

28th

Annual Report

2012-13



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	Chairman
Mr. Aman Agrawal	Vice Chairman
Mr. Prashant Agrawal	Managing Director
Mr. A. R. Mundra	Director
Mr. K. N. Garg	Director
Mr. T. N. Anand Reddy	Director
Mr. A. Arumugham	Director
Mr. Upkar Singh Kohli	Nominee Director - BIFR (Ceased w.e.f. 18.08.2012)

Company Secretary

Mr. Deepesh Kumar Nayak

Statutory Auditors

V. K. Beswal & Associates,
Chartered Accountants
Mumbai

Internal Auditor

Fadnish & Gupte
Chartered Accountants
Indore

Cost Auditor

R. J. Goel & Co.,
Cost Accountants
New Delhi

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. (0731) 4014400 Fax : (0731) 4020011
Email : share3@stitextile.net

Registrar & Share Transfer Agent

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai- 400 078
Tel : 022-25946970

Equity Shares Listed At

National Stock Exchange of India Ltd.
Bombay Stock Exchange Ltd.

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NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of STI India Limited will be held on Saturday, the 28th September, 2013, 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.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Annual Accounts for the financial year ended on 31st March, 2013, Balance Sheet as at that date and the Reports of Independent Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Prashant Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. Arumugham, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Place : Indore
Date: 10th May, 2013

By Order of the Board of Directors
For **STI INDIA LIMITED**

Regd. Off.- Rau-Pithampur Link Road,
Tehsil-Mhow, Distt- Indore-453 332 (M.P.)

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 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.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, the 21st day of September, 2013 to Saturday, the 28th September, 2013** (both days inclusive).
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a Certified True Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. 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 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 available at the Meeting.
5. 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 get updated change in their addresses through their Depositories.
6. 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 **M/s 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.
7. Members who wish to dematerialize the shares or seek any information regarding transfer of shares are requested to contact the Company's Registrar and Share Transfer Agent.
8. 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.
9. Information under clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking re-appointment at the Annual General Meeting is appended below :

INFORMATION OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING AS PER CLAUSE 49 OF THE LISTING AGREEMENT.

MR. PRASHANT AGRAWAL

Date of Birth	Date of Appointment	Directorship held in other Companies	No. of shares held in Company
26.01.1974	25.11.2010	07 (Seven)	Nil

Note : Private & Foreign Companies Directorship are excluded.

Mr. Prashant Agrawal aged 39 years holds Degree in Chemical Engineering from Institute of Chemical Technology, Bombay and MS in Chemical Engineering and Petroleum Refining, USA, has over 14 years of rich experience in the textile industry. He is also a Promoter Director designated as Managing Director of Bombay Rayon Fashions Limited (BRFL) having extensive knowledge and good command through his global vision contributed for new business opportunities and converting them into remunerative projects, consolidation of the business activities by way of acquisitions/ mergers and setting up of subsidiaries.

MR. A. ARUMUGHAM

Date of Birth	Date of Appointment	Directorship held in other Companies	No. of shares held in Company
26.10.1942	09.02.2011	01 (One)	NIL

Note : Private & Foreign Companies Directorship are excluded.

Mr. A. Arumugham aged 71 years holds a degree in commerce and qualified as a member of the Institute of Chartered Accountants of India in 1967 and has 43 years of standing in the profession and has vast experience in the industrial field. He completed his articleship with M/s. Brahmahayya and Company, a leading firm of Chartered Accountants in south India, and after qualifying as a Chartered Accountant, worked with the firm for a year. He then joined the Government of Mysore, Steel Plant at Bhadravati, Karnataka, as the first chartered accountant of the company. He is the senior partner of M/s. ARU & DEV, an established accountancy firm of Chartered Accountants with over 36 years of standing.

Place: Indore
Date: 10th May, 2013

By Order of the Board of Directors
For **STI INDIA LIMITED**

Regd. Off.- Rau-Pithampur Link Road,
Tehsil-Mhow, Distt- Indore-453 332
(M.P.)

