationship Committee • Nomination & Remuneration Committee <p>Global Stone India Limited:</p> <ul style="list-style-type: none"> • Audit Committee • Stakeholders Relationship Committee • Nomination & Remuneration Committee

ITEM NO. 3
MR.A.R. MUNDRA

Date of Birth	Date of Appointment	Directorship held in other Companies	No. of shares held in Company
21.07.1956	25.11.2010	2(Two)	NIL

Mr. A.R. Mundra has an experience of over 34 years in finance, commercial and managerial related matters. He is also an Executive Director - Finance of Bombay Rayon Fashions Limited (BRFL) and his core strength lies in fund procurement, internal controls, organizational systems and strategic planning. He holds a bachelor degree in Commerce and Law (Gold Medalist). He is an Associate Member of The Institute of Chartered Accountants of India (All India Ranker) and also of The Institute of Company Secretaries of India (Silver Medalist). He is also a Member of the International Institute of Business Management, London and Alumni of Asian Institute of Management, Manila. He was awarded 'Samaj Shri' for excellence in management by Indian Institute of Management Executives, Mumbai in 1994. Mr. Mundra has sound knowledge and experience on Mergers, Amalgamations, Restructuring, Funds Mobilization, Project Advisory & Financing and Working Capital Arrangements etc. Besides, he has deep understanding of Investment and Portfolio Management, Derivatives and Capital Market Operations, Corporate Governance and Compliance matters. Mr. Mundra played a lead role in issue of Global Depository Receipts and Listing of Securities of BRFL at Overseas Exchange.

Other Directorship	Committee Membership
Latur Integrated Textile Park Private Limited	<p>STI India Limited:</p> <ul style="list-style-type: none"> • Finance Committee <p>Bombay Rayon Fashions Limited</p> <ul style="list-style-type: none"> • Audit Committee
Bombay Rayon Fashions Limited	

ITEM NO. 5

The Board of Directors has received a notice proposing the candidature of appointment of Mr. John Mathew as an Independent Director pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013. The Company has received from Mr. John Mathew (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013. (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Being an Independent Director, Mr. John Mathew will not be liable to retire by rotation and to hold office for a term of 5 (five) consecutive year i.e. from 15th May, 2015 to 14th May, 2020.

The Ordinary Resolution seeking the approval of members for the appointment of Mr. John Mathew as an Independent Director is set forth in the Item No. 5 of the Notice.

Except Mr. John Mathew, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 6

Ms. Prachi Deshpande was appointed as an Additional Director of the Company during the year pursuant to the provisions of Section 161 of the Companies Act, 2013. Pursuant to the provisions of the said Section, the term of office of Ms. Prachi Deshpande as an Additional Director shall expire at the 30th Annual General Meeting of the Company. The Board recommends the appointment of Ms. Prachi Deshpande as Director of the Company.

Except Ms. Prachi Deshpande, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Ordinary Resolution seeking the approval of members for the appointment of Ms. Prachi Deshpande as Director is set forth in the Item No. 6 of the Notice.

**BRIEF RESUME OF MR. JOHN MATHEW AND MS. PRACHIDESHPANDE IS APPENDED BELOW :**

Name of the Director	Mr. John Mathew	Ms. Prachi Deshpande
Age	53	36
Date of first appointment on the Board	15th May, 2015	15th May, 2015
Qualifications	B.Com, Advanced Accountancy	B.Com, LL.B., C.S
Shareholding in the Company	NIL	NIL
Nature of Expertise & Experience	Have 28 years of experiences in Banking, Project Finance & Fund Management	Have 13 years of experiences comprising of fund raising by way of equity & debt, Secretarial & legal matters and Relationship with Bankers.
Terms and Conditions of Appointment/re-appointment	As per Resolution	As per Resolution
Details of Remuneration sought to be paid	NIL	NIL
Remuneration last drawn	N.A	N.A
Number of Meetings attended during the financial year 2014-15	N.A (appointed w.e.f. 15.05.2015)	N.A (appointed w.e.f. 15.05.2015)
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Holds position of Independent Director in Holding Company Bombay Rayon Fashions Limited	Holds position of Whole Time Director & Company Secretary in Holding Company Bombay Rayon Fashions Limited
Other membership/ Chairmanship of Committees of other Boards	Member of Audit Committee Bombay Rayon Fashions Limited	N.A
Justification for choosing the appointee for appointment as Director	Experience of Mr. John Mathew will be beneficial to the Company for its growth.	Her vast experience in fund raising, legal matters and relationship with Banks and FIs will be beneficial to the company
Name of the other Companies in which Director also holds Directorship	01. Key2 Capital Private Limited 02. Bombay Rayon Fashions Limited	Bombay Rayon Fashions Limited

ITEM NO. 7

It is proposed to amend the existing Articles of Association (hereinafter referred to as 'the Articles') of the Company to align them with the amendments brought out vide the Companies (Amendment) Act, 2015 no. 21 of 2015 dated 25th May, 2015 in the Companies Act, 2013 read with the Rules framed thereunder with regard to some by amending section 9, 12 and 223 of the Companies Act, 2013 about the requirement of Common Seal. Pursuant to these Amendments, requirement of common seal has become optional for the Companies. Accordingly, the clauses of the Articles of Association as mentioned in the Resolution are proposed to amend.

These amendments are procedural in nature and for smooth working of activities.

The proposed draft Articles of Association after incorporation of the above mentioned changes is available for inspection of the shareholders of Company at the registered office of company on all working days (during business hours) upto the date of Annual General Meeting.

The Board recommends the above resolution for your approval by way of a Special Resolution.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities in which the Promoters, Directors or Key Managerial Persons are interested, are concerned or interested, financially or otherwise, in the above said resolution.

ITEM NO. 8

Pursuant to the provisions of Sections 196, 197 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company has approved the payment of remuneration of RS. 1 crores to Dr. R. B. Baheti as the Chairman of the Company for the period of 5 months from 1st November, 2014 till 31st March, 2015.

The Special Resolution seeking the approval of members for payment of remuneration to Dr. R. B. Baheti during the period from 01st November, 2014 to 31st March, 2015 which is set forth in the Item No. 8 of the Notice.

Except Dr. R. B. Baheti and his relatives, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Place: Mumbai
Date: 14th August, 2015

By Order of the Board
For STI India Limited

Regd. Off.- Rau-Pithampur Link Road,
Tehsil-Mhow, Distt- Indore-453 332
(M.P.) India. Ph: (0731) 4014400,
Fax (0731) 4020011, Email:
share3@stitextile.net, Website:
www.stitextile.net,
CIN: L27105MP1984PLC002521

Deepesh Kumar Nayak
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report of the Company along with the Audited Annual Accounts for the financial year ended 31st March, 2015.

FINANCIAL RESULTS AND PERFORMANCE

The salient features of the Company's financial results during the year are as under:

PARTICULARS	(` in Lacs)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Sales / Revenue from Operations	6047.09	5572.80
Profit before Interest, Depreciation & Tax	(74.82)	189.86
Less: Interest	4.28	1.44
Profit before Depreciation & Tax	(79.10)	188.42
Less: Depreciation	417.83	1238.46
Profit/(Loss) before Tax	(496.93)	(1050.04)
Less - Provision for Taxes (including Deferred)	(18.13)	(383.27)
Profit/(Loss) After Tax	(478.80)	(666.77)
Paid Up Share Capital	2900.00	2900.00
Adjusted Net Worth of the Company	(2402.01)	(1825.69)
EPS (In `) Basic & Diluted	(1.65)	(2.30)

During the financial year under review –

- The turnover of your company stood at ` 6047.09 Lacs as against ` 5572.80 Lacs in financial year ended on 31st March, 2014 registering an increase by 8.51%.
- PBIDT decreased to ` (74.82) Lacs from ` 189.86 Lacs in the previous year.
- Interest cost increased to ` 4.28 Lacs from ` 1.44 Lacs in the previous year.

DIVIDEND

In view of the operating losses incurred by the Company during the year, the Board of Directors does not recommend any dividend for the year 31st March, 2015

FIXED DEPOSITS

The Company has not accepted or renewed any deposit from public during the year under review.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2015 was ` 2900.00 Lacs. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options/sweat equity. Except Dr. R. B. Baheti and Mr. K. N. Garg, Directors of the Company who hold 42 and 40 equity shares respectively, none of the other Directors of the Company hold shares or any other securities of the

Company.

MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL THE DATE OF REPORT

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report other than those disclosed in the financial statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

CESSATION

Mr. S. D. Naik, Chief Financial Officer had resigned from the services of the Company w.e.f. 30th September, 2014. The Board placed on record its deep appreciation for the valuable services rendered by Mr. Naik during his tenure as Chief Financial Officer of the Company.

APPOINTMENT

(A) Mr. John Mathew as an Additional Independent Director

The Board of Directors at its meeting held on 15th May, 2015 appointed Mr. John Mathew as an Additional Independent Director of the Company w.e.f. 15th May, 2015. The advantage of his vast experience of various fields is available for the benefits of the Company. His appointment as Independent Director is submitted to the shareholders for their approval in the ensuing Annual General Meeting. A brief profile of Mr. John Mathew is also given in the explanatory statement as annexed with the notice of Annual General Meeting.

(B) Ms. Prachi Deshpande as a Director

The Board of Directors at its meeting held on 15th May, 2015 appointed Ms. Prachi Deshpande as an Additional Director of the Company w.e.f. 15th May, 2015. Ms. Deshpande has vast experience in fund raising which will be beneficial to the Company. Her appointment will also fulfill the requirement of having Woman Director on the Board of Directors under the Companies Act, 2013 and Clause 49 of the Listing Agreement. Her appointment as an Additional Director is submitted to the shareholders for their approval in the ensuing Annual General Meeting. A brief profile of Ms. Prachi Deshpande is given in the explanatory statement as annexed with notice of Annual General Meeting.

(C) Mr. K.N. Garg and Mr. A. R. Mundra, Retiring Directors.

Mr. K. N. Garg and Mr. A. R. Mundra Directors of the Company are liable for retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

(D) Mr. Mukesh Maheshwari as Chief Financial Officer.

In place of Mr. S. D. Naik, the Board of Directors at its meeting held on 30th October, 2014 had appointed Mr. Mukesh Maheshwari, Vice President as Chief Financial Officer of the Company.



Mr. Maheshwari born in 1962, having Masters' Degree in Commerce and Bachelors' Degree in Law. Mr. Maheshwari is associated with the Company since last 29 years and presently, he is holding the position of Vice President of the Company.

Mr. Maheshwari has wide experience of more than 3 decades of Commercial Activities i.e. Accounts & Finance, Purchase, Inventory Control, Excise & Customs, Imports & Exports, Sales Tax, DGFT, Insurance, Transportation & Logistics, Legal Matters, SEZ and Finished goods Warehouse Management etc.

As a Chief Financial Officer, Mr. Maheshwari is expected to add immense value for the long-term growth of the Company. Mr. Maheshwari does not hold any securities in the Company.

(E) Mr. T. N. Anand Reddy and Mr. A. Arumugham as Independent Directors.

In compliance of the requirements of the Companies Act, 2013 and revised clause 49 of the Listing Agreement, the Board appointed all existing Independent Directors viz. Mr. T. N. Anand Reddy and Mr. A. Arumugham as Independent Directors of the Company for a term up to 31st March, 2019. The members of the Company at 29th Annual General Meeting held on 29th September, 2014, have approved the appointment of Independent Directors.

(F) Key Managerial Personnel.

As per requirements of sub-section (1) of Section 203 of the Companies Act, 2013 the Company has the following Key Managerial Personnel:

- | | |
|-----------------------------|---------------------------|
| 01. Mr. Prashant Agrawal | : Managing Director |
| 02. Mr. Mukesh Maheshwari | : Chief Financial Officer |
| 03. Mr. Deepesh Kumar Nayak | : Company Secretary |

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state:

- that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating

effectively.

- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

BOARDEVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The Performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and non-executive Independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation.

The details of programme for familiarization of Independent Directors with the Company, their roles, rights, responsibility in the Company, nature in which he Company operates, business model of the Company and related matters are put up on the website of the Company.

REMUNERATION POLICY

The Board, on recommendation of the Nomination and Remuneration Committee, has approved a policy setting out the criteria for review of responsibilities of the Directors positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees in accordance with the provisions of Section 178 of the Act.

AUDITORS

Statutory Auditor

M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai having Firm Registration Number 101083W the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai have provided necessary certificate under section 139 (1) read with section 141 of the Companies Act, 2013.

The statutory auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

Auditors' Report: The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its

Textile activity is not required to be audited, therefore, the Company has not appointed Cost Auditor for the financial year 2014-15. However, the Company is maintaining proper Cost Records as per requirements of the said rules.

Pursuant to Cost Audit (Report) Rule, 2011, the Cost Audit Report for the financial year 2013-14, was filed on 11th August, 2014 vide SRN S30847545.

Secretarial Auditor

As per requirements of Section 204(1) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s Rao Saklecha & Co., Practicing Company Secretary, Indore (C.P. No. 6434) to conduct Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate governance practice by the Company.

Secretarial Auditors' Report: The report of the Secretarial Auditor is annexed to this report as Annexure - I. The management comments on the remarks and observations made by secretarial auditor in their report are as under:

Para I (a) of Secretarial Audit Report:

In compliance of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors at its meeting held on 15th May, 2015 has appointed Mr. John Mathew as Independent Director and Ms. Prachi Deshpande as Woman Director on the Board of the Company. Now, the board has duly constituted as per requirements of the Act and Clause 49 of the Listing Agreement.

Para I (b) of Secretarial Audit Report:

The Company is in the process of obtaining requisite approval in the ensuing Annual General Meeting as required under Section 197 of the Companies Act, 2013 read with rules made thereunder with regard to remuneration paid to Dr. R. B. Baheti.

Internal Auditor

As per requirements of Section 138(1) of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, the Board of Directors of the Company appointed M/s Fadnis & Gupte, Chartered Accountants, Indore as Internal Auditor of the Company to conduct Internal Audit of business processes, financial reporting & controls, compliance with applicable laws, regulations etc.

CEO/CFO CERTIFICATION

In terms of Clause 49 of the Listing Agreement, the certificates by the Managing Director and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained and forms part of annual report.

POSTAL BALLOT

Special Resolutions were passed through postal ballot during the year under review under Section 110 of the Companies Act, 2013 and Clause 35B of the Listing Agreement, for obtaining approval of members for related party transactions and to provide

corporate guarantee.

The Company followed the procedure as prescribed under the Companies (Management and Administration) Rules, 2014 and Members were provided the facility to cast their votes through electronic voting or through postal ballot. The Board appointed M/s Rao Saklecha & Company, Practicing Company Secretary, Indore as the Scrutinizer for conducting the postal ballot voting process. The scrutinizer submitted his report to the Chairman after the completion of the scrutiny of the postal ballot as well as e-voting. The result of the postal ballot via postal ballot forms and e-voting facility was declared on 03rd December, 2014 and communicated to the stock exchanges and displayed on the Company's website www.stitextile.net. The results were also published in the two newspapers as stipulated.

INDUSTRIAL RELATIONS AND CORPORATE GOVERNANCE

The company provides a congenial and friendly atmosphere to its employees to maintain cordial relations and motivate them to develop their full potential. Industrial Relations throughout the year were very peaceful & cordial.

To upgrade human skills and improve their efficiencies, the Company continuously organizes workshops on different management areas and also deposes employees to external workshop and seminars.

