31st Annual Report

2015-16

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. Yudhvir Singh Jain (w.e.f. 15.03.2016	Nomine Director - BIFR
Mr. John Mathew	Independend Director
Mr. A. Arumugham	Independend Director
Mr. T.N. Anand Reddy	Independend Director
Mr. A.R. Mundra	Director
Ms. Prachi Deshpande	Director
Mr. K. N. Garg (Ceased w.e.f. 01st October, 2015)	Director

Mr. Mukesh Maheshwari
Chief Financial Officer

Mr. Deepesh Kumar Nayak
Company Secretary

Rao Saklecha & Co.
Practicing Company Secretaries, Indore
Secretarial Auditor

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

Fadnis & Gupte
Chartered Accountants, Indore
Internal Auditor

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

Registrar & Share Transfer Agent (RTA)
Link Intime India Private Limited
Unit – STI India Limited
Ms. Sujata Pujari
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)
BSE Ltd. (BSE)

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NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the members of STI India Limited will be held on Tuesday, the 23rd August, 2016, at 11.00 a.m. at the Registered Office of the Company situated at Raupithampur Link Road, Tehsil – Mhow, District – Indore, 453 332 (M.P.) India, to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1 : Adoption of financial statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended on 31st March, 2016 and the reports of the Board of Directors and Independent Auditors thereon.

Item No. 2 : Appointment of Mr. Aman Agrawal as a director liable to retire by rotation

To appoint a director in place of Mr. Aman Agrawal (DIN: 00019534), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3 : Appointment of Ms. Prachi Deshpande as a director liable to retire by rotation

To appoint a director in place of Ms. Prachi Deshpande (DIN: 02975271), who retires by rotation and being eligible, offers herself for re-appointment.

Item No. 4 : Ratification of appointment of Statutory Auditors

To ratify the appointment of M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai (Firm Registration No. 101083W) as Statutory Auditor of the Company from the conclusion of 31st Annual General Meeting till the conclusion of 32nd Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

Item No. 5 : To appoint Mr. Yudhvir Singh Jain as director of the company 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), on the recommendation of Nomination and Remuneration Committee and other applicable provisions of the Companies Act, 2013, if any, Mr. Yudhvir Singh Jain (DIN: 06507365), who was appointed as an Additional Director in compliance with 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, 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."

Item No. 6 : Approval of charges for service of documents on the members 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 Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with rules made thereunder, a document as may be required to serve on any member by the Company, under the provisions of the Companies Act, 2013 by post or by registered post or by speed post or by courier at his address registered with the Depository Participant or by electronic means, the consent of the members be and is hereby accorded to charge from such member the fee in advance equivalent to the estimated expenses of delivery of the documents, pursuant to any request made by the member for delivery of such document to him, through a particular mode of service mentioned above;

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to this resolution."

Place: Indore (M.P.)
Date: 10th May, 2016

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

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 / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument appointing the proxy, duly completed, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting i.e. on or before 20th August, 2016, 11.00 a.m. IST. A proxy form for the annual general meeting is enclosed.

   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 not exceeding fifty (50) members and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than 10% (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.

   During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

2. The Register of Members and Share Transfer Books shall remain closed from **Wednesday, the 17th August, 2016 to Tuesday, the 23rd August, 2016 (both days inclusive).**

3. The relative explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of item no. 5 & 6 set out in the notice is annexed hereto.

4. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, in respect of director(s) seeking appointment / re-appointment at the Annual General Meeting, is annexed hereto. The director(s) have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 read with rules made thereunder.

5. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified true copy of the Board Resolution, authorizing their representative(s) to attend and vote on their behalf at the meeting.

6. Member / Proxy / Authorised Representative 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.

7. Members desirous of getting any information about the accounts and operations 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.

8 The Members having physical shares are requested to notify immediately any change in their addresses with the Postal Identity Number (PIN) 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.

9. To ensure prompt receipt of communication, avoid loss in postal transit and reduce paper consumption besides entailing other benefits, the members are requested to provide their email IDs 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.

10. 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 annexed with the report is being sent to the members for giving consent to

receive documents in electronic mode.

11. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report of 2015-16 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.

12. 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.

13. 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 are required to submit their PAN details to the Company or the Registrar and Share Transfer Agent.

14. Members are requested to provide their detail / 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.

15. The Register of Directors' and Key Managerial Personnel and their Shareholding, maintained under Section 170 and Register of contracts or arrangement in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

16. A route map showing directions for easy reach to the venue of annual general meeting is annexed with the annual report.

17. The annual report along with the notice of annual general meeting is being sent to the members, whose names appears in the register of members / depositories as at closing hours of business on Friday, the 22nd July, 2016.

VOTING THROUGH ELECTRONIC MEANS

A. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote at the 31st 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.

   The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already casted their votes by remote e-voting, shall be able to exercise their right at the AGM through ballot paper. In case a member votes through remote e-voting as well as cast his / her vote at the venue of the meeting, then the votes cast through remote e-voting shall only be considered and the voting done at the venue of the meeting shall not be considered by the scrutinizer.

   The instructions for e-voting are being provided herein below.

B. A member 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. **Tuesday, the 16th August, 2016** only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

C. The instructions for shareholders voting electronically are as under:

   (i) The remote e-voting period begins **on Saturday, the 20th August, 2016 at 09.00 a. m. and ends on Monday, the 22nd August, 2016 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. Tuesday, the 16th August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

   (ii) To initiate the voting process, log on to the e-

voting website www.evotingindia.com.

(iii) Click on Shareholders tab to cast your vote.

(iv) Now enter your User ID:

(a) For CDSL: 16 digits beneficiary ID,

(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c) 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Slip indicated in the PAN Field. Address Slip with sequence number is pasted on the annual report.
Dividend Bank Details` **OR** Date of Birth (DOB)	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. 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 to be also 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) Now, click on the **EVSN** 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 a 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) Additional instructions 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. Corporate and custodians already registered with CDSL should use their existing login details.
- After registering online, 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 from CDSL 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/ 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. It may be sent to the scrutinizer through email pankajsaklecha@yahoo.com. You can also forward the documents at the Company's email id share3@stitextile.net.

(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 or to share3@stitextile.net.

(xx) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 16th August, 2016 may follow the same instructions as mentioned above for e-Voting.

D. Mr. Pankaj Kumar 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.

E. The Chairman shall, 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.

F. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast 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 two 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 shall declare the result of the voting forthwith.

G. The Results declared alongwith 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. The Results shall also be simultaneously forwarded to the stock exchanges.

Place: Indore (M.P.)
Date: 10th May, 2016

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 DETAIL OF DIRECTOR AS PER REGULATION 36(3) OF LISTING REGULATIONS.

Name of the Director	Mr. Aman Agrwal	Ms. Prachi Deshpande
Date of Birth	04th October, 1960	10th June, 1977
Nationality	Indian	Indian
Date of first appointment on the Board	25th November, 2010	15th May, 2015
Qualifications	B. Com, MBA from Alexander College, Perth, Australia	B.Com, LL B, C.S
Shareholding in the Company	NIL	NIL
Nature of Expertise & Experience	Having more than 20 years' experience in the manufacturing of textile & garment business activities.	Having more than 13 years of experience comprising of fund raising by way of equity & debt, secretarial & legal matters and relationship with bankers.
Terms and Conditions of Appointment/re-appointment	Retiring by rotation and being eligible offer himself for re-appointment.	Retiring by rotation and being eligible offer herself for re-appointment.
Details of Remuneration	NIL	NIL
Remuneration last drawn	N.A	N.A
Number of Meetings attended during the financial year 2015-16	Meetings held : 05 Meetings attended : 04	Meetings held : 05 Meetings attended : 05
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mr. Aman Agrawal is brother of Mr. Prashant Agrawal, Managing Director of the Company. Mr. Aman Agrawal is also holding position of Chairman in Bombay Rayon Fashions Limited, the Holding Company.	Holding position of Whole Time Director & Company Secretary in Bombay Rayon Fashions Limited, the Holding Company
Name of listed entities in which director holds directorship	Bombay Rayon Fashions Limited – Chairman	Bombay Rayon Fashions Limited – Whole Time Director and Company Seceretary
Other membership/Chairmanship of Committees of other Boards	Hold membership in the following committees of Bombay Rayon Fashions Limited: - Audit Committee, and -Nomination and Remuneration Committee.	N.A

List of other Companies in which Mr. Aman Agrawal holds Directorship as on 31st March, 2016:

- REYNOLD SHIRTING LIMITED
- BOMBAY RAYON CLOTHING LIMITED
-BOMBAY RAYON HOLDINGS LIMITED
-B R MACHINE TOOLS PRIVATE LIMITED
-SCOTTS APPARELS PRIVATE LIMITED
-LATUR INTEGRATED TEXTILE PARK PRIVATE LIMITED
-BOMBAY RAYON FASHIONS LIMITED
- BEST UNITED LIFESTYLES PRIVATE LIMITED
- BEST UNITED INDIA COMFORTS PRIVATE LTD
- BESTSELLER RETAIL INDIA PRIVATE LIMITED
- BESTSELLER WHOLESALE INDIA PRIVATE LTD
- ASHWELL HOLDING COMPANY PRIVATE LTD.
- BLUERAYS REALTORS PRIVATE LTD.