Deepesh Kumar Nayak
(Company Secretary)

**DIRECTORS' REPORT**

To,

The Members,

The Directors have immense pleasure in presenting their 28th Annual Report and the Audited Annual Accounts of the Company for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

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

PARTICULARS	(₹ in Lacs)	
	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
Sales / Revenue from Operations	4865.95	10877.73
Profit before Interest, Depreciation & Tax	45.10	1336.99
Less: Interest	0.57	64.60
Profit before Depreciation & Tax	44.53	1272.39
Less: Depreciation	1238.24	1202.21
Profit/(Loss) before Tax	(1193.71)	70.18
Less - Provision for Taxes (including Deferred)	(261.00)	55.00
Profit/(Loss) After Tax	(932.71)	15.18
Paid Up Share Capital	2900.00	2900.00
Reserve and Surplus	(4058.92)	(3126.21)
Adjusted Net Worth of the Company	(1158.92)	(226.21)
EPS (In Rs.)		
- Basic & Diluted	(3.22)	0.05

OPERATIONS:

During the financial year under review -

- the turnover of your company stood at ₹ 48.66 Crores as against ₹ 108.78 Crores in financial year ended on 31.03.2013 registering a decrease by 55.28%. The turnover of the Company as at 31.03.2013 is not comparable with last year as this financial year the revenue from operations was only from 100% Job Work for Bombay Rayon Fashions Ltd. (BRFL).
- PBIDT decreased to ₹ 45.10 Lacs from ₹ 1336.99 Lacs in the previous year.
- Interest cost reduced to ₹ 0.57 Lacs from ₹ 64.60 Lacs in the previous year.

DIVIDEND

In view of the accumulated losses, the Board of Directors does not recommend any dividend for the year under review.

AQUISITION OF STAKE BY BOMBAY RAYON FASHIONS LIMITED (BRFL)

During the year under review Bombay Rayon Fashions Limited (BRFL) has acquired majority stake in the Company by purchasing 58,00,000 equity shares representing 20% of the issued, subscribed and paid-up equity share capital of the Company. The said acquisition has triggered open offer by BRFL. Consequently, holding of BRFL had been total 2,71,79,722 Nos. of Equity Shares representing 93.72% of the total paid equity share capital of the Company. BRFL is a listed

Company, engaged in the manufacturing and export of Fabrics & Garments. BRFL is having integrated manufacturing facilities for yarn dyeing, weaving, processing of fabrics and garmenting.

However, with the requirement of Clause 40A of the Listing Agreements with the Stock Exchanges, Bombay Rayon Fashions Limited (BRFL) sold 54,29,722 equity shares aggregating to 18.72% of the total paid up equity share capital of the Company through an offer for sale mechanism. Consequently, the promoter shareholding has decreased up 75% of the total paid equity share capital of the Company. Now, present shareholding of the promoter is 75% & public shareholding is 25% of the total paid up equity share capital of the Company.

BOARD OF DIRECTORS

The Board of Directors has approved the payment of remuneration to Dr. R.B. Baheti as non executive director of ₹ 1 Crore per annum payable monthly with effect from November 1, 2010 for a period of 3 years as approved by the shareholders.

Mr. Prashant Agrawal and Mr. A. Arumugham, Directors, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Their re-appointment as Directors liable to retire by rotation is submitted to the shareholders for their approval in the ensuing Annual General Meeting.

Mr. Upkar Singh Kohli, Special Director of BIFR was appointed on the Board by Hon'ble BIFR vide their letter dated 26th May, 2010. As per the terms of appointment mentioned in the said letter the appointment was for the period of 3 years or the date on which he attains the age of 65 years, which ever is earlier. As Mr. Upkar Singh Kohli attained the age of 65 years on 18th August, 2012, his appointment as Special Director was up to 18th August, 2012 & consequently he ceased to be a director of the Company w.e.f. 18th August, 2012.

The Board places on record its deep appreciation for valuable contributions rendered by Mr. Upkar Singh Kohli, during his tenure as Director of the Company.

