

38th

ANNUAL REPORT

2011-2012



STI PRODUCTS INDIA LIMITED

CORPORATE INFORMATION

- Directors** : Mr. K. N. Garg - Chairman
Mr. Nirmal Singh - Director
Mr. Vivek Loiwal - Director
- Statutory Auditors** : M/s. G. R. S. R. A. & Co.,
Chartered Accountants
No. 178, I Floor, 5th Main,
4th Cross, J P Nagar 3rd Phase,
BANGALORE - 560 078
- Registered Office** : No.62, AG'S Layout,
New BEL Road,
Bangalore - 560 054
Phone: ++91 - 080 - 41482091 - 92
- Registrar & Share
Transfer Agent** : *Bangalore Office:*
M/s. Link Intime India Pvt. Ltd.
543A, 7th Main, 3rd Cross,
Hanumanthnagar,
Bangalore - 560 019
Phone : ++91 - 080 - 2650 9004
- Mumbai Office:*
M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
Kantilal Maganlal Indl. Estate,
L.B.S. Road, Bhandup West,
Mumbai - 400 080.
Phone : ++ 91 - 022 - 2596 3838

NOTICE

Notice is hereby given that the 38th Annual General Meeting of the Members of STI Products India Limited will be held on Saturday, the 29th day of September, 2012 at 11.00 AM at the Regd. Office of the Company Situated at No.62, AG's Layout, New BEL Road, Bangalore - 560 054 to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Vivek Loiwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s S M N P & Co., Chartered Accountants of Mumbai as Statutory Auditors of the Company in place of the retiring auditors M/s G R S R A & Co. Chartered Accountants, Bangalore and to fix their remuneration, and for that purpose, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT M/s S M N P & Co., Chartered Accountants, Mumbai be and are hereby appointed as the Statutory Auditors of the company in place of the retiring auditors M/s G R S R A & Co. Chartered Accountants, Bangalore to hold the office of the auditors till the conclusion of the next annual general meeting on such remuneration as may be determined by the Board of directors of the company."

B. SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:
"RESOLVED THAT Pursuant to provisions of Section 383A (1) of the Companies Act, 1956 M/s. Rao Saklecha & Co., Practicing Company Secretary, Indore, be and is hereby re-appointed as Secretarial Auditor for issue of the Compliance Certificate and to hold office till conclusion of the next Annual General Meeting at remuneration of Rs.2,500/- plus Service Tax and other out of pocket expenses as may be incurred."

Place: Indore

Date: 7th July, 2012

For and on behalf of the Board of Directors
For STI PRODUCTS INDIA LIMITED

Regd Off: 62 AG's Layout, New BEL Road,
 Bangalore - 560054 (Karnataka)

(K. N. Garg)
 Chairman

NOTES:

1. The information as required under listing agreements and the relative Explanatory Statement for Special Business pursuant to Section 173(2) of the Companies Act, 1956 and all other applicable laws is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS 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 proxy form to be effective must be lodged duly completed and stamped at the Registered Office of the Company at least 48 hours before the time for holding the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **24th September, 2012 to 29th September, 2012** (both days inclusive).
4. Members are requested to send their queries, if any, relating to the Annual Accounts and Reports at least one week prior to the date of meeting.
5. The National Security Depository Limited (NSDL) has also admitted Company's Equity shares into demat and the members can now hold the shares of the Company in the electronic form with NSDL through their depository account. The equity shares of the Company shall be traded only in dematerialized mode on the Stock Exchanges. However there is no trading in the shares of the Company for a long period. The ISIN Code allotted by NSDL to the Equity Shares of the Company is **INE205G01014**.
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 filed form to our Registrar and Share Transfer Agent M/s Link Intime India Private Limited at their following offices address for sending the document in electronic form.:

Bangalore Office:

M/s. Link Intime India Pvt. Ltd.
543A, 7th Main, 3rd Cross,
Hanumanthnagar, Bangalore - 560 019
Phone: (080) 2650 9004

Mumbai Office:

M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W) Mumbai-400 078
Phone: (022) 25963838

7. Any change of address of the Members may please be notified to the Registrar and Transfer Agent quoting their Registered Folio No.
8. Members who wish to dematerialize the share or seek any information regarding transfer of shares are requested to contact the Company's Registrar and Share Transfer Agent.
9. 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.
10. Information under clause 49 of the Listing Agreement with the Stock Exchange in respect of Director seeking re-appointment at the Annual General Meeting is appended below.