List of other Companies in which Ms. Prachi Deshpande holds Directorship as on 31st March, 2016:

- Bombay Rayon Fashions Limited.

ITEM NO. 5

The Company has received a letter from the Board for Industrial & Financial Reconstruction (BIFR), Special Director & Co-ordination Cell, nominating Mr. Yudhvir Singh Jain as Special Director (Nominee) on the Board of the Company. Accordingly, Mr. Yudhvir Singh Jain was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 15th March, 2016 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 Mr. Yudhvir Singh Jain as an Additional Director shall expire at the 31st Annual General Meeting of the Company. The Board recommends the appointment of Mr. Yudhvir Singh Jain as Director (Nominee Director – BIFR) of the Company.

Except Mr. Yudhvir Singh Jain, 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.

The Ordinary Resolution seeking the approval of members for the appointment of Mr. Yudhvir Singh Jain as Director is set forth in the Item No. 5 of the Notice.

BRIEF PROFILE OF MR. YUDHVIR SINGH JAIN:

Mr. Jain has an experience of over 34 years in Banking, Finance, Recovery and Management related matters, which include experience of over 10 years as Zonal

Heads and 14 years as Branch Head of Corporation Bank across the country. He has also experience of working in Head Office of the Bank. He retired as Circle General Manager of the Bank in the year 2012. He holds a Bachelor Degree in Mathematics (B. Sc., Honours) & LL.B. from Delhi University. He is a member of Delhi Bar Council and High Court Bar Association, Delhi.

Mr. Jain has track record of effective marketing in Bank products in all segments, accompanied by professional training at various institutes including at ISB (Hyderabad), IIM (Ahmedabad), NIBM (Pune), BIRD (Lucknow), NIRD (Hyderabad) and SBI Bankers training college at Hyderabad etc.

- He has written few handbooks of instructions for a PSB.
- He has also been empaneled by SCOPE as an Arbitrator for PSUs.
- He is on the Panel of Ministry of Finance, Government of India for appointment as Special Director on the Board of Sick Industrial Companies.
- At present, he is working as CEO of World Hindu Economic Forum, a section 25 company.

  His immediate past assignment in the Bank was as Business Head with additional responsibility as Circle General Manager [Gujarat], based in Delhi. He was responsible to set up number of Zones/ Retail Hubs in the Bank/ one Circle Office and large number of Branches in every Zone.

Disclosure of relationship between directors inter-se	Nil
Listed Companies in which Mr. Jain holds directorship, chairmanship and the membership of the Committees of board:	
- DirectorshipNil - Chairmanship - MembershipNil	Nil
Shareholding in the Company	Nil

ITEM NO. 6

As per proviso of sub-section (2) of Section 20 of the Companies Act, 2013, a member of the Company may request for serving of any document through a particular mode i.e. by post or by registered post or by speed post or by courier at his address registered with the Depository Participant or by electronic means, for which the member shall pay such fees as may be determined by the Company in its annual general meeting.

Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., it is therefore proposed that estimated expense borne by the Company for such dispatch will be paid in advance by the member to the Company.

Accordingly, the Ordinary Resolution seeking approval of members for serving of documents is set forth in the Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution.

Place: Indore (M.P.)
Date: 10th May, 2016

By Order of the Board
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

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present 31st Directors' Report on the business and operations of your Company along with the audited financial statements for the year ended 31st March, 2016.

FINANCIAL RESULTS AND PERFORMANCE

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

(₹in Lacs)

PARTICULARS	For the year ended 31.03.2016	For the year ended 31.03.2015
Sales / Revenue from Operations	**4679.14**	6047.09
Profit /(Loss) before Interest, Depreciation & Tax	**4114.05**	(74.82)
Less: Interest	**1.93**	4.28
Profit /(Loss) before Depreciation & Tax	**4112.12**	(79.10)
Less: Depreciation	**392.73**	417.83
Profit/(Loss) before Tax	**3719.39**	(496.93)
Less - Provision for Taxes (including Deferred)	**1319.54**	(18.13)
Profit/(Loss) After Tax	**2399.85**	(478.80)
Paid Up Share Capital	**2900.00**	2900.00
Adjusted Net Worth of the Company	**(2.16)**	(2402.01)
EPS (In ₹) Basic & Diluted	**8.28**	(1.65)

During the financial year under review –

- The turnover of your company stood at ₹ 4679.14 Lacs in financial year ended on 31st March, 2016 as against ₹ 6047.09 Lacs in financial year ended on 31st March, 2015, thereby registering a decrease by 22.62%.
- PBIDT increased to ₹ 4114.05 Lacs from ₹ (74.82) Lacs in the previous year.
- Interest cost decreased to ₹ 1.93 Lacs from ₹ 4.28 Lacs in the previous year.

DIVIDEND

Considering the accumulated losses, the Board of Directors does not recommend any dividend for the year 31st March, 2016

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, 2016 stood at ₹ 2900.00 Lacs. During the year under review, the Company has neither issued shares with differential voting rights nor granted any stock options / sweat equity. Except Dr. R. B. Baheti, Chairman, who is holding 42 shares in the Company, none of the other Directors of the Company hold shares or any other securities of the Company as on the date of this report.

MATERIAL CHANGES FROM END OF FINANCIAL YEAR TO DATE OF REPORT

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

CHANGE IN NATURE OF BUSINESS

During the year under review, the Company has not changed its nature of Business.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

MR. AMAN AGRAWAL AND MS. PRACHI DESHPANDE, RETIRING DIRECTORS.

In accordance with the provisions of section 152 of the Companies Act, 2013 and Article of Association of the Company, Mr. Aman Agrawal and Ms. Prachi Deshpande 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.

Brief profile of retiring directors is given in the notice of Annual General Meeting

CESSATION (MR. K. N. GARG - DIRECTOR)

Mr. K. N. Garg has resigned from the directorship of the Company w.e.f. 01st October, 2015. The Board placed on record its deep appreciation for the valuable services rendered by Mr. Garg during his tenure as Director of the Company.

APPOINTMENT (MR. YUDHVIR SINGH JAIN – NOMINEE DIRECTOR)

The Board of Directors approved and noted the appointment of Mr. Yudhvir Singh Jain as a Director (Nominee of – BIFR) of the Company. His appointment as a Director is being submitted to the shareholders seeking their approval in the ensuing Annual General Meeting. A brief profile of Mr. Yudhvir Singh Jain is also given in the explanatory statement as annexed with the notice of Annual General Meeting.

Except above, there is no change in the Board of Directors of the Company.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel (KMP) of the Company:

01. Mr. Prashant Agrawal : Managing Director

02. Mr. Mukesh Maheshwari : Chief Financial Officer

03. Mr. Deepesh Kumar Nayak : Company Secretary

DECLARATION FROM 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, so as to qualify themselves to be appointed/continued as Independent Directors.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

(a) that in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgments 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, 2016 and of the profit of the Company for the year ended on that date;

(c) 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;

(d) that the portannual financial statements have been prepared on a going concern basis;

(e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and,

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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 directors individually, 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(s) for familiarization of Independent Directors with the Company, their roles, rights, responsibility in the Company, nature of industry in which the Company operates, business model of the Company and related matters are hosted on the website www.stitextile.net of the Company.