Your Directors are also committed to good corporate governance as a policy. A detailed report on Corporate Governance is given in the annexure which form part of this report as Annexure II. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement is annexed with the Report on corporate governance.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The informations on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure - III".

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return (MGT - 9) pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure - IV to this Report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

As per provisions of sub-section (1) of Section 188 read with the



Companies (Meeting of Board and its Powers) Rules, 2014 and revised clause 49 of the Listing Agreement, as amended, the Company has obtained the prior omnibus approval of the Audit Committee, Board of Directors and Shareholders for all material related parties transactions.

Further, the statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted has been placed before the Audit Committee and the Board of Directors for review, consideration and approval on a quarterly basis.

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts or arrangements with related party(ies) are given in the prescribed Form – AOC – 2 is annexed to this report as Annexure - V.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

MEETING OF BOARD OF DIRECTORS

During the year 04 (Four) Board Meetings were convened and held on 05th May, 2014, 30th July, 2014, 30th October, 2014 and 12th February, 2015. The details in respect of attendance of Directors, sitting fees etc. are given in the Corporate Governance Report.

The intervening gap between the above said Meetings was within the timelines as stipulated under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee consists of the following members:

01. Mr. A. Arumugham : Chairman, Independent Director
02. Mr. T. N. Anand Reddy : Member, Independent Director
03. Mr. K. N. Garg : Member, Non-executive Director

There are no qualifications and observations raised by Audit Committee which required any comments from the Board or Management of the Company.

The details of other committees of the Board has given in the Corporate Governance Report forms part of this report.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors Mr. A. Arumugham, Mr. T. N. Anand Reddy and Mr. John Mathew have submitted their declaration to the Board that they fulfill the criteria as stipulated in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, so as to qualify themselves to be appointed/continued as Independent Directors under the provisions of the Companies Act, 2013 and Clause 49.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and

prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive informations in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Directors and the designated employees have confirmed compliance with the Code.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company has not given any loan and made investment which are covered under the provisions of sections 185 and 186 of the Companies Act, 2013.

However, the Company has provided corporate guarantee in connection with credit facilities availed by holding company from banks. The terms and conditions of the guarantee given are not prejudicial to the interest of the Company.

In compliance of the act, the requisite approval of the Members under Section 186 of the Act, for providing Corporate Guarantee has obtained through Postal Ballot in the month of December, 2014.

HOLDING, SUBSIDIARY, JOINT VENTURES ASSOCIATES COMPANIES.

Your Company continues to be the Subsidiary of Bombay Rayon Fashions Limited (BRFL). Further, the Company has an Associate and Joint Venture Company STI Sanoh India Limited, Dewas in which the equity participation of the Company is 43.48%. The balance 56.52% share capital is held by Sanoh Industrial Company Limited, Japan. The Company does not have any subsidiary.

CONSOLIDATION OF FINANCIAL STATEMENTS

The Ministry of Corporate Affairs vide notification dated 14th October, 2014 has granted exemption for preparation, placing and filing of Consolidated Financial Statement in respect of Joint Venture or Associate Companies for the financial year 2014-15, therefore, the Audited Statement of Accounts, Auditors' Report thereon and the Reports of the Board of Directors of STI Sanoh India Limited (the Associate and Joint Venture Company) has not been prepared and annexed with the Annual Report. However, proportion of Company's interest and brief financial informations of STI Sanoh India Limited is given under Note No. 36 of Significant Accounting Policies and Notes.

PERFORMANCE OF JOINT VENTURE COMPANY: STI SANOH INDIA LIMITED.

STI Sanoh India Ltd manufactures double walled copper brazed steel tubes, single wall steel tubes and tubular components. In the domestic automobile market STI Sanoh India supplies to OEMs such as Maruti Udyog, Honda, Tata Motors, Bajaj Auto, Force Motors, Ashok Leyland, Hindustan Motors, Premier Auto, Toyota, Kirloskar Motors and Godrej-GE, Voltas, Videocon, BPL-Sanyo, Carrier Aircon, Electrolux in the air-conditioning and refrigeration industries. At the international level it exports to South East Asian countries and the Gulf region.

STI Sanoh has registered a net profit of ₹ 20.75 crores for the year 2014-15.

A statement containing the salient features of the financial statements of STI Sanoh India Limited, the Joint Venture Company, in the prescribed format AOC-1 is annexed as Annexure-VI.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Due to absence of average net profit and eroded net worth capital, the provisions of section 135 of the Companies Act, 2013 are not applicable.

RISK MANAGEMENT

The Company has in place a mechanism to inform Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risks by means of a properly defined frame work. As required under Clause 49 of the Listing Agreement, the Company has formulated a Policy on Risk Management.

INTERNAL CONTROL SYSTEM AND AUDIT

The Company has appropriate Internal Control System for business processes, financial reporting & controls, compliance with applicable laws, regulations etc. The Internal Control System of the Company is designed to prevent operational risks through a framework of internal controls and processes. Our internal control system ensures that all business transactions are recorded in a timely manner, the financial records are complete, resources are utilized effectively and our assets are safeguarded. We have developed robust policies, procedures, checks and balances to bring discipline in day-to-day functions, for accuracy and timely compilation of data.

In addition, the Audit Committee has appointed M/s Fadnis & Gupte, Chartered Accountants, Indore as the Internal Auditors of the company. The Internal Audit is conducted on monthly basis and the reports of auditor is placed before the Audit Committee in its next meeting. The internal audit ensures safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes and assessing the internal control strengths in all areas. Further, Internal Auditors observations and findings are discussed with the concerned departments head and suitable corrective actions are taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operation.

CASH FLOW ANALYSIS

In conformity with the provisions of Clause 32 of the Listing Agreement, the Cash Flow Statement forms part of annual report.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In order to prevent sexual harassment of women at work, place a new act, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work

place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy.

There were no incidences of sexual harassment reported during the year under review.

PARTICULARS OF EMPLOYEES

The details as required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is give in Annexure - VII.

WHISTLE BLOWER POLICY

In compliance of the requirements of Section 177 of the Companies Act, 2013, Clause 49 of the Listing Agreement and as a measure of good Corporate Governance practice, the Board has formulated a Whistle Blower Policy. The policy comprehensively provides an opportunity for any employee / director of the Company to raise any issue concerning breaches of law, accounting policies or any act resulting in financial or reputation loss and misuse of office or suspected or actual fraud. The policy shall provide for adequate safeguard against victimization of employees and directors who avail of vigil mechanism and also provide for direct access to the Audit Committee.

STATUS OF BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR).

The Company has been declared as a Sick Industrial Undertaking under Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) vide Summary of proceedings of the hearing held on 23rd January, 2006 against reference registration No. 743/2002 dated 30th December, 2002. The Hon'ble BIFR Bench has appointed State Bank of India as Operating Agency to prepare Draft Rehabilitation Scheme (DRS).

The Hon'ble BIFR Bench, vide order dated 1st November, 2010 while accepting the report of operating agency, observed that the Company is liable to pay all the outstanding dues of GUJCOT, and directed the Company to prepare DRS taking into account the liability towards GUJCOT.

On appeal by the Company against the said BIFR order, the Appellate Authority for Industrial & Financial Reconstruction (AAIFR) vide order dated 6th April, 2011 directed that the impugned directions passed by the BIFR shall be subject to the final order passed by this Authority in the Appeal. Final hearing from company side since completed and on 29th April, 2013 the AAIFR has remanded the case to BIFR with a direction to hear matter on the points raised in appeal before AAIFR.

The last hearing at the BIFR was on 25th March, 2015, however the same was not heard as the bench did not function on the said date. No further date of hearing has been notified till date.



SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, forms part of this report as Annexure - VIII.

CAUTIONARY STATEMENT

Statements in the Board's Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

APPRECIATIONS AND ACKNOWLEDGEMENTS

The Board would like to place on record its deep appreciation to the financial institutions, banks, business partners, central and

state government authorities, stock exchanges and clients for their support and co-operation during the year.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every employee of the Company. We are also deeply grateful for the confidence and faith expressed by the shareholders in the Company.

Your Directors would also like to take this opportunity to acknowledge the excellent support given by Bombay Rayon Fashions Limited, the Holding Company of your company, in providing the financial assistance and excellent management support and guidance at all levels of business. This has enabled the Company to run its business smoothly and effectively for the accomplishment of its objectives.

For and on behalf of the Board of Directors of
STI India Limited

Place: Indore (M.P)
Date: 15th May, 2015

Dr. R.B. Baheti
Chairman
DIN : 00008202

ANNEXURE – I TO THE DIRECTORS' REPORT**Form No.MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST March, 2015

[Pursuant to section 204(1) of the Companies act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

To,
The Members,
STI India Limited,
Rau- Pithampur Link Road,
Tehsil-Mhow (M.P.)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by STI India Ltd., CIN: L27105MP1984PLC002521 (hereinafter called the company). It is a subsidiary of Bombay Rayon Fashions Ltd and is a Sick Company under the provisions of SICA. The matter is pending with BIFR. The Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verifications of the STI India Ltd.'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the STI India Ltd. for the financial year ended on 31st March 2015 according to the provisions of:

I. The Companies Act, 2013 and the Rules made there under:

The Company has complied with the provisions of the Companies Act, 2013 and the Rules made there under except the following:

(a) Composition of the Board of Directors:

Pursuant to the provisions of Section 149(4) of the Companies Act, 2013 & Clause 49 of the Listing Agreement for appointment of Independent Directors and Rule 3 of the Companies (Appointment of Directors) Rules, 2014 for appointment of a Woman Director, the Company has not appointed the required Independent Directors and Woman Director as on 31.03.2015. However we have been informed that the Company has taken up the matter of appointment of Independent & Woman Director in their Board Meeting held on 15th May, 2015.

(b) Remuneration paid to the Chairman:

The Board of Directors and Shareholders have approved the appointment of Dr R.B. Baheti as the Chairman of the Company for the period of 3 years on the Remuneration of Rs. 1 crore p.a. which was expired on

31st October, 2014. The Board has again appointed him as the chairman for the further period of 1 year on the same remuneration in their board meeting held on 30/10/2014. Pursuant to Section 197(1) of the Companies Act, 2013 approval from shareholders is required to be obtained for the payment of remuneration to non-executive director. We have been informed that this matter will be incorporated in the notice of ensuing Annual General Meeting of 2015. The said appointments were subject to approval of Central Government. The Company made applications to the Central Government. But the Approval is still awaited.

II. The Securities Contract (Regulation) Act, 1956(SCRA) and the Rules made there under:

The Company has not issued any fresh securities during the year under review and therefore, question of complying with the provisions of Securities Contract (Regulation) Act, 1956 does not arise.

The company has complied with:

- Rule 19A of the Securities Contract Regulation Rules with respect to continuous listing requirements with the Stock Exchange (s).
- Rule 19(1) of SCRR with respect to filing of documents.
- Rule 19(2) of SCRR with respect to minimum public shareholding.

III. The Depositories Act, 1996 and the Regulations and Bye laws framed there under;

The company has complied with the clause 55A of SEBI (Depositors and Participants) Regulations, 1996 with respect to the reconciliation of share capital audit.

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

The company has not received any foreign Direct Investments or any Overseas Direct Investment and has not made any External Commercial borrowings during the period under review.

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act).

- The securities and exchange board of India (substantial acquisition of shares and takeovers) Regulations, 2011.
The company has not made any substantial acquisition of shares and takeovers during the period under review and therefore the question of complying with the provisions of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 does not arise.

- b) The Securities and exchange Board of India (Prohibition of insider trading) Regulations, 1992;

No events relating to unpublished price sensitive information took place during the year review except quarterly financial results and there are no transactions during the period when the quarterly results are considered by the Audit Committee and Board of Directors.

- c) The Securities and Exchange Board of India (Issue of capital and disclosure requirements) Regulations, 2009;

The company has not issued any share capital during the period under review and therefore the question of complying with the provisions of Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009 does not arise.

- d) The Securities and Exchange Board of India (Employee stock option scheme and employee stock purchase scheme) Guidelines, 1999.

The company has not made any offer to the employees under Employee stock option scheme and any employee stock purchase scheme during the period under review and therefore the question of complying with the provisions of The Securities and Exchange Board of India (Employees stock option scheme and Employee Stock Purchase Scheme) Guidelines 1999 does not arise.

- e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008:

The Company has not issued any debt securities during the period under review.

- f) The securities and Exchange Board of India (Registrars to an Issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client.

1. The company has appointed an RTA in accordance with the SEBI regulations.
2. The RTA has obtained a certificate from the practicing company secretary that all the transfers have been completed within the stipulated time in terms of clause 47(c) of the listing agreement.

- g) The securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; and

1. No action has been taken by the recognized stock exchange for compulsory delisting of equity shares.
2. The company has not initiated any action for the voluntary delisting of equity shares.

Hence, the question of complying with the provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise.

- h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998;

The company has not purchased its own shares during the period under review and therefore the question of complying with the provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 does not arise.

I have examined compliance with the applicable clauses of the following:

- I. Since no secretarial standards were issued by the Institute of Company Secretaries of India till 31st March, 2015, question of complying with the standards does not arise.
- II. The Listing Agreements entered into by the company with stock exchanges, if applicable:

The company has complied with all clauses of the Listing Agreement except the observations made above.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the observations as stated above.

I further report that

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, non executive directors and Independent Directors and a woman director (as per observation as stated above). The changes in the composition of the Board of Directors have not taken place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable following laws:

1. The Factories Act, 1948
2. Industrial Dispute Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. The Employees' Provident and Miscellaneous Provisions Act, 1952
6. The Payment of Bonus Act, 1965
7. The Payment of Gratuity Act, 1972
8. The Contract Labour (Regulation and Abolition) Act, 1970
9. The Maternity Benefits Act, 1961
10. The Child Labour (Prohibition and Regulation) Act, 1986
11. The Employees' Compensation Act, 1923
12. The Apprentices Act, 1961
13. Equal Remuneration Act, 1976

Pollution Control Laws:

1. The Air (Prevention and Control of Pollution) Act, 1981
2. The Water (Prevention and Control of Pollution) Act, 1974

Place : Indore
Date : 15th May, 2015

For Rao Saklecha & Co.
Company Secretaries

Pankaj K Saklecha
FCS No.6292
CP No.:6434

**ANNEXURE – II TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE
COMPANY'S PHILOSOPHY ON CODE OF
CORPORATE GOVERNANCE**

The Company believes in adopting and adhering to the best corporate practices and continuously evaluates it against each of such practices. The Company understands and respects its fiduciary role and responsibility to all stakeholders and strives hard to meet their expectations. We believe that the corporate governance is an important tool for shareholders protection and maximizing their long-term values.

The fundamental objective of Company's Corporate Governance is to adopt a methodology, which enhances effectiveness, better utilization of resources, transparency and harmonious relations between various interested groups. The Company has been regular in sending its quarterly compliance report on Corporate Governance to Stock Exchanges.

The Corporate Governance Report in respect of the year ended 31st March, 2015 is given below:

1. Board of Directors:

Procedure of Board Meeting

The Board Meetings are generally scheduled well in advance and are governed by a structured agenda. The notice of each board meeting is given in writing to each Director within the prescribed time period. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. The Board papers, comprising the agenda are circulated well in advance before the meeting of the Board.