MR. VIVEK LOIWAL (ITEM NO. 2)

Mr. Vivek Loiwal, Director of the Company is to retire by rotation at the ensuing Annual General Meeting and being available offer himself for re-appointment.

Mr. Vivek Loiwal has a wide range of experience and expertise in marketing of Textile products. He also has rich experience of business and industry, both the domestic and international, and his presence on the Board would be beneficial to the Company.

Your Directors recommend his re-appointment, as Director liable to retire by rotation, for the approval of members. None of the Directors of the company other than Mr. Vivek Loiwal is concerned or interested in the resolution.

NOTES ON APPOINTMENT OF M/S S M N P & CO., CHARTERED ACCOUNTANT, AS STATUTORY AUDITOR OF THE COMPANY.

FOR ITEM NO. 3

The Company has received a special notice dated 05th Day of July, 2012 from Ms. Rajni Baheti, Member of the Company, having 1,48,000 equity shares of Rs. 10/- each of the Company, signifying her intention to propose the appointment of M/s S M N P & Co., Chartered Accountants, Mumbai as the Statutory Auditor of the Company for the financial year 2012-13, in place of existing Statutory Auditor M/s G R S R A & Co. Chartered Accountants, Bangalore. Based on such special notice of member and further recommendation by the Audit Committee, the Board of Director, has it meeting held on 07th July, 2012 recommended the appointment of M/s S M N P & Co., Chartered Accountants, Mumbai as the Statutory Auditor of the Company for the financial year 2012-13 in place of M/s G R S R A & Co. Chartered Accountants, Bangalore.

M/s S M N P & Co., Chartered Accountants, Mumbai has expressed its willingness to act as statutory auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

Therefore, members' approval is being sought for the appointment of M/s S M N P & Co., Chartered Accountants as the statutory auditor and to authorise the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to them.

None of the Directors is concerned or interested in this resolution. Your Directors recommend the resolution for your approval.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

FOR ITEM NO. 4

As per the amendment in Section 383A of Companies Act, 1956 read along with Companies (Appointment and Qualification of Secretary) Rules, 1988, Company is required to obtain a certificate from a secretary in whole-time-practice under the Companies (Compliance Certificate) Rules, 2001 accordingly, M/s. Rao Saklecha & Co., Practicing Company Secretary, Indore the Secretarial Auditors of the Company to be appointed from the conclusion of ensuing Annual General Meeting till conclusion next Annual General Meeting.

The resolution as included in the Notice as Item No.4 of Special Business is recommended to the Members of the Company for their approval.

None of the Directors are concerned or interested in the above resolution.

Place: Indore
Date: 7th July, 2012

For and on behalf of the Board of Directors
For STI PRODUCTS INDIA LIMITED

Regd Off: 62 AG's Layout, New BEL Road,
Bangalore - 560054 (Karnataka)

(K. N. Garg)
Chairman

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 38th Annual Report of the Company with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

The Financial Results of the Company for the year ended 31st March, 2012 are as under:

	(Rs. in Lacs)	
	For the Year Ended 2011-12	For the Year Ended 2010-11
Particulars		
Sales/Revenue from Operations	-	-
Manufacturing & Administrative Expenditures	1.79	0.93
(Loss) before Interest, Depreciation & Tax	(1.79)	(0.93)
Less: Interest, Depreciation & Tax	-	-
(Loss) After Interest, Depreciation & Tax but Before Exceptional Items	(1.79)	(0.93)
Exceptional Items	3.29	-
(Loss) before Taxation	(5.08)	(0.93)
Taxation	-	-
Net Loss for the year	(5.08)	(0.93)

CLOSURE OF THE COMPANY

With a view to conserve resources from further depletion and to save administrative cost, the Company has given a closure notice on 1st June, 2004 to the Labour Secretary, Department of Labour, Government of Karnataka, Bangalore. The dues of all the employees and workers of the Company have been settled and for more than 2 years there is no employee working in the Company. The Company also does not own any assets for its operations.