REMUNERATION POLICY

The Board has framed 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, were appointed as Statutory Auditors for a period of 5 years in the 30th Annual General Meeting held in the year 2015 and are eligible for reappointment. However, their appointment is subject to ratification by members at ensuing Annual General Meeting of the Company.

M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai have provided necessary certificate to the Company under section 139 (1) read with section 141 of the Companies Act, 2013.

The statutory auditors have not reported any incident of fraud under section 143(12) of the Companies Act, 2013, to the Audit Committee of the Company during the year under review.

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

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 had 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 for the financial year 2015-16 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 V (II) of Secretarial Audit Report:

In compliance of the provisions of erstwhile Clause 41 of the Listing Agreement (now Regulation 31 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015), the Company had called the meeting of the Board of Directors on 10th November, 2015 at Mumbai for approving the un-audited financial results for the quarter ended on 30th September, 2015 along with other routing businesses. However, due to non-availability of quorum, the meeting was postponed and later it was held on 11th December, 2015 in which the said results were approved and thereafter submitted to the exchanges.

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.

Cost Auditor

The Ministry of Corporate Affairs (MCA) vide Notification dated 31st December, 2014 made amendment in the Companies (Cost Records and Audit) Rules, 2014, through Companies (Cost Records and Audit) Amendment Rules, 2014. As per said amendment rules, our Company is exempted from the requirement to conduct Cost Audit. Therefore, the Company had not appointed Cost Auditor for financial year 2015-16.

CEO / CFO CERTIFICATION

In terms of Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Compliance Certificate duly signed by the Managing Director and Chief Financial Officer of the Company, on the financial statements and internal controls relating to financial reporting has been obtained and annexed with the corporate governance report.

POSTAL BALLOT

During the year under review two resolutions were passed through postal ballot under Section 110 of the Companies Act, 2013, for obtaining approval of members for related party transactions and alteration in article of association of the Company.

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 as well as 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 18th February, 2016 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 deputes employees to external workshop and seminars.

Your directors are also committed to good corporate governance as a policy. As per Regulation 34(3) read with schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance is given in the annexure which forms part of this report as **Annexure II.** The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance 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 and marked 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 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 further amendment thereof, the Company has obtained the prior omnibus approval of 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 on 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 and marked as **Annexure - V**.

The policy on Related Party Transactions as approved by the Board is hosted on the Company's website www.stitextile.net.

MEETING OF BOARD OF DIRECTORS

During the year under review, 05 (Five) Board Meetings were convened and held on 15th May, 2015, 14th August, 2015, 30th September, 2015, 11th December, 2015 and 15th February, 2016. 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 Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

COMMITTEES OF THE BOARD

The Board of Directors has the following mandatory Committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee; and
4. Corporate Social Responsibility Committee.

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. John Mathew : Member, Independent 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 are given in the Corporate Governance Report which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In compliance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted CSR Committee, which is responsible for fulfilling the CSR objectives. The Composition of committee is as under:

Mr. A. Arumugham	Independent Director	Chairman
Dr. R. B. Baheti	Non-executive Director	Member
Ms. Prachi Deshpande	Non-executive Director	Member

As the Company has no average net profit during the immediately preceding last three financial years, the provisions of section 135 of the Companies Act, 2013 with respect to contribution for CSR activities were not applicable to the Company during the financial year under review.

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 such 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 so given are not prejudicial to the interest of the Company and in line with the provisions of the act.

HOLDING, SUBSIDIARY, JOINT VENTRES ASSOCIATES COMPANIES.

During the year under review, the Board of Directors considered and approved the sale of Investment of 1,20,00,000 (One Crore Twenty Lacs) equity shares of STI Sanoh India Limited (the Joint Venture Company) to Sanoh Industrial Company Limited, Japan. Accordingly, the Joint Venture Agreement with Sanoh Industrial Company Limited, Japan stand cancelled.

Your Company continues to be the Subsidiary of Bombay Rayon Fashions Limited (BRFL).

The Company does not have any subsidiary.

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 Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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 in discipline in day-to-day functions, for accurately 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 conducts 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 Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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. As per said act, company is required to set up an Internal Complaints Committee (ICC) to look into complaints relating to sexual harassment at work place of any women employee.

Accordingly, the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up an Internal Complaints Committee for implementation of said policy.

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

WHISTLE BLOWER POLICY

In compliance of the requirements of Section 177 of the Companies Act, 2013 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 provides for adequate safeguard against victimization of employees and directors who avail of vigil mechanism and also provide for direct access to the Audit Committee.

POLICIES AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As per requirements of provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has adopted the following policies:

- Policy for Preservation of Documents. (Regulation 9)
- Policy for Determination and Disclosure of Material Events. (Regulation 30(4)(ii))
- Archival Policy, (Regulation 30(8))
- Policy on Material Related Party Transactions. (Regulation 23)

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

The Company had 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.

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 Draft Rehabilitation Scheme (DRS) taking into account the liability towards GUJCOT.

The Company filed an appeal against the said BIFR order. On 29th April, 2013 the AAIFR passed its order and 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.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Reporting as required by Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending 31st March, 2016.

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.

PARTICULARS OFEMPLOYEES

The details as required pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is given in **Annexure - VI.**

There is no employee in the Company whose particulars are required to be given under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management discussion and analysis report on the operations of the Company as required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given separately and forms part of this report as **Annexure - VII.**

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
STI India Limited

Place: Indore (M.P.)
Date: 10th May, 2016

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, 2016)

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

To,
The Members,
STI India Limited,
Rau- Pithampur Link Road,
Tehsil-Mhow, Distt.Indore (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 Limited** (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 Limited 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 2016 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 2016 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. During the year, the Company had given corporate guarantee in connection with loan taken by holding company from banks and created charge in favour of **IDBI Trusteeship Services Limited** during the year.

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:

(a) Rule 19A of the Securities Contract Regulation Rules with respect to continuous listing requirements with the Stock Exchange (s).

(b) Rule 19(1) of SCRR with respect to filing of documents.

(c) 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 the 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).

a) 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) Guidelines1999 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 a 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) and regulation 40(9) of the listing agreement.

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

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, 2016, 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/regulations of the Listing Agreement and Listing Regulations, except some delay in filing of documents.

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 duly constituted with proper balance of Executive Directors, non executive directors and Independent Directors and a woman director. The changes in the composition of the Board of Directors have 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

We further report that during the audit period of the Company, there were no specific events/ action having a major bearing on the Company's affairs in pursuant of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

We further report that the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, and the Annual financial statements has not been reviewed in this audit report, since the same have been subject to the Statutory Financial Audit by other designated professionals. This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place :Indore (M.P.)
Date :10th May, 2016

For **Rao Saklecha & Co.**
Company Secretaries

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

'Annexure A'

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place :Indore (M.P.)
Date :10th May, 2016

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.

Market regulator the Securities and Exchange Board of India ("SEBI") on 2nd September, 2015, has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability.

The Listing Regulations were effective from 1st December, 2015 . Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. Your Company has entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited.

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, 2016 is given below:

1. Board of Directors

Composition and size of the Board

The Board has an optimum combination of Executive, Non-executive and Independent Directors. The Board has strength of 9 (nine) directors as on 31st March, 2016, which category wise details are as under:

Category	No. of Directors
Independent Directors	3
Nominee Director	1
Non-executive / Promoter Directors	3
Non-executive / Non-promoter Directors	1
Executive / Promoter Director	1
Total	**9**

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. None of the Directors of the Company is a member of more than 10 committees or Chairman of more than 5 committees. The Chairman of the Board is Non-executive Director. All the Directors have made necessary disclosures and declarations regarding positions occupied by them in other companies. The Board is primarily responsible for the overall management of the Company's business.