The gap between the two meetings is not in excess of 120 days. Additional Meetings are held, whenever considered necessary. The draft minutes containing the proceedings of the Meetings of the Board, after incorporating the comments, if any, of the Directors are confirmed by the Board Members at their next Meeting and signed by the Chairman of the meeting thereafter. Senior Management Personnel are called to provide additional inputs for the items being discussed by the Board of Directors whenever necessary.

All statutory, significant and other material information as specified in the Clause 49 of the Listing Agreement executed with the Stock Exchanges are regularly made available to the Board. The Board also reviews periodically the compliances of all laws applicable to the Company.

The Board's role, functions, responsibilities and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory regulatory requirements, major accounting provisions etc. are considered by the Board.

Composition and size of the Board:

The Company has an optimum combination of Executive and Non-executive Directors. None of the Directors of the Company is a member of more than 10 committees or Chairman of more

than 5 committees (as specified in Clause 49 of the Listing Agreement). The Chairman of the Board is an Non- executive Director. All the Directors have made necessary disclosures regarding positions occupied by them in other companies. The Board is primarily responsible for the overall management of the Company's business. The Board comprises following Directors :-

Name of Director	Category	No. of other Directorship*	Board Committee(s) Memberships of other Companies	
			Chairman	Member
Dr. R.B. Baheti	Non-executive, Chairman	1	-	-
Mr. Aman Agrawal	Non-executive	5	-	-
Mr. Prashant Agrawal	Executive	6	-	-
Mr. A. R. Mundra	Non-executive	2	-	-
Mr. K.N. Garg	Non-executive	3	2	4
Mr. A. Arumugham	Non-executive	2	1	2
Mr. T. N. Anand Reddy	Non-executive	-	-	-

*Note: Private, Section 8 & Foreign Companies Directorship are excluded.

No Director is related to any other Director except Mr. Aman Agrawal & Mr. Prashant Agrawal who are brothers.

Chief Financial Officer (CFO):

The Company, on 30th October, 2014 has appointed Mr. Mukesh Maheshwari as Chief Financial Officer (CFO) of the Company in place of Mr. S. D. Naik, who had resigned from the services of the Company w.e.f 30th September, 2014.

Number of Board Meetings held and attended by Directors:

Number of Meetings :

During the year 2014-15, Four,(4) Board Meetings were held on:

- (i) 05th May, 2014,
- (ii) 30th July, 2014,
- (iii) 30th October, 2014 &
- (iv) 12th February, 2015

Attendance :

The number of Board Meeting attended by the Directors is as under:

Name of Director	No. of Board Meeting attended	Last AGM Attended
Dr. R.B. Baheti	3	Yes
Mr. Aman Agrawal	1	No
Mr. Prashant Agrawal	3	No
Mr. A. R. Mundra	3	No
Mr. K.N. Garg	2	Yes
Mr. A. Arumugham	4	No
Mr. T. N. Anand Reddy	3	No

Sitting Fees:

Details of the sitting fees paid to Directors during the year 2014-15 are as under:



Name of Director	Sitting Fees Paid ()
Dr. R.B. Baheti	NIL
Mr. Aman Agrawal	5,500/-
Mr. Prashant Agrawal	NIL
Mr. A. R. Mundra	16,500/-
Mr. K.N. Garg	11,000/-
Mr. A. Arumugham	22,000/-
Mr. T. N. Anand Reddy	16,500/-

Code of Conduct for Board Members and Senior Management:

In terms of Clause 49(II) (E) (1) of the Listing Agreement, the Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. The code of conduct is also posted on the website of the Company.

A declaration conforming compliance with the code of conduct by all Directors and Senior Management forms part of this report.

2. COMMITTEES OF BOARD:

For effective and efficient functioning of the Company the Board has formed the following committees:

- Audit Committee,
- Nomination and Remuneration Committee, and
- Stakeholders Relationship Committee

The terms of Reference and other details of Board Committees are given as under:

AUDIT COMMITTEE:

Constitution of Committee:

The Audit Committee of the Company was constituted in accordance with the provisions of Section 292A of the Companies Act, 1956, and in terms with Clause 49 of the Listing Agreement with Stock Exchanges. The Committee's composition also meets requirements of Section 177 of the new Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

The Audit Committee comprises of two (2) Independent and one Non-executive Director. All the members of the Committee possess financial / accounting expertise / exposure.

Composition of Committee and Number of Meetings attended by Members:

Number of Meetings :

During the year 2014-15, four (4) Audit Committee Meetings were held on:

- 05th May, 2014,
- 30th July, 2014,
- 30th October, 2014 &
- 12th February, 2015

Attendance :

The composition of Audit Committee and number of meetings

attended by members are as under:

Name of Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. A. Arumugham	Chairman	4	4
Mr. T. N. Anand Reddy	Member	4	3
Mr. K. N. Garg	Member	4	2

The Audit Committee invites Senior Executives, Statutory Auditors & Internal Auditors, whenever it considers appropriate, to be present at its meetings. Mr. Deepesh Kumar Nayak, Company Secretary of the Company acts as the Secretary of the Committee.

Sitting Fees:

No Sitting Fees was paid to the Members for attending the Committee Meeting.

Role of the Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment ;
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them;
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the Management;
 - Significant adjustments made in financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of related party transactions;
 - Qualifications in draft audit report;
- Formulating the Scope, Functioning, Periodicity and Methodology for conducting the Internal Audit
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue,

rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditors, any significant finding and follow-up thereon;
- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function after assessing qualifications, experience and background of the candidate;
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors;
- Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of internal auditors / chief internal Auditor.

- To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company.

Powers of the Audit Committee

The Audit Committee is entrusted with the following Powers:-

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if necessary.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Constitution of Committee:

The NRC (earlier known as Remuneration Committee) of the Company was constituted in terms of Clause 49 of the Listing Agreement with Stock Exchanges. In the financial year 2014-15, the nomenclature of the Committee has changed from Remuneration Committee to Nomination and Remuneration Committee as per requirements of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement. The Committee's composition is also with requirements of Section 178 of the new Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

Composition of Committee:

The composition of committee and number of meetings attended by members are as under :

Name of Member	Designation	No. of meetings held	No. of meetings attended
Mr. A. Arumugham	Chairman	02	02
Mr. T. N. Anand Reddy	Member	02	02
Mr. K. N. Garg	Member	02	01

The details relating to appointment and remuneration of Directors, as required under the Clause 49 of the Listing Agreement, have been given under a separate section, viz. 'Directors' Appointment & Remuneration' in this report.

**Sitting Fees:**

No Sitting Fees was paid to the Members for attending the Committee Meeting.

Terms of Reference of the Committee, inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal;
- To carry out evaluation of every Director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria

STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)**Constitution of Committee:**

The SRC (earlier known as Shareholders / Investors Grievances Committee) of the Company was constituted in terms of Clause 49 of the Listing Agreement with Stock Exchanges. In the financial year 2014-15, the nomenclature of the Committee has changed from Shareholders / Investors Grievances Committee to Stakeholders Relationship Committee as per requirements of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement. The Committee's composition is also with requirements of Section 178 of the new Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

Composition of Committee:

The composition of committee and number of meetings attended by members is as under :

Name of Members	Designation	No. of meetings held	No. of meetings attended
Mr. T. N. Anand Reddy	Chairman	4	3
Mr. A. Arumugham	Member	4	4
Mr. K. N. Garg	Member	4	2

Sitting Fees :

No Sitting Fees was paid to the Members for attending the Committee Meeting

Terms of Reference:

The SRC looks into member's services like transfer/transmission of shares, Dematerialization / Rematerialization requests and

various investors' complaints like - non-receipt of refund, declared dividends, etc. and takes necessary steps for redressal thereof.

The transactions in the shares and the complaints from the investors, are handled by the Registrar & Share Transfer Agent as well as the Share Department of the Company, and are being quarterly reviewed by the SRC.

The Company has appointed M/s Link Intime India Pvt. Ltd., a SEBI Registered independent agency, as Registrar & Share Transfer Agent for handling Demat as well as Physical Share Transfer and registry work of the Company.

Details of Transactions in shares and Investors Grievances:

As informed by the Registrar and Share Transfer Agent, during the financial year 2014-15 seven dates for approval of Transfer / Transmission of Physical Shares were recorded. The details of these transactions were also taken on record in the Meetings of SRC. Further, details on the transfer of shares approved during the year are as under. The figures in the brackets are for the previous year.

Dates Recorded	No. of Cases Considered	No. of shares Transacted
5 (7)	9 (9)	1450 (950)

During the year, there were few requests from shareholders for routine corporate actions viz., Change of Address/supply of copy of Annual Report/ Splitting/ Consolidation/ Dematerialization and Dematerialization of Shares etc. All requests were attended promptly and no complaint was pending as at the end of the year.

According to new guidelines of SEBI, the Transfer of Demated Shares is not subjected to approval of any committee or Board of Directors and physical shares are also handled on time by the Registrar and Share Transfer Agent. However, SRC, on quarterly basis takes note of all the transactions held in shares and Stakeholders Complaints and their Grievances.

INDEPENDENT DIRECTORS MEETING:

During the year under review, a separate meeting of Independent Directors was held on 30th October, 2014 and the details of attendance at the meeting are as follows:

Name of the Member	Designation	No. of Meeting Attended
Mr. A. Arumugham	Chairman	01
Mr. T. N. Anand Reddy	Member	01
Mr. K. N. Garg	Member	01

Company Secretary & Compliance Officer

Mr. Deepesh Kumar Nayak, Company Secretary and Compliance Officer, is responsible for complying with requirements of Securities Laws and Listing Agreements with the Stock Exchanges.

4. Directors / Key Managerial Personnel Appointments / Cessation and Remuneration:

(A) Directors retire by rotation:

Mr. K. N. Garg and Mr. A. R. Mundra Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment. A brief profile of Mr. K. N. Garg and Mr. A. R. Mundra is given under explanatory statement annexed with the Notice of Annual General Meeting which forms part of the Annual Report.

(B) Appointment of Additional Directors:

The Board of Directors at its meeting held on 15th May, 2015 appointed Mr. John Mathew & Ms. Prachi Deshpande as Additional Directors on the Board w.e.f. 15th May, 2015. Their appointments as Director are submitted to the shareholders for their approval in the ensuing Annual General Meeting. A brief profile of Mr. John Mathew & Ms. Prachi Deshpande is also given in the explanatory statement as annexed with the notice of Annual General Meeting.

(C) Remuneration to Dr. R. B. Baheti, Chairman:

The Board of Directors, at its meeting held on 30th October, 2014 had approved remuneration of ` 1 crore per annum, payable monthly, to Dr. R. B. Baheti w.e.f. 01st November, 2014 to 31st March, 2015.

(D) Cessation and Appointment of Chief Financial Officer:

In place of Mr. S. D. Naik who had resigned from the services of the Company w.e.f. 30th September, 2014, the Board of Directors at its meeting held on 30th October, 2014 had appointed Mr. Mukesh Maheshwari, Vice President as Chief Financial Officer of the Company.

5. General Meetings:

1. Details of last three Annual General Meetings:

Date	Venue	Time
29th AGM (29.09.2014)	Regd. Office: Rau-Pithampur Link Road, Tehsil: Mhow, District Indore (M.P.) 453 332	11.00 A. M.
28th AGM (28.09.2013)	Regd. Office: Rau-Pithampur Link Road, Tehsil: Mhow, District Indore (M.P.) 453 332	11.00 A. M.
27th AGM (31.07.2012)	Regd. Office: Rau-Pithampur Link Road, Tehsil: Mhow, District Indore (M.P.) 453 332	11.00 A. M.

Details of Special Resolution(s) passed in the previous three Annual General Meetings:

Date of AGM	Particulars of Special Resolution passed thereat
29th AGM (29.09.2014)	(i). Approval u/s 180 (1) (c) of the Companies Act, 2013 for exceeding the limit of borrowing of the Company. (ii). Approval u/s 180 (1) (a) for providing Corporate Guarantee.

2. Postal Ballot:

Two Special Resolutions were passed through postal ballot during the year under review under Section 110 of the Companies Act, 2013 and Clause 35B of the Listing Agreement, for obtaining approval of members for related party transactions and to provide corporate guarantee.

6. Disclosures:

Related Party (ies) Transactions:

The Company has entered into transactions with the related parties that may not have any potential conflict with the interests of the Company. The details of such transactions are forming part of "Notes to Accounts & Accounting Policies" attached to the Annual Accounts of the Company.

Compliances by the Company:

The Company has fairly complied with the requirements of the Companies Act, Stock Exchanges, SEBI and other Act. The Shares of the Company are traded on the Bombay Stock Exchange Ltd., Mumbai (BSE) and National Stock Exchange of India Ltd., Mumbai (NSE).

Public Deposit:

The Company has not accepted any Public Deposit under the Companies Act, 1956 as well as under Companies Act, 2013.

CFO / CEO Certificate and Declaration:

The CFO / CEO certification and declaration as stipulated under Clause 49 of the Listing Agreement is annexed.

Compliance Certificate of the Auditor:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement and the same is annexed.

Audit Qualification:

There are no audit qualifications in the Company's financial statements for the year under review.

Compliance Report:

The Board periodically reviews the compliance of all applicable laws and gives appropriate directions, wherever necessary.

7. Means of Communication:

- Full Annual Report is sent to each Shareholder every year at his or her registered Address regularly;
- The Company has been regularly sending quarterly/half-yearly/ Annual Financial Results to the Stock Exchanges immediately after approved by the Board.



- The quarterly results are published regularly in one Hindi and one English Newspaper having circulation in the region where the Registered Office of the Company is situated;
- The quarterly financial results and Annual Report are also sent to Financial Institutions/Analysts/Institutional Investors on demand;
- The Management Discussion and Analysis Report forms part of the Annual Report.

8. General Shareholders Information:

Dates of Board Meetings for consideration of Annual Accounts	15th May, 2015 : Consideration and Approval of Annual Accounts 14th August, 2015 : Approval of Notice of 30th Annual General Meeting.
Date, Time and Venue of 30th Annual General Meeting	Date: Monday, the 28th September, 2015 Time: 11.00 A. M. Venue: Registered Office of the Company
Last date for receipt of Proxy Form(s)	Saturday, the 26th September, 2015 on or before 11.00A.M.
Financial Calendar	01st April, 2014 to 31st March, 2015
Date of Book Closures	Tuesday, the 22nd September, 2015 to Monday, the 28th September, 2015
Registered Office and Works	Rau-pithampur Link Road, Tehsil : Mhow, Distt: Indore, PIN -453 332 (M.P.) India.
Listing on stock Exchanges	(1) National Stock Exchange of India Limited (NSE); and (2) Bombay Stock Exchange Limited (BSE). The Company has paid Annual Listing fees for financial year 2015-2016 to both the Stock Exchanges.
Stock Code	NSE: STINDIA BSE: 513151
ISIN	INE 090C01019
Corporate Identification Number (CIN)	L27105MP1984PLC002521
Tentative calendar of Board Meetings for the financial year 2015-16	Financial reporting for the Quarter ended: June 30, 2015 By Aug 14, 2015 Sept 30, 2015 By Nov 14, 2015 Dec 31, 2015 By Feb 14, 2016 Mar 31, 2016 By May 30, 2016

9. Market Price Data:

The monthly high and low quotations of shares traded on the BSE Limited and National Stock Exchange of India Limited as follows:

Month	Bombay Stock Exchange Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
April, 14	9.81	6.92	6257	11.05	10.40	1162
May, 14	8.1	7	1675	9.90	8.00	5294
June, 14	10.4	7.71	2111	12.85	8.90	10101
July, 14	11	6.35	6239	11.00	9.55	1865
August, 14	7.33	6.18	8812	9.10	8.25	969
September, 14	7.39	6.51	3314	8.90	7.35	9131
October, 14	7.97	6.93	2402	8.15	6.25	5843
November, 14	8.6	8	3910	7.40	6.60	4165
December, 14	9	7.79	3617	7.35	6.35	4428
January, 15	10	8.5	1910	7.80	6.65	5146
February, 15	10.5	9.88	612	10.25	8.15	498
March, 15	10.49	9.5	202	NIL	NIL	NIL
			Total			48,602

10. Registrar and Share Transfer Agent:

For Shares held in Depository Mode:

The Company has engaged the services of Link Intime India Pvt. Ltd., Mumbai, as Registrar & Share Transfer Agent (RTA) for providing national connectivity to deal in shares in depository mode. Their address for communication is as under:

Link Intime India Private Limited

Registrar and Share Agent
Unit : STI India Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai- 400 078
Tel: 022-25946970, 25963838,
E-mail: rnt.helpdesk@linkintime.co.in.

