

39th

ANNUAL REPORT

2012-2013



STI PRODUCTS INDIA LIMITED

CORPORATE INFORMATION

Directors : Mr. K. N. Garg - Chairman
Mr. Nirmal Singh - Director
Mr. Vivek Loiwal - Director

Auditors : M/s. S. M. N. P. & Co.,
Chartered Accountants
304, Chartered House, 297/299,
Dr. Cawasji Hormasji Street,
Near Marine Lines Church,
Mumbai - 400 002

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 39th Annual General Meeting of the Members of STI Products India Limited will be held on Saturday, the 28th day of September, 2013 at 03.00 P.M. 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, 2013 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. K. N. Garg who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s S M N P & Co., 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.

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 (M.P.)
Date: 20th August, 2013

**By Order 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 **21st September, 2013 to 28th September, 2013** (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. K. N. GARG (ITEM NO. 2)

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 very wide experience of Treasury Management for more than three decades.

As a Member of the Board, Mr. K. N. Garg is expected to add immense value for the long-term growth of the Company. Accordingly, a resolution at Item No. 2 is placed before the Members for his re-appointment for approval of the Members

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 (M.P.)
Date: 20th August, 2013

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

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

K. N. Garg
Chairman

DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting the 39th Annual Report of the Company with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

The Financial Results of the Company for the year ended 31st March, 2013 are as under:

Particulars	(Rs. In Lacs)	
	For the Year ended on 2012-13	For the Year ended on 2011-12
Revenue from Operations/Other Income	0.39	-
Administrative & Other Expenditures	4.32	1.79
(Loss) before Interest, Depreciation & Tax	(3.92)	(1.79)
Less: Interest, Depreciation & Tax	-	-
(Loss) After Interest, Depreciation & Tax but Before Exceptional Items	(3.92)	(1.79)
Exceptional Items	-	(3.29)
(Loss) before Taxation	(3.92)	(5.08)
Taxation	-	-
Net Loss for the year	(3.91)	(5.08)
Earnings Per Share	(0.10)	(0.13)

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 with effect from 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.

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

AUDITORS

M/s. S. M. N. P. & Co., Chartered Accountants, Mumbai having Firm Registration Number 105929W the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS' REPORT

Comments on the qualified opinions of the Auditors are already quantified and adequately dealt with in the notes to the account. Except these, 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: 20th August, 2013

REPORT ON CORPORATE GOVERNANCE

(As on 31st March, 2013 in terms of Clause 49 of the Listing Agreement)

INTRODUCTION

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreements with the Stock Exchanges. The Company has complied with the requirements of the Code.

1. COMPANY'S PHILOSOPHY

The objective of the Company's Corporate Governance is to comply with its mandatory provisions to the best possible way.

2. IMPLEMENTATION

As per the requirement of Listing Agreement with the Stock Exchanges, the Company is taking necessary steps to comply with the mandatory provisions of the Corporate Governance gradually from Financial Year 2002-03.

3. BOARD OF DIRECTORS**a) Composition:**

As on 31st March, 2013, the Board of STI Products India Limited comprises of Three Directors. None of the Directors of the Company is a Member on more than 10 committees or Chairman of more than 5 committees (as specified in the *Clause 49* of the Listing Agreement). The Board is primarily responsible for the overall management of the Company's business. The Composition of the Board during the financial year 2012-13 was as under:

Name of Directors	Category	No. of other Directorship	Board Committee(s) Memberships	
			Chairman	Member
Mr. K. N. Garg	Promoter, Non Executive	3	1	4
Mr. Nirmal Singh	Non Executive, Independent	-	0	3
Mr. Vivek Loiwal	Non Executive, Independent	1		

Note: Private & Foreign Companies Directorship are excluded.

b) Brief Resume of directors proposed to be re-appointed: Re-appointment of Mr. K. N. Garg, Director liable to retire by rotation:

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 very wide experience of Treasury Management for more than three decades.

c) Board Meetings and Attendance of Directors:

During the year 2012-13 Four Board Meetings were held on 05th May, 2012, 07th July, 2012, 30th October, 2012 & 11th February, 2013.

Name	Category	Designation	No. of meetings held	No. of meetings attended	Last AGM attended
Mr. K. N. Garg	Promoter, Non Executive	Chairman	04	04	Yes
Mr. Nirmal Singh	Independent, Non Executive	Director	04	03	No
Mr. Vivek Loiwal	Independent, Non Executive	Director	04	04	No

d) Sitting Fees

None of the Directors' were paid Sitting Fees during Financial year 2012-13.