Directorship and Membership in Committees

The details of nature of directorships, number of directorships and committee chairmanships / memberships held by directors in other public companies, as on 31st March, 2016, are given as under:

Name of Director(s)	Nature of Directorship	Directorship in Other Companies(*)	Memberships and Chairmanship of other Companies(**)	
			Chairman	Member
Dr. R.B. Baheti	Chairman	1	-	-
Mr. Aman Agrawal	Vice Chairman	4	-	-
Mr. Prashant Agrawal	Managing Director	4	-	1
Mr. Yudhvir Singh Jain (w.e.f. 15th March, 2016)	Nominee Director (BIFR)	-	-	-
Mr. A. Arumugham	Independent Director	2	2	3
Mr. T. N. Anand Reddy	Independent Director	-	-	-
Mr. John Mathew (w.e.f. 15th May, 2015)	Independent Director	1	-	2
Mr. A. R. Mundra	Non-executive Director	1	-	2
Ms. Prachi Deshpande (w.e.f. 15th May, 2015)	Non-executive Director	1	-	-

*Excludes directorship in STI India Limited. Also excludes directorship in Private Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

**For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of Public Companies have been considered. Also excludes the Memberships & Chairmanships in STI India Limited.

Note :

- Mr. K. N. Garg has resigned from the directorship of the Company w.e.f. 01st October, 2015.
- The Board had appointed Mr. Yudhvir Singh Jain as Director (Nominee of BIFR) of the Company w.e.f. 15th March, 2016 through circular resolution.
- No inter-se relationship with any of the Directors of your Company except Mr. Aman Agrawal & Mr. Prashant Agrawal who are brothers.
- Mr. John Mathew and Ms. Prachi Deshpande were appointed as Directors of the Company w.e.f. 15th May, 2015 by the Board and their appointments had confirmed by the shareholders at the 30th Annual General Meeting which was held on 28th September, 2015.

Number of Board Meetings held

During the year under review, 05 (Five) Board Meetings were convened and held on 15th May, 2015, 14th August, 2015, 30th September, 2015, 11th December, 2015 and 15th February, 2016.

The intervening gap between the above said meetings was within the timelines as stipulated under the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

Attendance of Directors in Board and Annual General Meeting (AGM)

The details of attendance at Board and Annual General Meeting are detailed below:

Name of the Director(s)	No. of Board Meetings Held	No. of Board Meetings Attended	Last AGM Attended
Dr. R.B. Baheti	5	3	Yes
Mr. Aman Agrawal	5	4	No
Mr. Prashant Agrawal	5	2	No
Mr. Y. S. Jain	5	0	No
Mr. A. Arumugham	5	3	No
Mr. T. N. Anand Reddy	5	2	No
Mr. John Mathew	5	4	No
Mr. A. R. Mundra	5	5	No
Ms. Prachi Deshpande	5	5	No
Mr. K. N. Garg (ceased w.e.f. 01st October, 2015)	5	2	Yes

Sitting Fees

Details of the sitting fees paid to Directors during the year 2015-16 are as under:

Name of the Directors	Sitting Fees Paid (₹)
Dr. R.B. Baheti	NIL
Mr. Aman Agrawal	16,500/-
Mr. Prashant Agrawal	NIL
Mr. Yudhvir Singh Jain	NIL
Mr. A. Arumugham	16,500/-
Mr. T. N. Anand Reddy	5,500/-
Mr. John Mathew	22,000/-
Mr. A. R. Mundra	22,000/-
Ms. Prachi Deshpande	22,000/-
Mr. K.N. Garg (ceased w.e.f. 01st October, 2015)	5,500/-

Procedure of Board Meeting

The Board Meetings are generally scheduled well in advance and are governed by a structured agenda and explanatory notes. 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 of the Board and its Committees are sent to the members for their comments and then the minutes are entered in the minutes book within 30 days of the conclusion of the meeting. 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 Regulation 17 of Listing Regulations is regularly made available to the Board. The Board also reviews periodically the compliances of all laws applicable to the Company.

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.

Independent Directors

As per provisions of the Act and Listing Regulations, the Independent Directors of the Company were appointed for a tenure of 5 (five) years i.e. upto 31st March, 2019. The appointment of Independent Directors was approved by the members at their 29th Annual General Meeting held on 29th September, 2014.

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations.

Separate meeting of Independent Directors

During the year under review, a meeting of Independent Directors was held on 11th December, 2015, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account views of Executive / Non- Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between Company's management and the

Board that was necessary for the Board to effectively and reasonably perform their duties.

Shareholding of Non-executive Director(s)

As per declarations made to the Company by all the Directors about their shareholding, except, Dr. R. B. Baheti, Non-executive Director, who holds 42 equity shares, none other director is holding share in the Company as on 31st March, 2016.

Familiarisation Programme

In terms of Clause 25(7) of the Listing Regulations, the Company familiarizes the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., from time to time basis.

The Company familiarizes not only the Independent Directors but any new appointee on the Board with a brief background of the Company their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

Regular updates on relevant statutory and regulatory changes are regularly circulated to the Directors.

Brief details of the familiarization programme are uploaded on the website of your Company and can be accessed at www.stitextile.net

Board Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 read with the rules made thereunder and part D of Schedule II of the Listing Regulation, 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.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2015-16.

The Chairman of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of performance for the Board and the Directors. The Nomination and Remuneration Committee discussed on the evaluation mechanism, outcome and the feedback received from the Directors. The Independent Directors at their meeting also discussed the performance of the Non-Executive/Promoter Directors including the Chairman of the Board.

The Directors expressed their satisfaction with the evaluation.

Remuneration to Directors

During the year under review, no remuneration, incentive or perquisites paid to any executive and non-executive director.

2. COMMITTEES OF BOARD

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

(i) Audit Committee,

(ii) Nomination and Remuneration Committee, and

(iii) Stakeholders Relationship Committee

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

(i) AUDIT COMMITTEE

Composition of Committee

The Audit Committee comprises three (03) Independent Directors viz Mr. A. Arumugham, Mr. T. N. Anand Reddy and Mr. John Mathew. Mr. K. N. Garg, Member has resigned from the Membership of the Committee w.e.f. 01st October, 2015. Mr. John Mathew was inducted as member of the Committee w.e.f. 15th May, 2015.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. 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 Secretary to the Committee.

Number of Meetings

During the year 2015-16, 4 (four) Audit Committee Meetings were held on 15th May, 2015, 14th August, 2015, 11th December, 2015 & 15th February, 2016.

Attendance of Members

Number of meetings attended by members is as under:

Name of the Member(s)	Designation	No. of Meetings held	No. of meetings attended
Mr. A. Arumugham	Chairman	4	3
Mr. T. N. Anand Reddy	Member	4	2
Mr. John Mathew (w.e.f. 15.05.2015)	Member	4	4
Mr. K. N. Garg (Ceased w.e.f 1st October, 2015)	Member	4	2

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:

The Audit Committee is empowered, pursuant to its terms of reference and its role, inter alia, includes the following:

- Overseeing 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. Approving the auditors to render any service other than consulting and specialized services;
- Discussion with the 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;
- Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- Reviewing with the management, the quarterly, half yearly financial statements before submission to the Board for approval;
- 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 the listing Regulations and other legal requirements relating to financial statements;
  - Disclosure of related party transactions;
  - Qualifications in draft audit report;
- Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
  a. qualifications and experience of the individual/ firm proposed to be considered for appointment as auditor;
  b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
  c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
- 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;
- Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
- Formulating the Scope, Functioning, Periodicity, and Methodology for conducting the Internal Audit;

- 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;
- Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
- Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/ liabilities of the Company. Reviewing the valuation report 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 Whistle Blower mechanism of the Company as per the Whistle Blower Policy and overseeing the functioning of the same;
- 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.
- Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and
- Any other matter referred to by the Board of Directors.

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.

(ii) NOMINATION AND REMUNERATION COMMITTEE (NRC)

Composition of Committee

The NRC comprises three Independent Directors viz. Mr. A. Arumugham, Mr. T. N. Anand Reddy and Mr. John Mathew. The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Mr. K. N. Garg, Member has resigned from the Membership of the Committee w.e.f. 01st October, 2015 and in his place Mr. John Mathew was inducted as member of the Committee w.e.f. 11th December, 2015.

Number of Meetings

During the year 2015-16, 3 (three) NR Committee Meetings were held on 15th May, 2015, 14th August, 2015, & 11th December, 2015.