For Shares held in Physical Mode:

As per SEBI directives with effect from 01st March, 2003, Link Intime India Pvt. Ltd. also handles the transfer of shares in physical mode. All the correspondence with regard to share transfers, change of address, nomination etc. are to be addressed to the Share Transfer Agent i.e., Link Intime India Pvt. Ltd. at their Mumbai address. The Demat request as well as request for transfer/transmission may primarily be sent to the Registrar and Share Transfer Agent as above.

Investors Help – Desk:

Requests or complaint in other matters such as Unpaid/Unclaimed Dividend/Debt Interest/Debt Redemption, Change of Address, Splitting of Shares or Conversion of Debentures, copy of Annual Report can also be sent to Company's Secretarial Dept., at Rau-Pithampur Link Road, Tehsil Mhow, Dist. Indore - 453 332 (M. P.) India. Email: share3@stitextile.net

Compulsory Dematerialized Trading

As the Shareholders are aware the Securities and Exchange Board of India (SEBI), has included equity shares of the Company for

compulsory dematerialized trading for all investors with effect from 24th July, 2000. The Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable Members of the Company to select the depository of their choice for holding and dealing in shares in electronic form. The shareholders may also note that 98.23% holding of the Company has already been dematerialized. The shareholders are requested to make use of such facility for maximizing their convenience in the dealing of Company's shares. The ISIN (International Securities Identification Number) of the Company is **INE090C01019**.

Dematerialization of Shares as on 31st March, 2015 is as follows:

Mode of Holding	No. of Shares Held	% of Shares
NSDL	2,79,22,382	96.28
CDSL	5,64,439	1.95
Total Demat Holding	2,84,86,821	98.23
Physical Holding	5,13,179	1.77
Total Shareholding	2,90,00,000	100.00

Names of Depositories in India for Dematerialization of Equity shares

National Securities Depository Limited.	(NSDL)
Central Depository Services (India) Limited.	(CDSL)

Annual Custody fees for the financial year 2015-16 have been paid.

Share Transfer System:

All shareholders' complaints / request received have been cleared within the financial year. The complaints are generally replied within 15 days from their lodging with the Company. The investors/members may write for their queries to Shares Department of the Company and the Registrar and Share Transfer Agent.

The new Certificates after registering transfer / transmission are returned within 15 days period except in the cases that are constrained for technical reasons.

11. Distribution of Shareholders:

Distribution of Shareholding as on 31st March, 2015:

Shareholding of Nominal Value (₹)	No. of Share holders	% of Total	Shares Capital Amount Value (₹)	% of Total
1 to 500	4928	91.65	79,31,890	2.74
501 to 1000	281	5.23	23,90,690	0.82
1001 to 2000	88	1.64	14,33,150	0.49
2001 to 3000	26	0.48	6,78,560	0.24
3001 to 4000	7	0.13	2,64,500	0.09
4001 to 5000	16	0.30	7,64,230	0.26
5001 to 10000	13	0.24	10,12,670	0.35
10001 and above	18	0.33	27,55,24,310	95.01
Total	5377	100	29,00,00,000	100

Categories of Shareholders as on 31st March, 2015 (As per Clause 35 of the Listing Agreement)

Sr. No.	Category	No. of Shareholders	No. of Shares	% of Shares
1	Promoters	1	2,17,50,000	75.00
2	Mutual Funds and UTI	2	300	0.00
3	Foreign Institutional Investors	3	53,17,622	18.34
4	Private Corporate Bodies	75	3,23,072	1.11

5	Clearing Members	12	31,865	0.11
6	NRI's	281	97,794	0.34
7	Public	5,003	14,79,347	5.10
	Total	5,377	2,90,00,000	100.00

12. Whistle Blower Policy:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has formulated a whistle blower policy which comprehensively provides an opportunity for any employee / director of the Company to raise any issue concerning breach of law, accounting policies or any act resulting in financial or reputation loss and misuse of office or suspected or actual fraud. The policy also provides for mechanism to report such concern to the Audit Committee through specified channels.

The policy will be periodically communicated to the employees and also posted on the Company's website. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

13. Internal Complaints Committee:

The Company is known for developing unique and healthy human development and management policies and their implementation in fair and transparent manner. Considering our responsibility towards employees as well as society and in view of the present scenario of the country wherein number of cases of sexual harassment against women are coming in to light, the Company realizes its social responsibility in ensuring safe environment at the work place free from sexual harassment to its female employees.

Accordingly, your Company has constituted an "Internal Complaints Committee (ICC)" as per the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, that will ensure a work environment free of all forms of sexual harassment – verbal, written, physical, visual or otherwise.

The Committee is formed as per the statute and the majority of members of the Committee are woman employees including Mr. Mukund Kulkarni who is a prominent social worker from leading NGO "Abhyas Mandal". The sole objective of the Committee is to address cases of sexual harassment against women properly and judiciously. The Committee lays down the whole procedure of filing complaints, enquiry, redressal of grievance and taking action against those who are found guilty by the Committee in a fair and transparent manner.

During the year under review, no incident of sexual harassment was reported.

14. Outstanding Debentures:

The Company had issued 3,21,80,000 Optionally Convertible Debentures (OCDs) to Overseas Private Investors (OPIs) in the financial year 2006-07. On 27th October, 2010 OPIs has transferred said 3,21,80,000 Debentures to Bombay Rayon Fashions Limited (BRFL).

Except above, the Company does not have any other Debentures / GDRs/ADRs/Bonds/Warrants.

For and on behalf of the Board of Directors
For STI India Limited

Place: Indore
Date: 15th May, 2015

Dr. R. B. Baheti
Chairman
DIN : 00008202



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
STI India Limited

- a) We have examined the compliance of conditions of Corporate Governance by STI India Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
- b) The compliance of conditions of corporate governance is responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- c) In our opinion and to the best of our Information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
- d) We state that as per the records maintained by the company, no investor grievance is remaining pending for a period exceeding 15days.
- e) We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **V. K. BESWAL & ASSOCIATES**
Chartered Accountants

Place : Mumbai
Date : 15th May, 2015

CA K. V. BESWAL
Partner
Membership Number - 131054
Firm Regn. No. : 101083W

Declaration on the Compliance of the Company's Code of Conduct

To,
The Members
STI India Limited

The Company has framed a specific code of conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchange to further strengthen corporate governance practices in the Company.

All the Members of the Board and Senior Management Personnel

of the Company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non compliance there of during the year ended March 31, 2015.

Place: Mumbai
Date: 15th May, 2015

Prashant Agrawal
Managing Director

CFO CERTIFICATE

I, **Mukesh Maheshwari**, Chief Financial Officer of **STI INDIA LIMITED**, to the best of my knowledge and belief, certify that:

- a) I have reviewed the financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the Company during the year which is fraudulent, illegal or violate Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit committee -
 - (i) Significant changes in internal controls over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have also been disclosed in the notes to accounts to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Indore
Date: 15th May, 2015

Mukesh Maheshwari
Chief Financial Officer

ANNEXURE – III TO THE DIRECTORS' REPORT
A. CONSERVATION OF ENERGY

(i) For conservation of Energy the Company has taken the following measures given here under along with benefits derived thereto:

1. Replacement of existing fluorescent type tube lights by energy efficient LED tube lights. During the year total 400 tube lamps and 7 sets of Flood lights have been replaced, the installation charges for the same are ₹ 4,65,724 and energy saving by this installation is 7712 units till March-15 end @ ₹ 5.40 per unit amounting to ₹ 41644/- .
2. Replacement of 2 sets of 38 MM Rings on Ring-frame for better energy efficiency, the installation charges for the same are ₹ 6,23,040/- , this modification saves 24208 units till March-15 end @ ₹ 5.40 per unit amounting to ₹ 130723/-
3. In previous years we have done energy conservation activities and those projects are still in use:
 - a) In F.Y. 2012-13 we replaced LED Tube rods -400 nos. & 5 sets of energy efficient Rings on Ring frames, and
 - b) in F.Y. 2013-14 we replaced LED Tube rods -450 nos. & 2 sets of Energy efficient motors 45 KW,

The Energy saving by above past year projects is 326362 units @ ₹ 5.40 per unit amounting to ₹ 17,62,357/- in 2014-15.

(ii) For reduction of consumption of energy, the Company has been reviewing various additional investment proposals from time to time mainly by way of replacement of existing equipments with modern and new energy efficient equipments.

Future Planning for Energy conservation (2015-16)

- (a) Replacement by LED Tube Lights in Department.
 - (b) Replacement of Rings (Indigenous) with imported Rings on 50 Ring Frames. The energy saving by this replacement will be 6%.
 - (c) Replacement of old spindles with new imported spindles expecting to increase power saving and productivity by 2 to 3%.
- (iii) The capital investment on energy conservation equipments: ₹ 6.50 crores.

(B). TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

(i) **Efforts, in brief, made towards technology absorption, adaption and innovation.**

The Company's In-house R&D division continuously engaged in developing, improvements in process technology in its various manufacturing sections and also hire external agency in domestic / overseas level when it find suitable.

In the year 2015-16, we are planning to replace the old uster tester – 3 by the latest uster tester – 5 at an expenditure of ₹ 75.6 lacs.

(ii) **Benefits derived as a result of the above efforts, e. g. product improvement, cost reduction, product development, import substitution etc.**

The continuous upgradation and adoption of new technology has benefited the Company in the form of better production process, better yields, better quality of the product and cost reduction.

(iii) **In case of imported technology (imported during the last 3 years reckoned from beginning of the financial year), following information may be furnished:**

a)	Technology imported	Slub Devices, Amsler Tex, Switzerland Auto winding, ACX – 5, Germany
b)	Years of Import	2011-12 / 2012-13
c)	Has technology been fully absorbed?	Yes
d)	If not fully absorbed, areas where this has not taken place, reasons there for and future plans of actions	NA

(iv) **Expenditure on R & D**

Specific expenditure of recurring or capital nature is not involved.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	Financial Year 2014-2015 (₹ in Lacs)	Financial Year 2013-2014 (₹ in Lacs)
Foreign Exchange earnings:		
- FOB value of goods exported	770.83	156.42
C.I.F. Value of Imports:		
- Stores, Spares & HSD	40.12	25.59
- Capital Goods	-	-
Foreign Exchange Expenditures:		
- Commission on Export Sales	-	-
- Foreign Traveling	28.36	1.21

For and on behalf of the Board of Directors of
STI India Limited

Place: Indore (M.P)
Date: 15th May, 2015

Dr. R.B. Baheti
Chairman
DIN : 00008202



Annexure - IV TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) and Rule12(1) of the

Companies (Management and Administration) Rules, 2014, of the Companies Act, 2013]

I. REGISTRATION AND OTHER DETAILS :

CIN	:	L27105MP1984PLC002521
Registration Date	:	07th August, 1984
Name of the Company	:	STI India Limited
Category/Sub-Category of the Company	:	Company Limited by Shares/Indian Non-Government Company
Address of the Registered office and contact details	:	Rau-pithampur Link Road, Tehsil – Mhow, Distt. Indore – 453 332 (M.P.) India Ph. No. 0091-731-4014400, Fax : 0091-731-4020011 Email : share3@stitextile.net
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Share Transfer Agent	:	Link Intime India Pvt. Ltd. Registrar and Share Transfer Agent Unit : STI India Limited C-13, Pannalal Silk Mills, Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078, India Ph. No. : 0091-022- 25946970, 25963838 Fax No. : (022) 25946969 Email : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
Manufacturing of cotton yarn and knitted fabrics.	17111	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
1.	Bombay Rayon Fashions Limited D-1st Floor, Oberoi Garden Estates, Chandivali Farms Road , Chandivali, Andheri (East) Mumbai-400072 India	L17120MH1992PLC066880	Holding Company	75%	2(46)
2.	STI Sanoh India Limited Steel Tubes Road, Dewas, (M.P.) India	U25190DL1996PLC080998	Joint Venture & Associates Company	43.48%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity) :

i. Category-wise Share holding :

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian :									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	2,17,50,000	-	2,17,50,000	75	2,17,50,000	-	2,17,50,000	75	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	2,17,50,000	-	2,17,50,000	75	2,17,50,000	-	2,17,50,000	75	-
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	2,17,50,000	-	2,17,50,000	75	2,17,50,000	-	2,17,50,000	75	-
B. Public									
1. Institutions									
a) Mutual Funds	-	300	300	0.001	-	300	300	0.001	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	53,17,622	-	53,17,622	18.34	53,17,622	-	53,17,622	18.34	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others, if any	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	53,17,622	300	53,17,922	18.34	53,17,622	300	53,17,922	18.34	-
2. Non -Institutions									
a) Bodies Corporates									
(i) Indian	3,17,712	14,668	3,32,380	1.15	3,08,404	14,668	3,23,072	1.11	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									



(i) Individual shareholders holding nominal share capital upto ` 1 lac	8,57,017	4,16,981	12,73,998	4.39	8,58,531	4,13,524	12,72,055	4.39	-
(ii) Individual shareholders holding nominal share capital in excess of ` 1 lac	1,75,567	15,000	1,90,567	0.66	1,92,110	15,000	2,07,110	0.71	0.05
c) Others (Specify)									
i. Trust	100	-	100	0.0	100	-	100	0.00	-
ii. NRI's & NRN	28,491	69,605	98,096	0.34	28,189	69,605	97,794	0.34	-
iii. Directors	-	82	82	0.00	-	82	82	0.00	-
iv. Clearing Members	36,937	-	36,937	0.13	31865	-	31865	0.11	-0.02
Sub-total(B)(2)	14,15,824	5,16,254	19,32,078	6.6	14,19,199	5,12,879	19,32,078	6.66	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	67,33,446	5,16,554	72,50,000	25	67,36,821	5,13,179	72,50,000	25.00	-
C. Shares held by Custodian for GDRs & ADRs : Nil									
Grand Total (A+B+C)	2,84,83,446	5,16,554	2,90,00,000	100	2,84,86,821	5,13,179	2,90,00,000	100	-

ii. *Shareholding of Promoters :*

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares
Bombay Rayon Fashions Limited	2,17,50,000	75	-	2,17,50,000	75	-
Total	2,17,50,000	75	-	2,17,50,000	75	-

(iii) *Change in Promoters' Shareholding (please specify, if there is no change) :*