OPERATIONS

During the year under review, the Company could not operate its business satisfactorily due to non-availability of any business opportunity. Therefore, revenue from operation was nil during 2011-12.

FUTURE OUTLOOK

The management of the Company expects to commence operations at any other alternate place and therefore any turning around of the Company in the near future is very likely.

DIVIDEND

In view of the accumulated losses, your Directors regret their inability to recommend dividend for the year.

FIXED DEPOSITS

The Company has not accepted deposits from the public during the year.

DIRECTORS

Mr. Vivek Loiwal, Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS

The Company has received a notice dated 05th July, 2012 from Ms. Rajni Baheti, Member of the Company, having 1,48,000 Equity Shares of Rs. 10/- each, of the Company, requiring that M/s S M N P & Co., Chartered Accountant, Mumbai be appointed as statutory auditor of the Company in place of retiring auditor M/s G R S RA & CO., Chartered Accountants, Bangalore.

M/s S M N P & Co., Chartered Accountant, Mumbai has given their consent letter to act as Statutory Auditors of the Company and a certificate to the effect that their appointment as a Statutory Auditors, if made would be in accordance with the limit specified in Section 224(IB) of the Companies Act, 1956.

Now, your Directors recommend the appointment of M/s S M N P & Co., Chartered Accountant, Mumbai as Statutory Auditors of the Company from conclusion of the ensuing Annual General Meeting till conclusion of the next Annual General Meeting.

Necessary resolution for appointment of M/s S M N P & Co., Chartered Accountant, Mumbai, as Statutory Auditors is being proposed in the notice for approval of the Shareholders.

AUDITORS' REPORT

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

SECRETARIAL COMPLIANCE CERTIFICATE

As required under the amended provisions of Section 383A of the Companies Act, 1956 a Secretarial Compliance Certificate obtained from Practicing Company Secretary is enclosed with the Directors' Report.

REPORT ON CORPORATE GOVERNANCE

The Company has fairly complied with the requirement of Corporate Governance in terms of Clause 49 of the listing agreement. A detailed report on Corporate Governance is given in the Annexure I which form part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- ❖ in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ❖ the accounting policies are consistently applied and reasonable, prudent judgment and

estimates are made so as to give a true and fair view of the state of affairs of the company at the end of the financial year;

- ❖ the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- ❖ the Directors have prepared the annual accounts considering that all the fixed assets of the company or have been disposed off, dismissal of reference with BIFR, Settlement of workers, absence of any operations for last few years and absence of any possibility to restart the operational activity in near future.

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

Information as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of particulars in report of the Board of Directors) Rules, 1988, is not applicable on the Company in view of no manufacturing operations in the company during the year.

PARTICULARS OF EMPLOYEES

The provisions of Section 217 (2A) of the Companies Act, 1956 are not applicable on the company as there is no employee in the company.

INDUSTRIAL RELATIONS

Industrial relations with the employees were cordial upto the date of settlement with them. Therefore the directors wish to record their appreciation of the sincere and dedicated support by the employees of the company at all levels upto the date of settlement.

ACKNOWLEDGEMENT

The Directors have pleasure in recording their appreciation of the continued assistance and co-operation extended to the Company by all the stakeholders.

For and on behalf of the Board of Directors
For STI PRODUCTS INDIA LIMITED

(K. N. Garg)
Chairman

Place: Indore
Date: 07th July, 2012