Attendance of Members

Number of the Member(s)	Designation	No. of Meetings held	No. of Meetings attended
Mr. A. Arumugham	Chairman	3	3
Mr. T. N. Anand Reddy	Member	3	2
Mr. John Mathew	Member	3	1
Mr. K. N. Garg (Ceased w.e.f 01st October, 2015)	Member	3	2

The details relating to appointment and remuneration of Directors, as required under Listing Regulations, 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

(iii) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

Composition of Committee

The SRC comprises three Independent Directors viz. Mr. A. Arumugham, Mr. T. N. Anand Reddy and Mr. John Mathew. The composition of Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Mr. K. N. Garg, Member has resigned from the Membership of the Committee w.e.f. 01st October, 2015 and in his place Mr. John Mathew was inducted as member of the Committee w.e.f. 11th December, 2015.

Number of Meetings

During the year 2015-16, 4 (four) SR Committee Meetings were held on 15th May, 2015, 14th August, 2015, & 11th December, 2015 & 15th February, 2016.

Attendance of Members

Number of meetings attended by members is as under:

Name of the Member(s)	Designation	No. of Meetings held	No. of meetings attended
Mr. T. N. Anand Reddy	Chairman	4	3
Mr. A. Arumugham	Member	4	2
Mr. John Mathew	Member	4	1
Mr. K. N. Garg (Ceased w.e.f 01st October, 2015)	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 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.

Status of Complaints as on 31st March, 2016:

The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors and to resolve the grievance of the security holders of your Company.

No. of complaints pending at the beginning of the year	Nil
No. of complaints received during the year	Nil
No. of complaints resolved during the year	Nil
No. of complaints pending at the end of the year	Nil

Details of Transactions in shares and Investors Grievances

As informed by the Registrar and Share Transfer Agent,

during the financial year 2015-16 02 (two) 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. More 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 Transferred
2(5)	2 (9)	200 (1450)

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 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.

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.

3. Directors / Key Managerial Personnel Appointments / Cessation and Remuneration

(A) Directors retire by rotation

Mr. Aman Agrawal and Ms. Prachi Deshpande Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment. A brief profile of Mr. Aman Agrawal and Ms. Prachi Deshpande 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

Mr. John Mathew – Independent Director

The Board of Directors at its meeting held on 15th May, 2015 had appointed Mr. John Mathew as Additional Director on the Board of the Company and thereafter submitted to the members for their confirmation in the annual general meeting. The members at their 30th Annual General Meeting held on 29th September, 2015 have confirmed the appointment of Mr. John Mathew as an Independent Director of the Company.

Ms. Prachi Deshpande – Woman Director:

The Board of Directors at its meeting held on 15th May, 2015 had appointed Ms. Prachi Deshpande as an Additional Director on the Board of the Company and thereafter submitted to the members for their confirmation in the annual general meeting. The members at their 30th Annual General Meeting held on 29th September, 2015 have confirmed the appointment of Ms. Prachi Deshpande as Director of the Company.

Mr. Yudhvir Singh Jain – Nominee Director:

The Board of Directors vide its circulation resolution dated 09th March, 2016 has appointed Mr. Yudhvir Singh Jain as an Additional Director (Nominee of BIFR) on the Board w.e.f. 15th March, 2016. His appointment as Director is being submitted to the shareholders seeking their approval in the ensuing Annual General Meeting. A brief profile of Mr. Jain is also given in the explanatory statement as annexed with the notice of Annual General Meeting.

(C) Cessation from the Directorship

During the year under review, Mr. K. N. Garg has resigned from the Directorship of the Company w.e.f. 01st October, 2015.

4. General Body Meetings

Details of last three Annual General Meetings

Date	Venue	Time
30th AGM (28.09.2015)	Regd. Office: Rau-Pithampur Link Road, Tehsil: Mhow, District Indore (M.P.) 453 332	11.00 A. M.
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.

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

Date of AGM	Particulars of Special Resolution passed thereat
30th AGM (28.09.2015)	(i) Alteration in Article of Association of the Company under Section 14 of the Companies Act, 2013. (ii) Approval of Remuneration to Dr. R. B. Baheti under Section 196,197 of the Companies Act, 2013.

Special Resolutions set out in the notice for the AGM were passed by the shareholders with requisite majority.

Postal Ballot and procedure thereof

The Board of Directors at its Meeting held on 11th December, 2015 had accorded its approval for conducting the Postal Ballot (along with E-Voting facility) for obtaining the approval of Shareholders on the following Resolutions:

01. Special Resolution under Section 14 of the Companies Act, 2013 for Alteration in Article of Association of the Company, and
02. Ordinary Resolution under Section 188 of the Companies Act, 2013 for appointment of Mrs. Pushpa Garg (wife of Mr. K. N. Garg, Ex- Director) as President of the Company.

Accordingly, the Company had initiated the process of postal ballot.

In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company provided e-voting facility to its members to enable them to cast their votes electronically. Members had option to vote either through E-voting or through the postal Ballot. If member opts for E-voting, then he/she should not vote by Postal Ballot and vice-versa. If voting done by both post and e-voting, then vote by postal ballot declares invalid. For the purpose of E-voting, the Company has signed an agreement with the Central Depository Services (India) Limited ("CDSL") for facilitating E-voting.

The Notice was sent to all members by courier/registered post, whose names were appearing in the Register of Members / Record of Depositories as on Friday, the 08th January, 2016. The Company also published a notice in the newspapers intimating about the completion of dispatch and other requirements under the Companies Act, 2013 and Rules made thereunder.

The Board of Directors of the Company appointed Mr. Pankaj Kumar Saklecha (Proprietor of M/s Rao Saklecha & Co.), FCS No. 6292 and CP No. 6434, Practicing Company Secretary, Indore as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

The voting rights of shareholders were in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Friday, the 08th January, 2016.

The voting on postal ballot had started from Monday, the 18th January, 2016 at 9.00 a.m. and ended on Tuesday, the 16th February, 2016 at 5.00 p.m.

Mr. Pankaj Kumar Saklecha, Scrutinizer, submitted their report on Wednesday, the 17th February, 2016 on Postal Ballot and E-Voting.

Thereafter, based on the Scrutinizer's Report, the Chairman, on Thursday, the 18th February, 2016 had declared the Results of Postal Ballot (including E-voting) as under:

Resolution	Total no. of valid votes	Votes cast in favour of the Resolution		Votes cast in against of the Resolution	
		No.	%	No.	%
Resolution No.1	21757976	21757464	(99.99%)	512	(0.00%) Negligible
Resolution No. 2	21757936	21757424	(99.99%)	512	(0.00%) Negligible

The date of declaration of results of the postal ballot i.e. Thursday, the 18th February, 2016 declared the date on which the resolutions were deemed to have been passed.

The result of the Postal Ballot then intimated to the National Stock exchange of India Limited (NSE) and BSE Limited (BSE) and posted on the Company's website www.stitextile.net.

The votes casted by shareholders in favour of the resolutions were significantly higher than the number of votes casted by the shareholders against the resolutions.

The above Resolutions have therefore been approved by the Shareholders with the requisite majority w.e.f. Thursday, the 18th February, 2016.

5. 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 compiled with the requirements of the Companies Act, Stock Exchanges, SEBI and other Act. The shares of the Company are traded on the BSE Limited., Mumbai (BSE) and National Stock Exchange of India Ltd., Mumbai (NSE).

One of the Board Meeting of the Company was held on 11th December, 2015 for approving the accounts for the quarter ended 30th September, 2015.

Public Deposit

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

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 Listing Regulations.

Compliance Report

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

Reporting of Internal Auditor

The Internal Auditor reports to the Board and has direct access to the Audit Committee and, on requisition, he participates in the meetings of the Audit Committee of the Board of Directors of your Company and presents his internal audit observations to the Audit Committee.

Code of Conduct for Board Members and Senior Management

In terms of Regulation 17(5) of Listing Regulations, the Board of Directors has 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.

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

Chief Financial Officer (CFO)

Mr. Mukesh Maheshwari is a Chief Financial Officer (CFO) of the Company.

CEO/CFO Certification:

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2015 – 16 signed by Mr. Prashant Agrawal, Managing Director & Mr. Mukesh Maheshwari, CFO & Vice President, was placed before the Board of Directors of your Company at their meeting held on 10th May, 2016 and forms part of this report.