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2,17,50,000	75%	2,17,50,000	75%
Date wise increase / decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	NA	Nil	NA
At the End of the year	2,17,50,000	75%	2,17,50,000	75%

(iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Prime India Investment Fund Limited				
	At the beginning of the year	2420984	8.35	2420984	8.35
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	2420984	8.35	2420984	8.35
2.	India Max Investment Fund Limited				
	At the beginning of the year	1714068	5.91	1714068	5.91
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	1714068	5.91	1714068	5.91
3.	Grovsnor Investment Fund Limited				
	At the beginning of the year	1182570	4.08	1182570	4.08
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	1182570	4.08	1182570	4.08
4.	Olumpus Construction Private Limited				
	At the beginning of the year	137200	0.47	137200	0.47
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	137200	0.47	137200	0.47



5.	Pravin Ratilal Share and Stock Brokers Ltd.				
	At the beginning of the year	101312	0.35	101312	0.35
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	101312	0.35	101312	0.35
6.	Mr. Raghav Kumar				
	At the beginning of the year	50000	0.17	50000	0.17
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	50000	0.17	50000	0.17
7.	Mr. Vinay Jayantilal Shah				
	At the beginning of the year	45541	0.16	45541	0.16
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	45541	0.16	45541	0.16
8.	Ms. Rekha				
	At the beginning of the year	25526	0.09	25526	0.09
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	25526	0.09	25526	0.09
9.	Mr. Surendra Kumar				
	At the beginning of the year	20000	0.07	20000	0.07
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	20000	0.07	20000	0.07
10.	Arcadia Share and Stock Brokers Pvt. Ltd.				
	At the beginning of the year	17900	0.06	17900	0.06
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year	17900	0.06	17900	0.06

V. Shareholding of Directors and Key Managerial Personnel (KMPs) :

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
01.	Dr. R. B. Baheti				
	At the beginning of the year	42	Negligible	42	Negligible
	At the end of the year	42	Negligible	42	Negligible
02.	Mr. K. N. Garg				
	At the beginning of the year	40	Negligible	40	Negligible
	At the end of the year	40	Negligible	40	Negligible
03.	Mr. Aman Agrawal				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
04.	Mr. Prashant Agrawal				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
05.	Mr. A. R. Mundra				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
06.	Mr. T. N. Anand Reddy				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	--
07.	Mr. A. Arumugham				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	--
08.	Mr. Mukesh Maheshwari (appointed w.e.f. 30.10.2014)				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
09.	Mr. Deepesh Kumar Nayak				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
10.	Mr. S. D. Naik (Ceased w.e.f. 30-09-2014)				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-

Note :- There was no increase/decrease in shareholding of Directors and Key Managerial Personnel during the year.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

(In Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principle Amount	11272.00	975.00	-	12247.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	11272.00	975.00	-	12247.00
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year (31.03.2015)				
i) Principle Amount	11272.00	975.00	-	12247.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	11272.00	975.00	-	12247.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Mr. Prashant Agrawal is a Managing Director of the Company. However, no remuneration and sitting fees was paid to Mr. Prashant Agrawal during the year. Except, Managing Director the Company does not have Whole Time Director and Manager.

B. Remuneration to other directors:

(In Rupees)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Aman Agrawal	Mr. A. R. Mundra	Mr. K. N. Garg	Dr. R. B. Baheti	
01.	Non-executive Directors					
	Fees for attending board / committee meetings	5,500/-	16,500/-	11,000/-	-	33,000/-
	Commission	-	-	-	-	-
	Others (Remuneration)	-	-	-	1,00,00,000/-	1,00,00,000/-
	Total (I)	5,500/-	16,500/-	11,000/-	1,00,00,000/-	1,00,33,000/-
02.	Independent Directors	Mr. A. Arumugham	Mr. T. N. Anand Reddy	-	-	-
	Fees for attending board / committee meetings	22,000/-	16,500/-	-	-	38,500/-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (II)	22,000/-	16,500/-	-	-	38,500/-
	Total (I) + (II)	27,500/-	33,000/-	11,000/-	1,00,00,000/-	1,00,71,500/-
	Total Managerial Remuneration	-	-	-	1,00,00,000/-	1,00,00,000/-
	Overall Ceiling as per the Act	NA	NA	NA	As per Sections 196 & 197 of the Act.	

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Deepesh Kumar Nayak (Company Secretary)	Mr. Mukesh Maheshwari (Appointed as Chief Financial Officer w.e.f. 30.10.2014)	Mr. S. D. Naik (Ceased to be Chief Financial Officer w.e.f. 30.09.2014)	
01.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,17,400	13,82,400	3,00,000	19,99,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1,65,750	-	1,65,750
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
02.	Stock Option	-	-	-	-
03.	Sweat Equity	-	-	-	-
04.	Commission				
	– as % of profit	-	-	-	-
	– others, specify	-	-	-	-
05.	Others, please specify				
	Special Allowance	-	-	-	-
	Leave Travel Allowance	18,756	90,000	-	1,08,756
	Medical Allowance	18,756	12,000	-	30,756
	Ex-gratia	3500	-	3,500	7,000
	Total	3,58,412	16,50,150	3,03,500	23,12,062

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no such cases of Penalties / Punishment / Compounding of Offences faced by the Company its Directors and other officials.



ANNEXURE -V TO THE DIRECTORS' REPORT

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of the business.

2. Details of contracts or arrangements or transactions at Arm's length basis:

Name of related party and Nature of relationship	Bombay Rayon Fashions Limited (BRFL) Mumbai. (Holding Company)
Nature of contracts/arrangements/transactions	Sale, Purchase or Supply of products, goods, materials or services on arm's length basis.
Duration of the contracts/arrangements/transactions	01st April, 2014 to 31st March, 2019
Salient terms of the contracts or arrangements or transactions including the value.	Estimated amount of related party transaction aggregating up to ` 80.00 Crores (Rupees Eighty Crores) with the increase in the transactions upto 20% (Twenty percent) in every financial year for a period of 5 (Five) financial years commencing from 1st April, 2014.
Date of Approval by the Board	30th July, 2014
Any other information relevant or important for the members to make a decision on the proposed transaction	The Company is presently operating on job work basis for the Bombay Rayon Fashions Limited (BRFL) and the income/receivable of the STI India Limited (STI) is primarily from the job work charges receive from BRFL.
Amount incurred during the year	` 50.44 Crore

For and on behalf of the Board of Directors of
STI India Limited

Place: Indore
Date: 15th May, 2015

Dr. R.B. Baheti
Chairman
DIN: 00008202

ANNEXURE – VI TO THE DIRECTORS' REPORT
FORM : AOC - 1
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.No	Particulars	Details
	Name of associates/Joint Ventures	STI Sanoh India Limited
1.	Latest audited Balance Sheet Date	31st March, 2015 (Un-audited)
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	1,19,99,300 Equity Shares
	Amount of Investment in Associates/Joint Venture	₹ 1199.93 lacs
	Extend of Holding%	43.48% of total paid-up equity shares capital
3.	Description of how there is significant influence	Equity holding of 43.48%
4.	Reason why the associate/joint venture is not consolidated	The consolidated financial statements, for the financial year 2014-15 of Joint Venture / Associate Company is not being provided as per Notification No. G.S.R 723(E) dated 14th October 2014 of MCA.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 43.55 Crore (43.48% of ₹ 100.17 crore)
6.	Profit/Loss for the year	₹ 20.75 Crore (Un-audited)
7.	Considered in Consolidation	Not Considered
8.	Not Considered in Consolidation	₹ 20.75 Crore (Un-audited)

- Names of associates or joint ventures which are yet to commence operations. - NA
- Names of associates or joint ventures which have been liquidated or sold during the year. -NA

For **V.K.Beswal & Associates**
Chartered Accountants

C.A. K.V. Beswal
Partner
M. No. 131054
Firm Reg No.:101083W

Place : Mumbai
Date : 15th May, 2015

Deepesh Kumar Nayak
Company Secretary

For and on behalf of Board of Directors of
STI India Limited

Dr.R.B.Baheti
Chairman

Mukesh Maheshwari
Chief Financial Officer

Place : Indore
Date : 15th May, 2015



ANNEXURE – VII TO THE DIRECTORS' REPORT

Disclosure as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)

- (i) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

Median Salary for financial year 2014-15 : ₹ 1,32,700/-

Name of Director	Remuneration of FY 2014 -15 (₹ in lacs)	Ratio
Dr. R. B. Baheti	100	75.35:1

- (ii) **The percentage increase in remuneration of Director & KMPs i.e. Chief Financial Officer, Company Secretary in the financial year.**

S. No.	Name of Director & KMP	% Increase in remuneration
01.	Dr. R. B. Baheti, Non-executive Chairman	Nil
02.	Mr. Mukesh Maheshwari, Chief Financial Officer	Nil
03.	Mr. Deepesh Kumar Nayak, Company Secretary	17.00%

- (iii) **The percentage increase in the median remuneration of employees in the financial year 2014-15 :**

% increase in the Median remuneration of the employees	12.41%
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- (iv) **The number of permanent employees on the rolls of Company :**

No. of Permanent Employees as on 31 March, 2015	1179
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- (v) **The explanation on the relationship between average increase in remuneration and Company performance.**

Remuneration of KMP's is fixed on the basis of Company's HR policy and annual increments are based on Company's performance as well as individual's performance. Remuneration is adjusted for industry trend and cost of living in the areas where KMP's are stationed.

- (vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.**

Remuneration of KMPs is fixed according to HR policy of the Company and annual increments are based on Company's performance as well as individual's performances. This may or may not be in the proportion of performance of the Company.

- (vii) **Variations in the market capitalization of the Company:** The market capitalization as on March 31, 2015 was ₹ 30.42 Crores as against ₹ 33.64 Crores as on March 31, 2014.

- (viii) **There was no increase in the managerial remuneration in the financial year 2014-15, except increase in remuneration of Mr. Deepesh Kumar Nayk, Company Secretary.**

- (ix) **Comparison of the Remuneration of the Key Managerial Personnel(s) against the performance of the Company.**

	(₹ in lacs)
Aggregate remuneration of Key Managerial Personnel (KMP)	23.12
Revenue	6113.41
Remuneration of KMPs (as % of revenue)	0.38%
Profit / (Loss) before tax (PBT)	(496.93)
Remuneration of KMP (as% of PBT)	NA

(x) The key parameters for any variable component of remuneration availed by the directors;

The Company does not pay any remuneration to Non Executive Directors apart from sitting fees for attending the meetings of the Board and Committees. The variable component in the remuneration availed by the Executive Directors comprise of Commission which is based on the profits earned by the Company in that particular year.

(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

Not applicable as no employee is drawing remuneration in excess of the highest paid Director.

(xii) The Company affirms that the remuneration is as per the Remuneration Policy of the Company.



ANNEXURE – VIII TO THE DIRECTORS' REPORT

Management Discussion and Analysis 2014-15**Industry Structure and Development:**

India is one of the largest producers as well as exporters of cotton yarn and the Indian textile industry contributes about 11 percent to industrial production, 14 per cent to the manufacturing sector, 4 percent to the GDP and 12 per cent to the country's total export earnings. India's textile industry has transformed from a declining sector to a rapidly developing one in recent years. After freeing the industry in 2004-2005 from a number of limitations, primarily financial, the government gave a green light to massive investment inflows - both domestic and foreign. During the period from 2004 to 2008, total investment into textile sector increased by 27 billion dollars. Ludhiana produces 90% of woollens in India and is known as the Manchester of India. Tirupur has gained universal recognition as the leading source of hosiery, knitted garments, casual wear and sportswear. Expanding textile centers such as Ichalkaranji enjoy one of the highest per capita incomes in the country. India's cotton farms, fiber and textile industry provides employment to 45 million people in India,

The country's overall exports of textiles and clothing stood at USD 41.4 billion in 2014-15 but fell short of the target of USD 45 billion, according to the Textiles Export Promotion Council (Texprocil). Last year, the exports of textiles and clothing stood at USD 39.31 billion against the export target of USD 43 billion. Exports of cotton textiles (excluding raw cotton) during 2014-15 was USD 9,452.96 million as against exports of USD 9,669.05 million in 2013-14, registering a negative growth of 2.23 per cent.

While, exports of cotton textiles (including raw cotton) touched USD 11,353.15 million as against exports of USD 13,306 million in 2013-14, registering a steep decline of 14.68 per cent, Texprocil said in a statement. The cotton cultivation in India stands 12.25 million hectares this year (2014-15) against about 11.5 million hectares last year (2013-14). India is also the second largest producer of cotton worldwide.

The states of Gujarat, Maharashtra, Andhra Pradesh (AP), Haryana, Punjab, Madhya Pradesh (MP), Rajasthan, Karnataka and Tamil Nadu (TN) are the major cotton producers in India.

India has a share of 25 per cent in the global spinning capacity. India produces 20 per cent of global cotton supply both for domestic use and for export. The country ranks No.2 in global textile and apparel exports with nine per cent growth since 1995. About 27 per cent of the foreign exchange earnings are on account of export of textiles and clothing alone. The textile Industry accounts for 21 per cent of the total employment generated in the economy

Company Structure and Developments

STI India Limited (STI) is situated amidst the cotton growing belt of Madhya Pradesh having 69024 Spindles and 31 Knitting Machines and producing spun yarn and knitted grey fabric. The Company is doing 100% Job Work for Bombay Rayon Fashions Limited, the Holding Company of the Company.

The turnover of your company stood at ` 6047.09 Lacs as against ` 5572.80 Lacs in financial year ended on 31st March, 2014 registering an increase by 8.51%. PBIDT decreased to ` (74.82) Lacs from ` 189.86 Lacs in the previous year.

RISKS AND CONCERNS:

The Company has laid down a well-defined Risk Management Framework covering the risk, risk exposure, potential impact and risk mitigation process. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company has framed Risk Management Policy. The Audit Committee and Board review the risks and suggest steps to be taken to control and mitigate the same through a properly defined framework.

The Company's Board of Directors perceives the following risks as high risks areas:-

1. Currency / Foreign Exchange Risks
2. Procurement Risks
3. Business Risks

The textile business, like other businesses, is susceptible to various risks. The primary risk factor is raw material prices, mainly cotton which is the largest component of cost. Since cotton is an agricultural produce, it suffers from climatic volatility in the major cotton producing countries.

Other factors like shortage of skilled workers coupled with lack of uninterrupted power, high transaction cost, and high cost of labor are hindering the progress.

However, we are making all our efforts to cope with all these challenges by continuous efforts at cost reduction and modernization.

SWOT ANALYSIS**Strengths:**

- Independent & Self-Reliant industry.
- Availability of Low Cost and Skilled Manpower.
- Availability of large varieties of cotton fiber and has a fast growing synthetic fiber industry.
- India has great advantage in Spinning Sector and has a presence in complete textile value chain.

Weakness:

- The fabric and garmenting sector need modernization, which is under process.
- Infrastructural Bottlenecks and Efficiency such as, Transaction Time at Ports and transportation Time.
- Unfavorable labor Laws.

- Lack of Trade Membership, which restrict to tap other potential market.
- Higher Indirect Taxes, Power and Interest Rates.