PERFORMANCE OF STI SANOH INDIA LIMITED - THE JOINT VENTURE COMPANY

Your Directors are pleased to inform that growth in the automobile sector has resulted in a good performance by STI Sanoh India Limited, your Joint Venture Company with Sanoh Industrial Co. Limited, Japan. During the year it recorded income at ₹ 101.42 Crores (provisional).

As a result of India's expected GDP Growth during the current year and targeted demand growth in automobiles and refrigeration industries in 2013-14, we expect the performance of the Joint Venture to be better in the current year.

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.

Cost Auditor

As per the requirement of the Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956, the audit of the cost accounts relating to the Product "Textiles" was required to be carried out every year. The Company has appointed Cost Auditor M/s R. J. Goel & Co., Cost Accountants, New Delhi, having Firm Regd. No. 000026 to audit the cost accounts for the financial year 2012-2013 i.e. from 01.04.2012 to 31.03.2013, pursuant to approval of Central Government dated 26.07.2012. Cost Audit report for the year ended 31st March 2013 would be submitted to the Central Government within the prescribed timeframe.

Pursuant to Cost Audit Report Rule, due date for filing of Cost Audit Report for the year ended March 31, 2012 was September 27, 2012, which was submitted to the Central Government on 04th January, 2013. The delay in filing of aforesaid documents was due to transformation of version of available E-forms in XBRL mode which came in public domain only after 1st day of January, 2013.

The Company has re-appointed to M/s R. J. Goel & Co., Cost Accountants, New Delhi, to audit the cost accounts for the financial year 2013-2014 i.e. from 01.04.2013 to 31.03.2014.

AUDITORS' REPORT

There are no specific observations in the Auditors' Report requiring further comments under Section 217 (3) of the Companies Act, 1956.

FIXED DEPOSITS

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

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

1. In the preparation of the Annual Accounts for 2012-13, the applicable accounting standards have been followed with proper explanations relating to material departures;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for the financial year;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

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

As required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in Report of Board of Directors) Rules, 1988, particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure-I which forms part of this Report.

PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

CORPORATE GOVERNANCE

Your Directors are committed to good corporate governance as a policy. The Audit Committee, Investors Grievance cum Share Transfer Committee and Remuneration Committee have been constituted. A detailed report on Corporate Governance is given in the annexure which forms part of this report.

INDUSTRIAL RELATIONS

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

APPRECIATION

Your Directors place on record their sincere appreciation to the Financial Institutions, Banks, Central and State Government authorities, clients and shareholders for their support and co-operation during the year.

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

Place: Indore
Date: 10th May, 2013

Dr. R.B. Baheti
Chairman



ANNEXURE - I : TO THE DIRECTORS' REPORT

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein and forming part of the Directors' Report for the year ended 31st March, 2013.

Form A (Rule 2)

CONSERVATION OF ENERGY

Energy Audit of plant is done by CII to identify Energy Conservation measures & total 7 projects identified, having potential of ₹ 47 Lacs per annum saving with an one time investment of ₹ 78 Lacs.

We executed following projects for Energy Conservation:-

1. Replacement of existing fluorescent type tube lights by energy efficient Philips make LED tube lights. During the year total 400 tube lamps were replaced, the installation charges for the same are ₹ 7, 00, 000 and energy saving by this installation is 73,000 units per annum @ ₹ 5.25 per unit amounting to ₹ 383250/- per annum.
2. Installation of one Energy Efficient Pump: Total installation charges are ₹ 47,550. The energy saving by this installation is 10,000 units per annum @ ₹ 5.25 per unit amounting to ₹ 52500/- per annum.
3. We replaced 15 nos Tube Light Fixtures each of 80 watts, by 18 watts CFL Fixtures to save Energy, total saving of 8150 units per annum @ ₹ 5.25 per unit amounting to ₹ 42767/- per annum.