Directors with materially significant, pecuniary or business relationship with the Company

There is no pecuniary or business relationship between the Executive, Non-Executive and Independent Directors and the Company. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

Detail of relative(s) holding office and place of profit in the Company

In terms, of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder (including any statutory modification(s) or reenactment (s) thereof for the time being in force) the appointment and remuneration payable to relative(s) is approved by the Shareholders and Audit Committee and noted by the Board of Directors of the Company.

The following are the details of the remuneration payable to the employee(s) of the Company, who are relative(s) of Director(s), holding office or place of profit in the Company as on 31st March, 2016:

Name of the employee(s)	Nature of relationship with Director(s)	Remuneration (in ₹)
Mrs. Pushpa Garg	Mr. K. N. Garg	50,00,000/-

Mr. K. N. Garg has resigned from the services of the Company w.e.f. 01st October, 2015.

Access to the Audit Committee:

No personnel was denied access to the Audit Committee of the Company.

6. 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 English and Vernacular language newspapers.
- 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.
- In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website www.stitextile.net, gives information on various announcements made by the Company viz. stock quotes, Annual Report, Quarterly/ Half yearly/Nine-months and Annual financial results along with the applicable policies of the Company.
- Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.
- All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically via NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre.

  NEAPS is a web-based application designed by NSE

for corporates filing. BSE Listing is a web-based application designed by BSE for corporates filing.

7. General Shareholders Information

Dates of Board Meetings for consideration of Annual Accounts	10th May, 2016 : Consideration and Approval of Annual Accounts for financial year 2015-16.
Date, Time and Venue of 31st Annual General Meeting	Date: Tuesday, the 23rd August, 2016 Time: 11.00 A. M. Venue : Registered office of the Company situated at Rau-pithampur Link Road, Tehsil– Mhow, Distt. Indore – 453 332 (M.P.) India
Last date for receipt of Proxy Form(s)	20th August, 2016 on or before 11.00 A.M. (IST).
Financial Calendar	01st April to 31st March.
Date of Book Closures	Wednesday, the 17th August, 2016 to Tuesday, the 23rd August, 2016
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; and (2) BSE Limited. The Company has paid the listing fees to NSE and BSE for the financial year 2015-16.
Custodian	(1) National Securities Depository Limited (NSDL); and (2) Central Depository Services (India) Limited (CDSL) The Company has paid the annual custodian fees to NSDL and CDSL for the financial year 2015-16.
Stock Code	NSE: STINDIA BSE: 513151
ISIN	INE 090C01019
CIN	L27105MP1984PLC002521
Tentative Calendar of Board Meetings for the financial year 2016-17	Financial reporting for the quarter ended: June 30, 2016 By Aug 14,2016 Sept 30,2016 By Nov 14,2016 Dec 31,2016 By Feb 14,2017 Mar 31,2017 By May 30,2017

8. Market Price Data

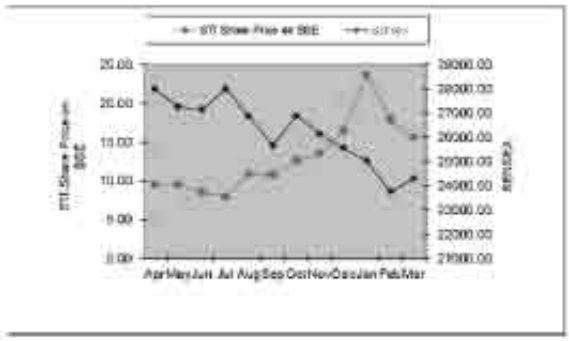
The monthly high and low quotations of shares traded on the BSE Limited and National Stock Exchange of India Limited as follows:

Month	BSE Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
April, 15	9.50	9.58	1100	-	-	-
May, 15	9.80	9.15	5850	-	-	-
June, 15	8.94	8.09	1918	10.02	10.00	35
July, 15	8.62	7.53	6229	10.00	9.50	2149
August, 15	12.89	8.95	18949	10.60	8.40	4261
September, 15	11.60	10.05	948	10.85	9.10	1283
October, 15	14.35	10.92	9832	11.80	9.55	891
November, 15	14.91	11.98	6351	12.10	10.95	3556
December, 15	20.38	12.55	15738	24.50	11.65	7982
January, 16	28.53	18.79	39457	26.95	20.05	23680
February, 16	23.70	13.18	4955	23.90	20.95	218
March, 16	18.79	12.45	5047	19.95	19.80	66
		Total	1,16,304			48,769

Source: BSE and NSE website.

Note: High and Low are in ₹ per traded share. Volume is the total monthly volume of trade (in number) in the shares of the Company on BSE & NSE.

Performance in comparison to broad –based indices



9. 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, India

Tel: +91 22 25946970, 25963838,

E-mail: rnt.helpdesk@linkintime.co.in.

Website: www.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/Debenture Interest/ Debenture Redemption, Change of Address, Splitting of Shares or Conversion of Debentures, copy of Annual Report etc. 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 that 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 98.25% 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 **(INE 090C01019).**

Dematerialization of Shares as on 31st March, 2016 is as follows:

Mode of Holding	No. of Shares Held	% of Shares
NSDL	2,79,02,945	96.22
CDSL	5,88,326	2.03
Total Demat Holding	**2,84,91,271**	**98.25**
Physical Holding	5,08,729	1.75
Total Shareholding	**2,90,00,000**	**100.00**

Share Transfer System

Share certificates, received in physical form, are processed and returned in 10 to 15 days from the date of receipt, subject to the documents being valid and complete. As per the guidelines of the Securities and Exchange Board of India (SEBI), the Company offers the facility of transfer-cum-dematerialisation (demat).

Shares held in the dematerialized form are electronically traded in the depository. The registrar and share transfer agents of the company periodically receive from the depository the beneficiary holdings to enable them to update their records and to send out corporate communications such as Annual Reports, Notice etc..

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.

10. Distribution of Shareholders

Distribution of Shareholding as on 31st March, 2016:

Shareholding of Nominal Value (₹)	No. of Share holders	% of Total	Shares Capital Amount Value (₹)	% of Total
1 to 5000	4928	91.60	79,09,770	2.73
5001 to 10000	275	5.11	23,28,320	0.81
10001 to 20000	92	1.71	14,88,710	0.51
20001 to 30000	30	0.56	7,81,910	0.27
30001 to 40000	10	0.19	3,83,700	0.13
40001 to 50000	15	0.27	7,23,170	0.25
50001 to 100000	13	0.24	10,19,220	0.35
100001 and above	17	0.32	27,53,65,200	94.95
Total	**5380**	**100**	**29,00,00,000**	**100**

Categories of Shareholders as on 31st March, 2016

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	Negligible
3.	Foreign Portfolio Investors	1	11,82,570	4.08
3	Foreign Institutional Investors	2	41,35,052	14.26
4	Private Corporate Bodies	71	3,22,241	1.11
5	Clearing Members	20	31,733	0.11
6	NRI's	274	95,321	0.33
7	Public	5,009	14,82,783	5.11
	Total	**5380**	**2,90,00,000**	**100.00**

11. 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 Listing Regulations.

During the year under review, no complaint was received from any employee and director.

12. 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 formulated 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

13. 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.

14. Address for Correspondence:

For any queries relating to the shares of Company, correspondence may please be addressed to:

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, India
Tel: +91 22 25946970, 25963838,
E-mail: rnt.helpdesk@linkintime.co.in.
Website: www.linkintime.co.in

For the benefit of shareholders, documents will continue to be accepted at the following registered office address of the Company:

STI India Limited
Registered Office and Works
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,

15. Address of Regulatory Authority / Stock Exchanges:

Securities and Exchange Board of India Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, Tel.: +91 22 2644 9000 Fax: +91 22 2644 9019-22	**National Stock Exchange of India (NSE)** Exhange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra Tel.: +91 22 2659 8100 Fax: +91 22 2659 8120	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra Tel.: +91 22 2272 1233 Fax: +91 22 2272 1919

For and on behalf of the Board of
STI India Limited

Place: Indore (M.P.)
Date: 10th May, 2016

Dr. R. B. Baheti
Chairman
DIN: 00008202

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by STI India Limited ('the Company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the regulations 17 to 27, regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 clause 49 of the Listing Agreement and regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of Listing Regulations, as applicable.