Opportunities:

- Growth rate of domestic Textile Industry is 6-8% per annum.
- Large potential in International Market.
- Product development and diversification to cater global needs.
- Elimination of Quota Restrictions leads to greater Market Access.
- Market is gradually shifting towards Branded Readymade Garments.
- Emerging Retail Industry and Malls provide huge opportunities for the Apparel, Handicraft and other segments of the industry.
- Greater Investment and FDI opportunities are available.
- Large scope for technical textile linked with growing industrialization, large infrastructure projects in stream

Threats:

- Competition from other developing countries, especially China in domestic market also –will lead to consolidation
- Elimination of Quota system has led to fluctuations in Export Demand.
- Rising prices of inputs-raw material
- Formation of trading blocks

Segment-wise or Product-wise Performance

The Company is engaged in the business of manufacturing of Spun Yarn and knitted fabrics and accordingly this is the only single reportable segment.

Internal Control System and their Adequacy

The Company has a proper and adequate system of internal controls to ensure that all assets are safe guarded and protected against loss from unauthorized use or disposition, and the transactions are authorized, recorded and reported correctly. The internal control systems of the Company comprises of Statutory Audit, Secretarial Audit and Internal Audit. The work of all the audits have been assigned to reputed, external, independent and qualified firms.

The Audit Committee periodically reviews the adequacy and effectiveness of the internal controls and suggests improvements so that the internal controls system be strengthened further with commensurate growth and size of the Company and concentrated its efforts to improve the system in such a way that the financial and other data should be reliable while preparing the financial statements in accordance with the applicable laws and that every transactions whether it is a financial nature or any other must describe its true nature.

Human Resource Management / Environmental Safety Measures.

Employees are the key to achievement of the Company's objective and strategies. The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR Policies to the growing requirement of the business by building trust, instilling loyalty and coaching for results where best employees want to work. In our business context, the employees undergo various training programmes including management development programmes to upgrade their professional, inter-personal and management skills, covering the entire spectrum of employees. Technical and safety training programmes are also conducted periodically. Our relationship with the employees continues to remain cordial and harmonious throughout the year.

Total employees' strength of the Company as on 31st March, 2015 was 1179 (1220 as on 31st March, 2014) including 282 (285 as on 31st March, 2014) female employees.

Your Company is fully committed to the safety, health and well-being of its employees and to minimizing the environmental impact on its business operations. The Company has a range of policies, including on quality, safety and health aspects to guide the employees for better work practices, actions and decisions. The Company strives to continuously improve the effectiveness of its policies and the employees are encouraged to contribute their mite in this direction. All employees are obliged to ensure that they fully understand and accept all policies and that they do fully comply with the requirements.

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

Cautionary Statement

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report by using words like 'anticipates', 'believes' 'expects', 'intends', and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcome and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on "Risk Management". The Company assumes no responsibilities in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

**INDEPENDENT AUDITOR'S REPORT**

To,

The Members of

STI India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **STI India Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the assets of the company for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; Making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) In the case of statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i) The company has disclosed the impact of pending litigations on its financial position in its financial statements.
– Refer note 25 & 26 to the financial statements;
 - ii) The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - g) *Attention is also invited to; Note No.38 in "Notes to Account, regarding the standalone financial statements of the Company having been prepared on going concern basis, notwithstanding the fact that its net worth is completely eroded.*

For V.K. Beswal & Associates
Chartered Accountants
Firm Registration No.101083W

CA K.V. Beswal
Partner

Membership No.131054

Place: Mumbai
Date: 15th May, 2015

**Annexure to the Auditor's Report even date
(Referred to in paragraph 1 thereof)**

1. In respect of Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, quantitative details and situation of its fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
2. In respect of Inventories:
 - a) As explained to us physical verification of inventories has been conducted during the year by the management at reasonable intervals.
 - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
3. In respect of loans, secured or unsecured granted by the Company to the companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
 - a) During the year Company has not granted any loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b) In view of our comments above, clause 4 (iii) (a), (b) of the said order is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct weaknesses in the aforesaid internal control system
5. According to the information and explanations given to us, the Company has not accepted any deposits from public.
6. As per the information and explanations provided to us, we are the opinion that in pursuant to the prescribed rules

by Central Government, the company had maintained cost records u/s. 148(1) (d) of the Companies Act, 2013, however we have not done a detailed examination of the same.

7. In respect of Statutory Dues:
 - (a) According to record of the Company produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given, no undisputed amounts payable in respect of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess were outstanding as at 31.03.2015 for a period of more than six months from the date they became payable except as given below:-

Statement of Arrears of statutory dues outstanding for more than six months as at 31st March 2015:

S. No.	Nature of the Dues	Amount (₹ in lacs)	Period to which amount relates
1	Central Sales Tax	3.87	1995-96
2	Central Sales Tax	12.65	1997-98
3	Entry Tax	11.40	1996-97
4	Entry Tax	4.04	1997-98
5	Madhya Pradesh Sales Tax (M.P.S.T)	8.39	1997-98
	Total	40.35	

Outstanding Interest amount on the above dues (S. No 1 to 5) as on 31st March 2015 is ₹ 87.21 lacs.

- (c) According to the records of the company there are no dues of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess which have not been deposited on account of any dispute except as given below.

Nature of the Act	Nature of the Dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	63.00	1995-96	Writ Petition filed in M.P. High Court.
Central Sales Tax Act, 1956	Excise Duty	27.43	September 2004	CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty	65.49	March 2004 to September 2004	In the High court of M.P.
Central Excise Act, 1944	Excise Duty	11.02	2007-08 & 2008-09	Additional Commissioner of Central Excise Indore
Income Tax Act, 1961	Income Tax	7.00	2004-05	CIT (Appeals), Indore
	Total	173.54		



- (d) According to the records of the company there are no amounts to be transferred to Investor Education & Protection Fund.
8. The accumulated losses of the Company have exceeded fifty percent of its net worth as at 31/03/2015. The company has incurred cash loss of Rs.79.10 lacs during the financial year covered by our audit but not in the immediately preceding financial year.
9. As per the information and explanations given to us the company has not taken loans from bank or financial institutions. There is no default in repayment of dues to debenture holders.
10. The company has given Corporate guarantees in connection with loan taken by holding company from banks. The terms and conditions of the guarantees given are not prejudicial to the interest of the company.
11. According to the records of the Company, the Company has not obtained any term loans during the year. Hence,

comments under the clause are not called for.

12. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For V.K. BESWAL & ASSOCIATES
Chartered Accountants

CA K.V. Beswal
Partner
Membership Number – 131054
Firm Registration No.: 101083W
Place: Mumbai
Date : 15 May, 2015

Balance Sheet as at 31st March, 2015

PARTICULARS	Note No.	31st March, 2015 (` in Lacs)	31st March, 2014 (` in Lacs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1 (b)	2,900.00	2,900.00
Reserves and surplus	2	<u>(5,302.01)</u>	<u>(4,725.69)</u>
		<u>(2,402.01)</u>	<u>(1,825.69)</u>
Non-current liabilities			
Long-term borrowings	3	12,247.00	12,247.00
Long-term provisions	4	<u>100.17</u>	<u>58.10</u>
		<u>12,347.17</u>	<u>12,305.10</u>
Current liabilities			
Trade payables	5	252.63	210.56
Other current liabilities	6	590.75	451.49
Short-term provisions	7	<u>72.98</u>	<u>67.45</u>
		<u>916.36</u>	<u>729.50</u>
TOTAL		<u>10,861.52</u>	<u>11,208.91</u>
ASSETS			
Non-current assets			
Fixed assets :	8		
Tangible assets		7,157.40	7,679.53
Intangible assets		-	0.20
Capital work-in-progress		<u>175.90</u>	<u>157.49</u>
		<u>7,333.30</u>	<u>7,837.22</u>
Non-current investments	9	1,199.93	1,199.93
Deferred tax assets (net)	10	1,319.54	1,301.40
Long-term loans and advances	11	<u>466.54</u>	<u>366.73</u>
		<u>10,319.31</u>	<u>10,705.28</u>
Current assets			
Inventories	12	137.97	169.45
Trade receivables	13	112.86	104.91
Cash and cash equivalents	14	6.11	3.53
Short-term loans and advances	15	70.87	66.79
Other current assets	16	<u>214.40</u>	<u>158.95</u>
		<u>542.21</u>	<u>503.63</u>
TOTAL		<u>10,861.52</u>	<u>11,208.91</u>

Notes are integral part of the balance sheet & profit & loss account.

1(a)

As per our report of even date
For **V.K.Beswal & Associates**
Chartered Accountants

C.A. K.V. Beswal
Partner
M. No. 131054
Firm Reg No.:101083W

Deepesh Kumar Nayak
Company Secretary

For and on behalf of Board of Directors of
STI India Limited

Dr.R.B.Baheti
Chairman

Mukesh Maheshwari
Chief Financial Officer

Place : Mumbai
Date : 15th May, 2015

Place : Indore
Date : 15th May, 2015

**Statement of Profit & Loss A/c for the year ended 31st March, 2015**

PARTICULARS	Note No.	31st March, 2015 (` in Lacs)	31st March, 2014 (` in Lacs)
INCOME :			
Revenue from Operations	17	6,047.09	5,572.80
Other income	18	66.32	59.65
Total Revenue		<u>6,113.41</u>	<u>5,632.45</u>
EXPENDITURE :			
Cost of raw materials consumed	19	-	0.46
Purchases of traded goods	20	770.03	543.28
Changes in inventories of finished goods, work-in-progress and waste	21	14.14	(21.51)
Employee benefits expenses	22	1,665.73	1,526.70
Finance costs	23	4.28	1.44
Depreciation and amortization expenses		417.83	1,238.46
Other expenses	24	3,732.33	3,387.70
Total Expenditures		<u>6,604.34</u>	<u>6,676.53</u>
Profit/(Loss) before extraordinary items and tax		(490.93)	(1,044.08)
Extraordinary Items :			
Prior year adjustments		6.00	5.96
Profit/(Loss) before tax		<u>(496.93)</u>	<u>(1,050.04)</u>
Tax expenses :			
Current tax		0.01	0.06
Deferred tax		(18.14)	(383.33)
Profit/(Loss) for the period		<u>(478.80)</u>	<u>(666.77)</u>
Earnings per equity share: Basic & Diluted (in Rs.)		(1.65)	(2.30)

Notes are integral part of the balance sheet & profit & loss account. 1(a)

As per our report of even date
For **V.K.Beswal & Associates**
Chartered Accountants**C.A. K.V. Beswal**
Partner
M. No. 131054
Firm Reg No.:101083WPlace : Mumbai
Date : 15th May, 2015For and on behalf of Board of Directors of
STI India Limited**Dr.R.B.Baheti**
Chairman**Mukesh Maheshwari**
Chief Financial OfficerPlace : Indore
Date : 15th May, 2015

Cash Flow Statement for the year ended 31st March, 2015

PARTICULARS	31st March, 2015 (` in lacs)	31st March, 2014 (` in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and after Extraordinary items	(496.93)	(1,050.04)
Adjustment For :		
Depreciation	417.83	1,238.46
Interest & Finance charges	4.28	0.90
Interest received	(31.64)	(25.47)
Profit (-) / Loss (+) on sale of Assets	9.82	0.11
Operative Profit before Working Capital Changes	(96.64)	163.96
Adjustment For :		
Trade and Other Receivables	(110.26)	(107.53)
Inventories	31.48	(44.08)
Trade & Other payable	228.93	59.14
Cash Generation from Operations	53.51	71.49
Direct Taxes	(43.68)	(34.28)
Net Cash Flow from operating activities	9.83	37.21
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Others		
Capital Expenditure	(55.11)	(62.29)
Sale of Fixed Assets	20.50	0.03
Interest Received	31.64	25.47
Net Cash used in investing activities	(2.97)	(36.79)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest on Term loans & Others	(4.28)	(0.90)
Net Cash used in financing activities	(4.28)	(0.90)
D. Net Change In Cash And Cash Equivalents (A+B+C)	2.58	(0.48)
Cash and Cash Equivalents (Opening)	3.53	4.01
Cash and Cash Equivalents (Closing)	6.11	3.53

Notes : 1. Figures in brackets represent cash outflows.
2. Previous year figures have been regrouped wherever necessary.

As per our report of even date
For **V.K.Beswal & Associates**
Chartered Accountants

C.A. K.V. Beswal
Partner
M. No. 131054
Firm Reg No.:101083W

Deepesh Kumar Nayak
Company Secretary

Dr.R.B.Baheti
Chairman

Mukesh Maheshwari
Chief Financial Officer

Place : Mumbai
Date : 15th May, 2015

Place : Indore
Date : 15th May, 2015

NOTE NO.- 1 (a) SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2015.

(1) SIGNIFICANT ACCOUNTING POLICIES

(I) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounts are prepared on historical cost basis as a going concern and are consistent with generally accepted accounting principles.

(II) SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition

- a. Domestic sales of finished goods and scraps are accounted for on dispatch of goods to customers. Gross Sales are net of sales returns.
- b. Export sales are accounted for on the basis of dates of Bill of Lading. Gross Sales are inclusive of incentives / benefits and net of sales returns.
- c. Revenue from Job work is recognized when services are rendered.

b. Fixed Assets:

Fixed assets are stated at cost of acquisition less depreciation. Cost includes taxes, duties, freight, installation and other direct or allocated expenses up to the date of commercial production and net of CENVAT credit and Subsidy received, if any.

c. Depreciation on Fixed Assets:

- (i) The Company has revised its policy of providing depreciation on fixed assets effective April 01, 2014 as per the provisions of New Companies Act, 2013. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis for some assets and straight line basis for others. Further the useful life has also been revised wherever appropriate based on an evaluation.
- (ii) Depreciation on lease hold land & Site development is being amortized on the basis of life of the assets.
- (iii) Depreciation on fixed assets added /disposed off during the year is provided on prorata basis.

d. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account as and when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

e. Investments:

Current investments are carried at the lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

f. Inventories:

Inventories are valued as under:-

Raw Materials	At Cost
Work-in-Process	At Cost
Finished Goods	At lower of cost or net realisable value.
Stores and Spare	At Cost.
Cotton Waste	At estimated net realisable value.

Cost of Work in Process and Manufactured Goods includes material, labour & other appropriate overheads wherever applicable.

g. Foreign Currency:

Transactions in foreign currencies are recorded at the exchange rates notified by CBEC or at the exchange rate under related forward exchange contracts. The realized exchange gains / losses are recognized in the Profit & Loss account. All foreign currency current assets and liabilities are translated in rupees at the rates prevailing on the date of balance sheet.

h. Employee Benefits

- (i) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (ii) Post employment benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized based upon the premium amount determined by LIC Group Gratuity Scheme.
- (iii) Long Term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The liabilities on account of leave encashment have been provided on the basis of actuarial valuation, using projected unit credit method, as at the balance sheet date.

i. Taxation

- (i) Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by applying the tax rates as applicable.
- (ii) Deferred tax is recognised subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

j. Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

l. Expenditure during construction period

The expenditure incurred and attributable interest & financing costs incurred prior to commencement of commercial production including Trial Run Expenses in respect of new project & substantial expansion of existing facilities are capitalised.