Technology Up Gradation:-

1. We installed under and over voltage protection relays at 132 KV / 20 MVA transformer's protection panel.
2. Installed 2 sets of 100 LPD solar water heaters at Satkar building for use in canteen.
3. As per recommendations of OEM for Vetal Contamination Clearer, we were using Fluorescent Tube Rods for working span of 3000 Hrs only, instead we took trials of LED Tube Lights on two machines and those are working perfectly, we are expecting efficient working span of 10,000 Hrs energy saving.

Spare parts development:

1. We replaced Fouled Water Pressure Tank of our Hot water unit for Xorella Yarn Conditioning Machine.
2. We developed alternate suppliers for following electronic spares of Suessen Ring Frame, USTER quantum, Crosrol Cards, and Toyota Draw frame:
 - a. LCD display for Ring Frame and Quantum Clearers,
 - b. Auto leveler Transducer,
 - c. Total Production Counter.

Water Harvesting/Management:

The Company is benefited by the 70 rain water harvesting structures made on factory vacant land through M/s Kedia Rain Water Harvesting Private Limited in last financial year. This year, we dug a bore well at site which is functioning satisfactory with capacity of 200KL water per day. Due to these water harvesting arrangements we expecting sufficient increase in water level & are planning to identify suitable points for digging more bore wells for maximizing the benefits of water harvesting which would reduce our dependency on buying water in summer months.

Future Planning for Energy conservation (2013-14)

- (i) Replacement of 1R Compressors reciprocating type by KAESER/ATLAS Copppco Screw Compressors.
- (ii) Ringframe motors replacement by Energy Efficient Motors.
- (iii) Replacement of Filter Fans & Motors by Energy Efficient Equivalent.
- (iv) Replacement of Fluorescent Tubes Lights by LED Tube Lights in all Departments.

FORM-B (Rule-2)

(A) RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas where the R & D department worked are:

- a) Inspection & testing of in-coming, in-process and final product;
- b) Bale management & process control observations;
- c) Machinery maintenance audit and sampling;
- d) Implementation of Control Union Certification for Organic Cotton Yarn & Fabric Production (GOTS / OE / GRS);
- e) Checking regular replacement items, e.g. cots, aprons, ball & needle bearings, waxes and packing materials etc.
- f) Development of various samples of Slub yarn, Lycra Core yarn, Licot yarn, Viscose yarn, Excell yarn, Modal yarn & fabrics and making of Brochure / Album for marketing of these value added items.

2. Benefits derived as a result of the above activities:

- a) Maintaining consistency in Quality Parameters;
- b) Process control helped us in reducing non-conformities in the process products;
- c) The spares and bearings of right quality has helped production to minimize detentions due to early failure of these parts.
- d) The brochures add up to our capability to produce

various value added products in our factory and their marketability in domestic as well as foreign markets.

3. Future Action Plan (2013-2014)

- To further improve the quality level and maintain it;
- To facilitate manufacturing sustainable products (Organic Cotton Yarn & Fabric) and other value added products;
- Introduction of value added samples of injected Slub and texturised filament / texturised core yarn with cotton.

4. Expenditure on R & D (2012-2013)

Nil

(B) TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

- The entire plant and machinery is imported, save a few machines, and the company does not have any technical collaboration. Qualified and skilled staff equipped with the power of information technology at all levels manages the company. This year the plant received various attachments from Amstler, Switzerland for making slub yarn, Extreme short slub & lycra core yarn. Also two machines with injection slub device are expected in June' 2013.
- The main target behind the above concept is reduction in operative cost and launch new products. The following steps were taken:
 - We have converted 15 normal ring frame machines into Elitwist as per the market demand, to get further value addition and 15 more machines to super comb variety for marketing specific requirement. We also plan to go for 20 machines on Elitwist in future.
 - Received 20 sets of Amstler slub attachments for twenty ring frames. The production of slub yarn will give value addition. Also 3 attachments of core IV for lycra core have been received.
 - Received three new LR made carding machine, 2 Nos. Autolevelled Draw frame, 2 Nos. Zinser made 68i model speed frame & 7-V old Muratec Autoconer with Quantum 2 Electronic Yarn Clearer (EYC), for enhancing production capacity. Also received one Acx 5 Autoconer from Schlaforsts to process core yarn.
 - Received 15 new knitting machines in existing building to increase value addition. The new machines are having various facilities i.e. Lycra, Fleece, Rib & Single Jersey fabrics.
 - We have diverted one small line to viscose (staple fibre) working and the same has been set perfectly on 10 ring frames. Also the Blow Room C - Mill & B - Mill carding is made suitable for running 3 lots at a time i.e. Linen / Cotton, Viscose and Cotton 100% simultaneously.