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

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

Place : Mumbai
Date : 10th May, 2016

COMPLIANCE CERTIFICATE

(Pursuant to Regulation 17(8) read with proviso of Regulation 33(2)(a) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015)

We have reviewed the Financial Statements for the year ended 31st March, 2016 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

A. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

B. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

C. We have indicated to the Auditors and the Audit committee :-

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies has been made during the year and that therefore the same was not required to be disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Mukesh Maheshwari
Chief Financial Officer

Place: Mumbai
Date: 10th May, 2016

Prashant Agrawal
Managing Director

Place: Indore
Date: 10th May, 2016

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

To,
The Members,
STI India Limited

I, Prashant Agrawal, Managing Director of the Company, hereby confirm that:

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 Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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 during the year ended 31st March, 2016.

Place: Mumbai
Date: 10th May, 2016

Prashant Agrawal
Managing Director

ANNEXURE - III TO THE DIRECTORS REOPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016 is given below and forms part of 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:

a. Replacement of existing fluorescent type tube lights by energy efficient LED tube lights. During the year total 100 tube lamps were replaced, the installation charges for the same are ₹ 84000/- and energy saving by this installation is 6048 (for 140 days) units till March-16 end @ ₹ 6.19 per unit amounting to ₹ 37437/- .

b. Replacement of Ring frame spindle to increase productivity by 4 %. Till March 2016 end, we have replaced total 6 sets. Cost of replaced spindles for 6 sets @ ₹ 945 per spindle are ₹ 59.87 lacs. The replacement increase capacity utilization which reduces specific energy consumption or Units per Kg.

c. In previous years we have done energy conservation activities and those projects are still in use:

In F.Y. 2014-15 we replaced LED Tube rods - 402 nos. & 2 sets of energy efficient Rings on Ring frames.

(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 (2016-17)

1. Replacement by LED Tube Lights in Department.
2. Replacement of Rings 51 sets of Ring Frames, to increase productivity by 6%.
3. Replacement of old spindles with new spindles expecting increased productivity by 4%.
4. Replacement of existing 4 sets of Ingersoll Rand air compressors with high efficient 2 sets of screw air compressors each of 450 CFM with drier and one set with VFD, the replacement scheduled for one set in 2016-17 and another set in 2017-18.

The capital investment on energy conservation equipment's: Nil

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.

(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 5 years reckoned from beginning of the financial year), following information is being 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 2015-2016 (₹ in Lacs)	Financial Year 2014-2015 (₹ in Lacs)
Foreign Exchange earnings:		
- FOB value of goods exported	200.80	770.83
C.I.F. Value of Imports:		
- Stores, Spares & HSD	69.79	40.12
- Capital Goods	-	-
Foreign Exchange Expenditures:		
- Commission on Export Sales	-	-
- Foreign Traveling	8.12	28.36

For and on behalf of the Board of
STI India Limited

Place : Indore (M.P.)
Date : 10th May, 2016

Dr. R.B. Baheti
Chairman
DIN: 00008202

Annexure - IV to the Directors'Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule12 (1) of the Companies (Management and Administration) Rules, 2014]

I. **REGISTRATION AND OTHER DETAILS :**

Corporate Identification Number (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 No. 0091-731-4020011, Email: share3@stitextile.net, Website:www.stitextile.net
Whether Listed Company (Yes / No)	:	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 Ph. No. : (022) 25946970, 25963838, Fax No. (022) 2596969 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 are as follow:-

Name and Description of main products / Services	NIC Code of the Product / Service	% of total turnover of the Company
1311 : Preparation and spinning of textile fibres:		
- Preparation and spinning of cotton fiber including blended cotton	13111	50%
- Preparation and spinning of man-made fiber including blended man-made fiber	13114	50%
1391 : Manufacture of knitted and crocheted fabrics:		
- Manufacture of knitted and crocheted cotton fabrics	13911	90%
- Manufacture of knitted and crocheted synthetic fabrics	13913	10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
Bombay Rayon Fashions Limited (BRFL) D-1st Floor Oberoi Garden Estates, Chandivali Farms Road , Chandivali, Andheri (East) Mumbai-400072	L17120MH1992PLC066880	Holding Company	75%	2(46)

Note: During the year under review, the Company has sold Investment of 1,20,00,000 (One Crore Twenty Lacs) equity shares of STI Sanoh India Limited (the Joint Venture Company) to Sanoh Industrial Company Limited, Japan. Accordingly, the Joint Venture Agreement with Sanoh Industrial Company Limited, Japan stand cancelled. The company does not have any subsidiary, joint venture or associate company as on 31st March, 2016.

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	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(A)Promoter & Promoter Group									
1) Indian :									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2,17,50,000	-	2,17,50,000	75.00	2,17,50,000	-	2,17,50,000	75.00	-
e) Banks / F Is	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**2,17,50,000**	**-**	**2,17,50,000**	**75.00**	**2,17,50,000**	**-**	**2,17,50,000**	**75.00**	**-**
2) Foreign :									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoters (A)=(A)(1)+ (A)(2)	**2,17,50,000**	**-**	**2,17,50,000**	**75.00**	**2,17,50,000**	**-**	**2,17,50,000**	**75.00**	**-**
B. Public									
1. Institutions :									
a) Mutual Funds	-	300	300	0.001	-	300	300	0.001	-
b) Banks / FIs	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	41,35,052	-	41,35,052	14.26	41,35,052	-	41,35,052	14.26	-
h) Foreign Portfolio Investors	11,82,570	-	11,82,570	4.08	11,82,570	-	11,82,570	4.08	-
I) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Any others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	**53,17,622**	**300**	**53,17,922**	**18.34**	**53,17,922**	**300**	**53,17,922**	**18.34**	**-**

2. Non Institutions :									
a) Bodies Corporates									
(i) Indian	3,08,404	14,668	3,23,072	1.11	3,07,573	14,668	3,22,241	1.11	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individuals holding nominal share capital upto ₹ 1 lakh	8,58,531	4,13,524	12,72,055	4.39	8,77,917	4,10,074	12,87,991	4.44	0.05
(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	1,92,110	15,000	2,07,110	0.71	1,79,610	15,000	1,94,610	0.67	-
c) Any others									
i. Trust	100	-	100	0.00	100	-	100	0.00	-
ii. NRIs & NRN	28,189	69,605	97,794	0.34	26,716	68,605	95,321	0.33	(0.01)
iii. Directors	-	82	82	0.00	-	82	82	0.00	-
iv. Clearing Members	31,865	-	31,865	0.11	31,733	-	31,733	0.11	-
Sub-total(B)(2)	**14,19,199**	**5,12,879**	**19,32,078**	**6.66**	**14,23,649**	**5,08,429**	**19,32,078**	**6.66**	**0.04**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**67,36,821**	**5,13,179**	**72,50,000**	**25.00**	**67,41,271**	**5,08,729**	**72,50,000**	**25.00**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2,84,86,821**	**5,13,179**	**2,90,00,000**	**100**	**2,84,91,271**	**5,08,729**	**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			% change in share holding during 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	75.00	75.00	2,17,50,000	75.00	75.00	-
Total	**2,17,50,000**	**75.00**	**75.00**	**2,17,50,000**	**75.00**	**75.00**	**-**

(iii) Change in Promoters' Shareholding :

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
Bombay Rayon Fashions Limited				
At the beginning of the year	2,17,50,000	75%	2,17,50,000	75%
Increase / (Decrease) in Shareholding during the year	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):