25. CONTINGENT LIABILITIES NOT PROVIDED FOR:

(` In Lacs)			
S. N.	Particulars	As at 31.03.2015	As at 31.03.2014
(i)	Claims against the company towards energy charges on Captive Generation.	490.32	490.32
(ii)	Estimated Interest amount payable on confirmed demand for sales and entry tax	87.21	79.94
(iii)	Liability towards M/s Maharashtra State Cotton Grower Mktg. Federation on account of pending dispute under court of law.	73.82	73.82
(iv)	Disputed Sales Tax/ Entry Tax Demands	63.00	64.43
(v)	Demand towards Show Cause Notice Issued by Additional commissioner of Central excise in the matter of wrong availment of cenvat on packing material used in packing of cotton waste, amount inclusive of penalty.	11.02	11.02
(vi)	Demand towards Show Cause Notice Issued by Excise Department for charging Additional Customs Duty including penalty, on the import of HSD on account of which dispute is pending in high court	65.49	65.49
(vii)	Demand towards Show Cause Notice Issued by Excise Department for charging Additional Custom Duty including penalty, on the import of HSD on account of which dispute is pending under Appeal	27.03	27.03
(viii)	Disputed Income tax demand	7.00	7.00
(ix)	Claim of Gujarat State Co-operative Cotton Federation Limited (GUJCOT) for cotton supplies, interest, carrying charges etc. disputed and not acknowledged by the Company. (Refer note No. 26)	10384.84	10384.84

Capital Commitments :

Estimated amount of Capital Contracts remaining to be executed (net of advances) is ` 264.63 Lacs. (P.Y. ` 730.01 Lacs)

26. a) The Hon'ble BIFR Bench, vide order dated 1st November, 2010 while accepting the report of Operating Agency directed the company to incorporate the dues of GUJCOT in Draft Rehabilitation Scheme (DRS).

- b) The Company has preferred an appeal against the said order before Appellate Authority for Industrial & Financial Reconstruction (AAIFR) and the AAIFR vide their order dated 6th April, 2011 directed that impugned directions passed by the BIFR shall be subject to the final order passed by AAIFR in the Appeal.

- c) In the final hearing dated 29th April, 2013 the AAIFR agreed with the submissions of the Company and remanded the case to BIFR with a direction to hear matter on the points raised in appeal before AAIFR. The hearing was scheduled on 25th March, 2015. However the same was not heard as the bench did not function on the said date. No further date of hearing has been notified.

27. The Board of Directors at its meeting dated 25th November, 2010 has taken note of the Report of Independent Chartered Accountant firm elaborating the details of certain financial transactions of the Company. The Board has directed to take necessary action in this regard. As directed by the board, the efforts are being made for recovery of dues and issued legal notices to respective parties. There is no ascertainable effect on the financials except some non-recoverable advances for which provisions have already been made in the books & charged to Profit & Loss Account.

28. Managerial Remuneration

The remuneration paid to non executive chairman is subject to approval of Central Government for which application has been filed on 04.10.2011 followed by the further applications on 30th October, 2012 & 22nd July, 2013 respectively. However, the approval of govt. is yet to be received. The same is pending before the Central Government till date.

29. On 08.07.2011, the fire incidence took place in the factory premises of the company. The company has filed an intimation about the total loss of Rs. 5 crores on 09.07.2011 to the insurance company and also requested for deputing surveyor for assessing losses. However, During the earlier years company has received Rs. 124.94 lacs as on account payment towards the insurance claim and Rs 168.12 lacs towards salvage value. Damaged assets will be re-instated at the earliest possible and soon thereafter remaining claim will be processed by insurance company.

30. Segmental Reporting:

The Company is mainly engaged in the business of manufacturing of textiles consisting of yarn and fabrics. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz. textile segment. The company operates in one geographical segment.

31. Based on the information available with the Company, there are no suppliers who are registered as micro or small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006, as at 31st March 2015.



32. As per Accounting Standard 15 "Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard are given below:

33. Defined Benefit Plan:

A. Leave Encashment:

The present value of obligation under Leave Encashment is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Changes in present value of obligation

(` In lacs)

Particulars	Leave	Leave
	Encashment	Encashment
	2014-15	2013-14
a) Present value of obligation as at the beginning of the year	47.00	39.43
b) Acquisition adjustment	--	--
c) Interest cost	4.23	3.55
d) Past service cost	(0.68)	--
e) Current service cost	16.17	15.09
f) Curtailment cost/(Credit)	--	--
g) Settlement cost/(Credit)	--	--
h) Benefits paid	(5.10)	(8.06)
i) Actuarial (gain)/loss on obligation	10.69	(3.01)
j) Present value of obligation as at the end of the year	72.30	47.00

The amounts to be recognized in balance sheet

Particulars	31/03/2015	31/03/2014
a) Present value of funded obligation as at the end of the period	--	--
b) Fair value of plan assets as at the end of the period	--	--
c) Present value of unfunded obligation as at the end of the period	72.30	47.00
d) Unrecognized Past Service Cost	--	--
e) Net Liability	72.30	47.00
Amount in the balance sheet		
Liabilities	72.30	47.00
Asset	--	--
Net liability	72.30	47.00

Expense recognized in the statement of profit and loss

Particulars	2014-15	2013-14
a) Current service cost	16.17	15.09
b) Past service cost	(0.68)	--
c) Interest cost	4.23	3.55
d) Expected return on plan assets	--	--
e) Curtailment or Settlement cost / (Credit)	--	--
f) Net actuarial (gain)/ loss recognized in the period	10.69	(3.01)
g) Expenses recognized in the statement of profit & losses	30.40	15.63

Actuarial Assumptions:

Particulars	2014-15	2013-14
a) Mortality Table	100%	100%

b) Discount Rate (P.A.)	7.80%	9.00%
c) Expected Rate of Return on plan assets (P.A.)	0%	0%
d) Salary Growth Rate (P.A.)	7.00%	7.00%
e) Withdrawal rate, based on age : (per annum)		
Up to 30 Years	5%	5% at
31 – 44 Years	2%	younger
Above 44 Years	1%	ages & 1.% at elder ages

B. Gratuity

The employees' Gratuity Fund Scheme, which is a defined plan, is managed by the Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which is recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(` In lacs)

Particulars	As on 31.03.15	As on 31.03.14
1. Assumption		
Discount Rate	7.80%	9.00%
Salary Escalation	7.00%	7.00%
2. Present value of Obligation		
Present value of obligations as at beginning of year	153.22	131.36
Interest cost	13.79	11.82
Current Service Cost	37.48	30.66
Past Service Cost	(2.37)	-
Benefits Paid	(9.25)	(26.94)
Actuarial (gain)/ loss on obligations	35.49	6.32
Present value of obligations as at end of year	228.36	153.22
3. Fair value of plan assets		
Fair value of plan assets at beginning of year	143.43	136.87
Expected return on plan assets	12.55	11.73
Contributions	16.50	21.42
Benefits Paid	(8.60)	(26.94)
Actuarial (gain)/ loss on obligations	1.03	0.35
Fair value of plan assets at the end of year	164.91	143.43
Funded status	63.45	9.79
4. Actuarial Gain/Loss recognized		
Actuarial (gain)/ loss on obligations	(35.49)	(6.32)
Actuarial (gain)/ loss for the year - plan assets	-	-
Actuarial (gain)/ loss on obligations	35.49	6.32
Actuarial (gain)/ loss recognized in the year	35.49	6.32
5. The amounts to be recognized in the balance sheet		
Present value of obligations as at the end of year	228.36	153.22
Fair value of plan assets as at the end of the year	164.91	143.43
Funded status	63.45	9.79
6. Expenses Recognized in statement of Profit and loss		
Current Service cost	37.48	30.66
Past Service Cost	(2.37)	-
Interest Cost	13.79	11.81
Expected return on plan assets	(12.55)	(11.73)
Net Actuarial (gain)/ loss recognized in the year	34.45	5.97
Expenses to be recognized in statement of Profit and loss	70.80	36.71

The Company has recognized ` 39.46 lacs (` 48.32 lacs) in the Profit & Loss account for the year ending 31st March, 2015 under Defined Contribution Plan.

34. Related Party Disclosures (As certified by Management)
a) List of Related Parties and Relationships :

S.No.	Name of Related Party	Relationship
1.	Bombay Rayon Fashions Limited	Holding Company
2.	STI Sanoh India Limited	Incorporated Joint Venture
3.	Key Management Personnel	
	A. Dr. R.B. Baheti	Non Executive, Chairman
	B. Mr. Prashant Agrawal	Managing Director
	C. Mr. Aman Agrawal	Vice – Chairman

b) Related Party transaction (s) during the year 2014-15: (Amount in ` Lacs)

Transaction	Associates & JVs	Holding Company	Key Management Personnel/Relatives
Loan received	-	-	-
	(-)	(-)	(-)
Loan payment	-	-	-
	(-)	(-)	(-)
Sales	-	(-)	-
	(-)	0.46	(-)
Jobwork	-	4270.06	-
	(-)	(2497.01)	(-)
Purchases of trading goods & packing materials	-	-	773.45
	(-)	(250.73)	(-)
Rent received	-	1.20	-
	(-)	(1.20)	(-)
Managerial Remuneration	-	-	113.39
	(-)	(-)	(112.36)

35. Earnings Per Share (EPS)

(Equity Shares of ` 10 each)

Particulars	Current year	Previous year
(i) Number of shares at the beginning of the year	29000000	29000000
(ii) Number of shares at the end of the year	29000000	29000000
(iii) Weighted average number of Equity Shares outstanding during the year	29000000	29000000
EPS :		
(i) Net profit/(loss) available for Equity Share holders (` In Lacs)	(478.80)	(666.77)
(ii) Basic and diluted earnings per share (`)	(1.65)	(2.30)

36. Information in respect of Joint Venture Company (JVC) - STI Sanoh India Limited, is provided hereunder:-

Country of Incorporation	India
Proportion of Ownership Interest	43.48% (` 1199.93 lacs of paid up equity share capital out of ` 2760 lacs)
Description of Interest	Joint Venture Company (JVC) is established principally for manufacturing of Single Walled Copper Brazed Tubes and Break fuel components.

The Information related to financial statements for FY 13-14 & 14-15 from STI Sanoh India Ltd. has not been made available as they are not yet finalized.



37. The total amount of expenses incurred by the company has debited to Profit & loss accounts is ₹ 517.70 Lacs during the year (cumulative ₹ 574.90 Lacs), in respect of legal issues related to proposal for disposal of company's stake in STI Sanoh India Ltd.
38. The Company has incurred substantial losses and its net worth is eroded, the accounts have been prepared on the principle of going concern with a view to revive the operations of the Company in future notwithstanding the fact that its net worth is completely eroded, and the company is a Sick Industrial Company.

	(₹ In Lacs)			
	Current year		Prev. Year	
	31.03.2015		31.03.2014	
39. C.I.F. Value of Imports:				
(a) Stores, Spares & HSD		40.12		25.59
(b) Capital Goods		-		-
40. Expenditure in Foreign Currency:				
(a) Foreign Traveling		28.36		1.21
(b) Commission on Export Sales		-		-
41. Earning in Foreign Exchange				
FOB value of Exports		770.83		156.22
42. Stores and Spares Consumed :				
(a) Indigenous	219.17	89.78%	315.60	90.94%
(b) Imported	33.15	10.22%	31.47	9.06%
Total	<u>324.32</u>	<u>100.00%</u>	<u>347.07</u>	<u>100.00%</u>

Previous year figures have been re-grouped / reclassified wherever necessary to make them comparable in accordance with revised schedule VI.

43. Pursuant to section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 including further amendments thereto, a company has to spend, in every financial year, atleast 2% of the average net profits of the company made during the last three years immediately preceding financial year, as per the objects mentioned in the Rules.

The company has suffered a net loss for the current year and having no average net profits during the immediately preceding last three financial years, the provisions of section 135 of the Companies Act, 2013 are not applicable.

As per our report of even date
For **V.K.Beswal & Associates**
Chartered Accountants

C.A. K.V. Beswal
Partner
M.No. 131054
Firm Reg No.:101083W

Deepesh Kumar Nayak
Company Secretary

For and on behalf of Board of Directors of
STI India Limited

Dr.R.B.Baheti
Chairman

Mukesh Maheshwari
Chief Financial Officer

Place : Mumbai
Date : 15th May, 2015

Place : Indore
Date : 15th May, 2015

Notes to financial statements for the year ended 31st March, 2015
Note : 1 (b) Share Capital

A	Particulars	31st March, 2015		31st March, 2014	
		Numbers	in Lacs	Numbers	in Lacs
	Authorised				
	Equity Shares of ₹ 10 each	40000000	4000.00	40000000	4000.00
	Preference Shares of ₹ 100 each	500000	500.00	500000	500.00
		40500000	4500.00	40500000	4500.00
	Issued, Subscribed & fully Paid up				
	Equity Shares of ₹ 10 each	29000000	2900.00	29000000	2900.00
	Total	29000000	2900.00	29000000	2900.00

B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	31st March, 2015		31st March, 2014	
	Numbers	in Lacs	Numbers	in Lacs
At the beginning of the year	29000000	2900.00	29000000	2900.00
Shares Issued during the year	-	-	-	-
At the end of the year	29000000	2900.00	29000000	2900.00

C Shares held by holding company :

Particulars	Nature of Relationship	31 st March 2015	31 st March 2014
Equity Shares		Nos.	Nos.
Bombay Rayon Fashions Ltd.	Holding Company	21750000	21750000

D Detail of shareholders holding more than 5% of shares in the company

Particulars	Equity Shares			
	31st March, 2015		31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bombay Rayon Fashions Ltd.	21750000	75.00%	21750000	75.00%
India Max Investment Fund Limited	1714068	5.91%	1714068	5.91%
Prime India Investment Fund Limited	2420984	8.35%	2420984	8.35%



PARTICULARS	31 st March 2015 (` in lacs)	31 st March 2014 (` in lacs)
Note - 2 : Reserve and surplus		
Capital Reserves		
Opening Balance	40.01	40.01
(+)/(-) Transfer	-	-
Closing Balance	<u>40.01</u>	<u>40.01</u>
Securities Premium Account		
Opening Balance	3773.00	3773.00
(+)/(-) Transfer	-	-
Closing Balance	<u>3773.00</u>	<u>3773.00</u>
Surplus		
Opening balance	(8,538.69)	(7871.93)
(+) Net Profit/(Net Loss) For the current year	(478.80)	(666.77)
(-) Assets written off**	(97.53)	-
Closing Balance	<u>(9,115.02)</u>	<u>(8,538.69)</u>
Total	<u>(5,302.01)</u>	<u>4,725.69</u>
** Company has followed Depreciation as per Companies Act,2013. According where 'useful life' cease to exist on the date when this Act came into force, shall be transferred to Reserve & Surplus.		
Note - 3 : Long term borrowings		
Debentures (Secured)		
45,80,000 Debentures (Series 1) of ` 40/- each	1,832.00	1,832.00
50,00,000 Debentures (Series 3) of ` 8/- each	400.00	400.00
26,00,000 Debentures (Series 2) of ` 40/- each	1,040.00	1,040.00
2,00,00,000 Debentures (Series 4) of ` 40/- each	8,000.00	8,000.00
<i>(Debentures series 1,3 and 4 are secured by residual charge of equitable mortgage of Land & Building located on Plot No. 1 at Rau Pithampur Link Road, Sonvay Village admeasuring 285290 Sq. Mtr. standing in the name of the Company and all plants and machinery to be attached/installed. Debentures series 2 are secured by way of residual charge on all non-fixed assets of the Company).</i>		
Loans and Advances from Holding Company	975.00	975.00
Total	<u>12,247.00</u>	<u>12,247.00</u>
Note - 4 : Long Term Provisions		
Provision for employee benefits :		
Gratuity	36.78	16.90
Leave Encashment	63.39	41.20
Total	<u>100.17</u>	<u>58.10</u>
Note - 5 : Trade payables		
Unsecured :		
Trade payables	252.63	210.56
Total	<u>252.63</u>	<u>210.56</u>