3. Benefits derived as a result of the above efforts:

The company not only believes in sustaining the quality level but also drives forward for upgrading the total quality level. The secondary focus is on reduction in cost. The innovative ideas generated from inside the company is implemented in reality and with a very minimal investment, huge savings are accomplished.

4. Action Plan for 2013-2014:

- We have dedicated one complete line for manufacturing "Organic" Cotton in the unit throughout the year, will give high value addition and a quality bench mark in the Industry.
- We are planning to utilize the 100% knitting machines for further value addition.
- Planning to introduce twelve new Ring Frames with auto doffer (LR9AX) model in August' 2013, orders have already been placed.
- Developed a new shed for accommodating 10 Nos. Flat knitting machines to meet the requirement of collar & calf knitting.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	Financial Year 2012-2013 (₹ in Lacs)	Financial Year 2012-2012 (₹ in Lacs)
Foreign Exchange earnings:		
- FOB value of goods exported	-	2256.65
C.I.F. Value of Imports:		
-Stores, Spares & HSD	74.46	93.71
- Capital Goods	88.34	907.64
Foreign Exchange Expenditures:		
-Commission on Export Sales	-	6.03
- Foreign Traveling	2.23	2.33

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

Place: Indore
Date: 10th May, 2013

Dr. R.B. Baheti
Chairman

**REPORT ON CORPORATE GOVERNANCE****INTRODUCTION:**

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance (Code) by way of Amendment to the listing agreements with the Stock Exchanges. This report on corporate governance is pursuant to revised clause 49 of the listing agreement as amended by SEBI and forms a part of the Board of Directors' Report.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes in adopting and adhering to the best corporate practices and continuously evaluate 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 interest groups. The Company has been regular in sending its quarterly compliance report on Corporate Governance to Stock Exchanges.

2. BOARD OF DIRECTORS**(a) Composition and Size of the Board:**

The Board has strength of 7 Directors as on 31st March, 2013, out of which Six are Non-Executive Directors and three Directors are independent. 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 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 composition of the Board as on 31st March, 2013 is as under:

Name	Category	No. of other Directorship	Board Committee(s) Memberships	
			Chairman	Member
Dr. R.B. Baheti	Non Executive	-	-	-
Mr. Aman Agrawal	Non Executive	5	-	-
Mr. Prashant Agrawal	Executive	7	-	1
Mr. A. R. Mundra	Non Executive	2	-	1
Mr. K.N. Garg	Non Executive, Independent	3	-	4
Mr. A. Arumugham	Non Executive, Independent	1	1	2
Mr. T. N. Anand Reddy	Non Executive, Independent	1	-	-

Note: Private & Foreign Companies Directorship are excluded.

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

(b) Chief Financial Officer (CFO):

Mr. S. D. Naik is Chief Financial Officer (CFO) of the Company.

(c) Board Meetings and Annual General Meeting:

During the year 2012-13, Five Board Meetings were held on:

04th May, 2012, 20th July, 2012, 15th September, 2012, 31st October, 2012, & 08th February, 2013.