PARTICULARS	31 st March 2015 (` in lacs)	31 st March 2014 (` in lacs)
Note - 6 : Other Current Liabilities		
Customer deposits & Advances	13.45	19.39
Accrued salaries and benefits	106.55	103.62
Statutory dues	119.51	71.04
Outstanding expenses	351.24	257.45
Total	<u>590.75</u>	<u>451.49</u>

Note - 7 : Short Term Provisions
Provision for employee benefits :

Gratuity	26.66	24.10
Bonus	37.40	37.49
Leave Encashment	8.91	5.80
Others :		
Wealth tax	0.01	0.06
Total	<u>72.98</u>	<u>67.45</u>

Note - 8 : Fixed Assets

Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Balance as at 01.04.2014 ` in lacs	Additions ` in lacs	Disposals ` in lacs	Balance as at 31.03.2015 ` in lacs	Balance as at 01.04.2014 ` in lacs	For the year ` in lacs	Transfer to Reserve ` in lacs	Written back ` in lacs	Balance as at 31.03.2015 ` in lacs	Balance as at 31.03.2015 ` in lacs	Balance as at 31.03.2014
Tangible Assets:											
Land - Lease hold	862.36	-	-	862.36	40.92	10.08	-	-	51.00	811.36	821.44
- Free hold	67.93	-	-	67.93	-	-	-	-	-	67.93	67.93
Site developments	298.47	-	-	298.47	19.56	3.44	-	-	23.00	275.47	278.91
Factory buildings	2,613.51	1.28	-	2,614.79	1,474.03	74.66	-	-	1,548.69	1,066.10	1,139.48
Non factory buildings	776.72	-	-	776.72	200.20	12.09	-	-	212.29	564.43	576.52
Plant and Equipment	20,800.93	5.81	243.53	20,563.21	16,084.44	298.33	88.91	215.93	16,255.75	4,307.46	4,716.49
Vehicles	65.20	7.32	4.54	67.98	24.05	9.75	-	1.90	31.90	36.08	41.15
Computer	39.26	4.15	1.40	42.01	33.41	1.76	2.96	1.33	36.80	5.21	5.85
Furniture and Fixtures	187.79	1.65	-	189.44	161.48	5.14	3.88	-	170.50	18.94	26.31
Office equipment	6.27	3.13	-	9.40	0.82	2.38	1.78	-	4.98	4.42	5.45
Total											
Intangible Assets :	25,718.44	23.34	249.47	25,492.31	18,038.91	417.63	97.53	219.16	18,334.91	7,157.40	7,679.53
Computer software	3.96	-	-	3.96	3.76	0.20	-	-	3.96	-	0.20
Total	3.96	-	-	3.96	3.76	0.20	-	-	3.96	-	0.20
Capital Work In Progress	157.49	18.41	-	175.90	-	-	-	-	-	175.90	157.49
Total	25,879.89	41.75	249.47	25,672.17	18,042.67	417.83	97.53	219.16	18,338.87	7,333.30	7,837.22
Previous Year	25,815.06	124.62	59.78	25,879.90	16,804.24	1,238.46	-	0.03	18,042.68	7,837.22	9,010.81

* Had the company provided depreciation as per the old companies act, the charges for depreciation for the current year would have been higher by ` 705.67 Lacs.

Note - 9 : Non-current investments
Other investments :

Investment in Equity instruments :

Unquoted : (Fully paid up) 11999300 Equity Shares of ` 10/- each of STI Sanoh India Limited	1,199.93	1,199.93
Total	<u>1,199.93</u>	<u>1,199.93</u>



PARTICULARS	31 st March 2015 (` in lacs)	31 st March 2014 (` in lacs)
Note - 10 : Deferred tax assets (Net)		
Deferred tax liability		
Net Block as per Companies Act	6,278.10	6,790.35
Net Block as per Income Tax Act	<u>2,539.50</u>	<u>2,919.17</u>
Difference	3,738.60	3,871.18
Deferred tax liability (A)	<u>1,155.23</u>	<u>1,196.20</u>
Deferred tax assets		
Expenditure to be disallowed u/s 43B -		
Bonus	68.38	62.21
Leave encashment	72.30	47.00
Gratuity	63.44	41.00
Unabsorbed depreciation	<u>7,804.81</u>	<u>7,932.61</u>
	<u>8,008.93</u>	<u>8,082.82</u>
Deferred tax assets (B)	<u>2,274.77</u>	<u>2,497.60</u>
Net Deferred Tax (Assets) (A)-(B) (Closing)	(1,319.54)	(1,301.40)
Less : Net Deferred Tax (Assets) (Opening)	(1,301.40)	(918.07)
Net Deferred Tax (Assets) to be recognized in Profit & Loss Account.	(18.14)	(383.33)
Note - 11 : Long-term loans and advances		
Capital Advances		
Unsecured, considered good	50.95	37.59
Security Deposits		
Unsecured, considered good	415.59	329.14
Other loans and advances (refer Note 5)		
Doubtful	2,450.75	2,450.75
Less: Provision for doubtful advances	<u>2,450.75</u>	<u>2,450.75</u>
	-	-
Total	<u>466.54</u>	<u>366.73</u>
Note - 12 : Inventories		
Waste (Valued at net realisable value)	29.81	43.95
Stores and spares (Valued at cost)	80.16	77.58
Goods-in transit	<u>4.41</u>	<u>16.68</u>
Packing material (Valued at cost)	19.04	23.32
Oil & lubricant (Valued at cost)	4.55	7.92
(As certified by Management)		
Total	<u>137.97</u>	<u>169.45</u>

PARTICULARS	31 st March 2015 (` in lacs)	31 st March 2014 (` in lacs)
Note - 13 : Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment	99.95	92.00
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	12.91	12.91
Total	<u>112.86</u>	<u>104.91</u>
Note - 14 : Cash and cash equivalents		
Balances with banks		
On current accounts	5.50	2.69
Cash on hand	0.61	0.84
Total	<u>6.11</u>	<u>3.53</u>
Note - 15 : Short-term loans and advances		
Advance receivable in cash or kind	70.87	66.79
Total	<u>70.87</u>	<u>66.79</u>
Note - 16 : Other current assets		
Insurance claim receivable	84.51	84.51
Balance with Government authorities	129.08	66.23
Others	0.81	8.21
Total	<u>214.40</u>	<u>158.95</u>
Note - 17 : Revenue from operations		
Sale of product :		
Traded goods	835.03	569.01
Other goods	854.68	1,061.30
Sale of service :		
Jobwork receipt	4,357.38	3,942.49
Total	<u>6,047.09</u>	<u>5,572.80</u>
Detail of Sales		
Domestic :		
Waste Fiber	795.73	1,267.87
Yarn Sale	54.64	161.26
Fabric Sale	4.30	36.66
Export :		
Yarn Sale	16.07	119.08
Fabric Sale	818.97	45.44
Total	<u>1,689.71</u>	<u>1,630.31</u>



PARTICULARS	31st March 2015	31st March 2014
	(` in lacs)	(` in lacs)
Note - 18 : Other income		
Interest Income (TDS of ` 3.09 lacs (` 2.55 lacs))	31.64	25.47
Profit on sale of assets	0.06	-
Sundry balances written back	0.31	4.55
Exchange fluctuation gain	5.42	-
Insurance claim received	2.42	-
Miscellaneous income	26.47	29.63
Total	<u>66.32</u>	<u>59.65</u>
Note - 19 : Cost of material consumed		
Inventory at the beginning of the year	-	0.46
Add : Purchase	-	-
Less : Inventory at the end of the year	-	-
Cost of material consumed	<u>-</u>	<u>0.46</u>
Note - 20 : Detail of purchase of traded goods		
Finished Goods	770.03	214.76
Waste	-	328.52
	<u>770.03</u>	<u>543.28</u>
Note - 21 : Increase (-) / decrease (+) in inventories		
Inventory at the end of the year		
Wastages	29.81	43.95
Inventory at the beginning of the year		
Wastage	43.95	22.44
Increase (-) / decrease (+) in inventories	<u>14.14</u>	<u>(21.51)</u>
Note - 22 : Employee benefit expenses		
Salaries & wages	1,254.32	1,122.04
Contributions to provident and other fund	147.56	125.54
Gratuity & Bonus	76.85	85.81
Staff welfare expenses	187.00	193.31
Total	<u>1,665.73</u>	<u>1,526.70</u>

PARTICULARS	31 st March 2015 (` in lacs)	31 st March 2014 (` in lacs)
Note - 23 : Finance costs		
Interest expense	-	-
Bank Charges	4.28	1.44
Total	<u>4.28</u>	<u>1.44</u>
Note - 24 : Other expenses		
Stores & spares consumption	324.32	347.06
Packing material and expenses	246.06	280.18
Power and fuel	2,112.19	2,199.64
Fiber Processing & Handling Expenses	57.75	62.23
Water charges	14.86	8.55
Rent	3.27	3.27
Rates and taxes	4.98	5.99
Insurance	19.28	18.59
Repair and maintenance :		
Plant and machinery	39.52	38.82
Building	13.90	18.28
Advertising and business promotion	3.13	2.42
Traveling and conveyance	105.70	49.44
Communication Expenses	8.73	9.77
Printing and stationary	7.48	7.07
Legal and professional fees	483.65	84.18
Director's remuneration	113.39	112.36
Directors' sitting fees	0.82	0.78
Auditor's remuneration	15.28	15.28
Frieght & Forwarding	38.94	4.68
Commission on sale	7.64	2.80
Contract Labour	38.74	33.97
Loss on sale of fixed assets	9.88	0.11
Miscellaneous expenses	62.82	82.23
Total	<u>3,732.33</u>	<u>3,387.70</u>
Payments to auditor		
For Audit Fee	11.24	11.24
For Tax Audit Fee	2.81	2.81
For Certification & Others	1.23	1.23
Total	<u>15.28</u>	<u>15.28</u>

NOTE

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STI India Limited

Regd. Office. : Rau-Pithampur Link Road, Tehsil - Mhow, Dist. Indore - 453 332 (M.P.) India, Ph. No. (0731) 4014400,
Fax No. (0731) 4020011, Email: share3@stitextile.net, Website: www.stitextile.net, CIN: L27105MP1984PLC002521

ATTENDANCE SLIP

DP Id*..... Folio No.....

Client Id*..... No. of Equity Share(s) held.....

Name & Address of the attending Member(s)/Proxy/Representative:.....

I / We hereby record my / our presence at the 30th Annual General Meeting of the Company being held on **Monday, the 28th September, 2015 at 11.00 A.M. at the Registered Office of the Company situated at Rau-pithampur Link Road, Teh-Mhow, Dist. Indore - 453 332 (M.P) India.**

.....
Signature of the Shareholder/ Proxy/Representative**

*Applicable for investors holding shares in electronic form.

** Strike out whichever is not applicable.

Note: Member(s) / Proxy / Representative are requested to produce this attendance slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting.

.....✂.....✂.....



STI India Limited

Regd. Office. : Rau-Pithampur Link Road, Tehsil - Mhow, Dist. Indore - 453 332 (M.P.) India, Ph. No. (0731) 4014400,
Fax No. (0731) 4020011, Email: share3@stitextile.net, Website: www.stitextile.net, CIN: L27105MP1984PLC002521

CONSENT LETTER

To,
Link Intime India Private Limited
Registrar and Share Transfer Agent
Unit: STI India Limited
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (West)
Mumbai - 400 078 (M.H.) India

Date:

Sub: Consent for serving Documents through Electronic Mode.

Dear Sir,

I / We..... Folio No..... hereby give my / our consent for serving the documents through Electronic Mode.

Kindly send the documents at my / our Email id:.....

Consent: YES () NO ()

Thanking you,
Yours faithfully
Name of Sole / First Holder.....

Signature.....

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STI India Limited

Regd. Office. : Rau-Pithampur Link Road, Tehsil - Mhow, Dist. Indore - 453 332 (M.P.) India, Ph. No. (0731) 4014400,
Fax No. (0731) 4020011, Email: share3@stitextile.net, Website: www.stitextile.net, CIN: L27105MP1984PLC002521

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014]

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No. / *Client ID	
DPID	

I/We, being a member / members of, shares of the STI India Limited, hereby appoint:

(1) Name Address

E-mail Id Signature, or failing him / her;

(2) Name Address

E-mail Id Signature, or failing him / her;

(3) Name Address

E-mail Id Signature

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the **30th Annual General Meeting** of the Company, to be held on **Monday, the 28th September, 2015 at 11.00 A.M. at the Registered Office of the Company situated at Rau-pithampur Link Road, Teh-Mhow, Dist. Indore - 453 332 (M.P) India** and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Subject of the Resolutions	Optional (see note no. 5)	
		For	Against
Ordinary Business			
01.	Consider and adopt the Reports of Auditors, Directors and Audited Financial Statements for the year ended on 31st March, 2015.		
02.	Re-appointment of Mr. K. N. Garg, who retires by rotation.		
03.	Re-appointment of Mr. A. R. Mundra, who retires by rotation.		
04.	Appointment of M/s V. K. Beswal & Associates, Chartered Accountant, Mumbai as Statutory Auditor and authorise the Board of Directors to fix their Remuneration.		
Special Business			
05.	Approval for appointment of Mr. John Mathew (DIN: 01632626) as an Independent Director of the Company.		
06.	Approval for appointment of Ms. Prachi Deshpande (DIN: 02975271) as a Director of the Company.		
07.	Approval for Alteration in the Article of Association of the Company.		
08.	Approval for Remuneration to Dr. R. B. Baheti.		

* Applicable for investors holding shares in electronic form.

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A proxy need not be a member of the Company.
- (3) A person can act as proxy on behalf of member(s) not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
- (4) For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 30th Annual General Meeting.
- (5) It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (6) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (7) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.
- (8) Please complete all details including details of member(s) in above boxy before submission.

Signed this.....day of.....2015.

Signature of shareholder.....

Affix 1/- Revenue stamp

Signature of Proxy Holder (s) : 1.....2.....3.....



STI India Limited

Regd. Office. : Rau-Pithampur Link Road, Tehsil - Mhow, Dist. Indore - 453 332 (M.P.) India, Ph. No. (0731) 4014400,
Fax No. (0731) 4020011, Email: share3@stitextile.net, Website: www.stitextile.net, CIN: L27105MP1984PLC002521

Shareholders Information Form

I / We.....registered Shareholder(s) of STI India Limited and hereby given my/our details as under for updating my / our information in the record of the Company and Registrar and Share Transfer Agent:

Name of the Shareholder(s) :
(In case of Joint Holders, please give Name of all holders

Ledger Folio / Client Id No./DPID :

Number of Shares held :

Present Residential Address :

Permanent Residential Address :
(if difference from above)

Phone No. / Mobile No. (With extn.) :

Email address :

Permanent Account Number (PAN) :

Specimen Signature :

Enclosures : 1 ID Proof:
(Please enclose self attested ID & Address Proof) : 2) Address Proof:

I/We further undertake to intimate immediately upon changes, if any, to the Company / Registrar and Share Transfer Agent for updating of the same.

Date :
Place :

Signature of the Shareholder(s)

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ROUTE MAP



If undelivered, please return to:

 **STI India Limited**

Regd. Office. : Rau-Pithampur Link Road,
Tehsil - Mhow, Dist. Indore - 453 332 (M.P.) INDIA
Phone : +91(0731) 4014400
Fax : +91(0731) 4020011
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