Name	No. of Board Meeting attended	Last AGM Attended
Dr. R.B. Baheti - Non Executive Chairman	4	Yes
Mr. Aman Agrawal - Vice Chairman	1	No
Mr. Prashant Agrawal - Managing Director	1	No
Mr. A. R. Mundra	3	No
Mr. K.N. Garg	4	No
Mr. A. Arumugham	4	No
Mr. T. N. Anand Reddy	1	No
Mr. U. S. Kohli (Ceased w.e.f. 18 August 2012)	2	No

(d) Sitting Fees:

Details of payment of Sitting Fee during the year 2012-13

Name	Sitting Fees Paid (₹)
Dr. R.B. Baheti - Non Executive Chairman	NIL
Mr. Aman Agrawal - Vice Chairman	5,000/-
Mr. Prashant Agrawal - Managing Director	NIL
Mr. A. R. Mundra	15,000/-
Mr. K.N. Garg	20,000/-
Mr. A. Arumugham	20,000/-
Mr. T. N. Anand Reddy	5,000/-
Mr. U. S. Kohli (Ceased w.e.f. 18 August 2012)	10,000/-

(e) Code of Conduct - for Board Members and Senior Management:

In terms of para 1(D) of clause 49 - Corporate Governance, the Board of Directors have laid 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.

3. BOARD COMMITTEES

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

- Audit Committee
- Remuneration Committee
- Shareholder's/Investors Grievances Committee

(A) AUDIT COMMITTEE:

The Audit Committee of the Board has such powers in terms of Clause 49 of the Listing Agreements and Section 292A of the Companies Act, 1956.

During the year 2012-13, four Audit Committee Meetings were held on:

04th May, 2012, 20th July, 2012, 31st October, 2012, & 08th February, 2013.

The Composition of the Audit Committee and number of Meetings attended:

Name	Designation	No. of Meetings Attended
Mr. A. Arumugham	Chairman	4
Mr. K.N. Garg	Member	4
Mr. T. N. Anand Reddy	Member	1
Mr. U. S. Kohli (Ceased w.e.f. 18 August 2012)	Member	2

Terms of Reference:

Terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges and this interalia include:

1. To ensure that the disclosures in the financial information stated in financial statements are correct, sufficient and credible.
2. To recommend regarding appointment & renewal of external Auditors, fixation of audit fees and approval for payment of other services.
3. To review with Management the annual financial statement before submission to the Board, focusing primarily on:
 - any change in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualification in draft report;
 - Significant adjustments arising out of audit;
 - Compliances with stock exchanges and legal requirements concerning financial statement;
 - Related party transactions.
4. To review the adequacy of internal control system, internal audit functions including discussions with internal Auditors on matters like internal investigation where there is suspected fraud or irregularity or failure of internal control systems material nature.
5. Discussions with external Auditors before the audit commences, nature and scope of audit as well as have post audit discussion.
6. To review the Company's financial and risk management policies; and
7. To look into the reasons for substantial defaults in

payment to depositors/ shareholders/ creditors.

(B) REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three members as on 31st March, 2013, All of them possesses vast experience of Trade, Business and Industries.

Name	Designation
Mr. A. Arumugham	Chairman
Mr. K.N. Garg	Member
Mr. T. N. Anand Reddy	Member
Mr. U. S. Kohli (Ceased w.e.f. 18 August 2012)	Member

1. Terms of Reference:

Terms of reference of the Remuneration Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges and this interalia include:

The Remuneration policy of the Company for managerial personnel (excluding non-executive the remuneration of which shall be decided by the Board) shall be primarily based on the following:

1. To address the policy on remuneration packages for Executive Directors and their service contracts.
2. To prepare performance linked remuneration package and retiral benefits.
3. To track record, potentials and performance of individual managers and their periodic review.
4. To prepare policy for training, development, job rotation and delegation as important tools for optimum utilization of available man-power resources, and
5. To guide for outsourcing skills and capabilities for new opportunities from the external competitive environment.

2. Appointment and Remuneration of Directors:
1.) The Managing Director:

Mr. Prashant Agrawal, was appointed as a Managing Director on the Board of the Company for a period of 3 year from 25th November, 2010 to 24th November, 2013 without remuneration, pursuant to the provisions of Section 198, 269, 309, 316 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act. Mr. Prashant Agrawal already appointed as Managing Director of Bombay Rayon Fashions Limited and drawing Managerial Remuneration.