Name of the shareholder	Shareholding at the beginning of the year		Transaction during the year		Cumulative Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Date of Transaction	No. of Shares	No. of shares	% of total shares of the Company
Prime India Investment Fund Ltd.						
At the beginning of the year	2420984	8.35			2420984	8.35
Increase/ (Decrease) in Shareholding during the year	-	-	-	-	-	-
At the End of the year	2420984	8.35	-	-	2420984	8.35
India Max Investment Fund Ltd.						
At the beginning of the year	1714068	5.91			1714068	5.91
Increase/ (Decrease) in Shareholding during the year	-	-	-	-	-	-
At the End of the year	1714068	5.91	-	-	1714068	5.91
Grovsnor Investment Fund Ltd.						
At the beginning of the year	1182570	4.08			1182570	4.08
Increase/ (Decrease) in Shareholding during the year	-	-	-	-	-	-
At the End of the year	1182570	4.08	-	-	1182570	4.08
Olumpus Construction Private Ltd.						
At the beginning of the year	137200	0.47			137200	0.47
Increase/ (Decrease) in Shareholding during the year	-	-	26.02.2016	(137200)	-	-
At the End of the year	-	-	-	Transfer	-	-
Pravin Ratilal Share & Stock Brokers Ltd.						
At the beginning of the year	101312	0.35			101312	0.35
Increase/ (Decrease) in Share holding during the year			16.10.2015	(500)	100812	0.34
			30.10.2015	(500)	100312	0.34
			06.11.2015	(500)	99812	0.34
			11.12.2015	100	99912	0.34
			18.12.2015	(100)	99812	0.34
			18.03.2016	(1)	99811	0.34
At the End of the year	99811	0.34	-	Transfer	99811	0.34

Mr. Raghav Kumar						
At the beginning of the year	50000	0.17			50000	0.17
Increase/ (Decrease) in Share holding during the year	-	-	-	-	-	-
At the End of the year	50000	0.17	-	-	50000	0.17
Mr. Vinay Jayantilal Shah						
At the beginning of the year	45541	0.16			45541	0.16
Increase/ (Decrease) in Share holding during the year	-	-	26.02.2016	(45541)	-	-
At the End of the year	-	-	-	Transfer	-	-
Ms. Rekha						
At the beginning of the year	25526	0.09			25526	0.09
Increase/ (Decrease) in Share holding during the year	-	-	-	-	-	-
At the End of the year	25526	0.09	-	-	25526	0.09
Mr. Surendra Kumar						
At the beginning of the year	20000	0.07			20000	0.07
Increase/ (Decrease) in Share holding during the year	-	-	26.02.2016	(20000)	-	-
At the End of the year	-	-	-	Transfer	-	-
Mr. Jagraj Verma						
At the beginning of the year	15000	0.05			15000	0.05
Increase/ (Decrease) in Share holding during the year	-	-	-	-	15000	0.05
At the End of the year	15000	0.05	-	-	15000	0.05
Arcadia Share and Stock Brokers Pvt Ltd						
At the beginning of the year	19553	0.07			19553	0.07
Increase/ (Decrease) in Share holding during the year	_	_	08.01.2016	(100)	19453	0.07
			26.02.2016	(19453)	-	-
At the End of the year	-	-	-	Transfer	-	-
Priti Todi						
At the beginning of the year	11000	0.04			11000	0.04
Increase/ (Decrease) in Share holding during the year	-	-	-	-	11000	0.04
At the End of the year	11000	0.04	-	-	11000	0.04
Jyotindra Mansukhlal Shukla						
At the beginning of the year	11000	0.04	-		11000	0.04
Increase/ (Decrease) in Share holding during the year	-	-	-	-	11000	0.04
At the End of the year	11000	0.04	-	-	11000	0.04
Mercantile Credit Corporation Limited						
At the beginning of the year	10800	0.04			10800	0.04
Increase/ (Decrease) in Share holding during the year	-	-	-	-	10800	0.04
At the End of the year	10800	0.04	-	-	10800	0.04

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 (Chairman)**				
	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 (Director)*** (ceased w.e.f. 01st October, 2015)				
	At the beginning of the year	40	Negligible	40	Negligible
	At the end of the year	40	Negligible	40	Negligible
03.	**Mr. Aman Agrawal (Vice Chairman)**				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
04.	**Mr. Prashant Agrawal (Managing Director)**				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
05.	**Mr. A. R. Mundra (Director)**				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
06.	**Mr. T. N. Anand Reddy (Independent Director)**				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
07.	**Mr. A. Arumugham (Independent Director)**				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
08.	**Mr. John Mathew (Independent Director)** (w.e.f. 15th May, 2015)				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
09.	**Ms. Prachi Deshpande (Director)** (w.e.f. 15th May, 2015)				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
10.	**Mr. Yudhvir Singh Jain (Nominee Director - BIFR)** (w.e.f. 15th March, 2016)				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
11.	**Mr. Mukesh Maheshwari Chief Financial Officer (KMP)**				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-
12.	**Mr. Deepesh Kumar Nayak Company Secretary (KMP)**				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year	NIL	-	NIL	-

*Director for part of the year.

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 (01.04.2015)				
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**
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- (Reduction)*	-	(975.00)	-	(975.00)
Net Change	**-**	**(975.00)**	**-**	**(975.00)**
Indebtedness at the end of the financial year (31.03.2016)				
i) Principle Amount	11272.00	-	-	11272.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	**11272.00**	**-**	**-**	**11272.00**

*During the year, the Company has paid unsecured loan of ₹ 975.00 lacs.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

During the year under review, no remuneration was paid to Mr. Prashant Agrawal, Managing Director of the Company. The Company does not have Whole Time Director and Manager.

B. Remuneration to other directors: **(In ₹)**

Name of Director	Fees for attending board meetings	Commission	Others	Total
1. Independent Directors:				
Mr. A. Arumugham	16,500/-	-	-	16,500/-
Mr. T. N. Anand Reddy	5,500/-	-	-	5,500/-
Mr. John Mathew (w.e.f. 15th May, 2015)	22,000/-	-	-	22,000/-
Total (1)				**44,000/-**
2. Non-executive Directors:				
Dr. R. B. Baheti	-	-	-	-
Mr. Aman Agrawal	16,500/-	-	-	16,500/-
Mr. A. R. Mundra	22,000/-	-	-	22,000/-
Mr. Yudhvir Singh Jain (w.e.f. 15th March, 2016)	-	-	-	-
Ms. Prachi Deshpande (w.e.f. 15th May, 2015)	22,000/-	-	-	22,000/-
Mr. K. N. Garg (ceased w.e.f. 01st October, 2015)	5,500/-	-	-	5,500/
Total (2)				**66,000/-**
Total (1) + (2)				**1,10,000/-**

Note: Except payment of sitting fees for attending the Board Meeting, no commission and other remuneration was paid to Independent and Non-executive Directors.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: **(In ₹)**

Particulars of Remuneration	Key Managerial Personnel		Total
	Mr. Deepesh Kumar Nayak (Company Secretary)	Mr. Mukesh Maheshwari (Chief Financial Officer)	
Gross Salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,23,552	31,68,000	35,91,552
(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	3,82,500	3,82,500
(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission			
– as % of profit	-	-	-
– others, specify	-	-	-
Others			
Leave Travel Allowance	25,715	2,10,000	2,35,715
Medical Allowance	25,715	54,000	79,715
Ex-gratia	3,500	3,500	7,000
Total	**4,78,482**	**38,18,000**	**42,96,482**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties/ Punishment/ Compounding of Offences for the year ending 31st March, 2016.

ANNEXURE –V TO THE DIRCTORS' REPORT

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the 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:**

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016, which were not at arm's length basis.

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

   The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2016 are as follows:

Name(s) of related party	Bombay Rayon Fashions Limited (BRFL) Mumbai.	Mrs. Pushpa Garg.
Nature of relationship	Holding Company	Mrs. Pushpa Garg, President of the Company, is wife of Mr. K. N. Garg, Ex-director of the Company who has ceased to be a Director w.e.f. 01st October 2015.
Nature of contracts/arrangements/	Sale, Purchase or Supply of products, goods, materials or services on arm's length basis.	Appointment of related party transactions at an office of place of profit in the Company.
Duration of the contracts/ arrangements / transactions	01st April, 2014 to 31st March, 2019	Remuneration of ₹ 50 lacs (Fifty Lacs) was paid to Mrs. Pushpa Garg during the period of holding of office of Director by Mr. K. N. Garg i.e. from 01st April, 2015 to 30th September, 2015.
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.	Appointment of Mrs. Pushpa Garg as President of the Company at a remuneration of ₹ 1 Crore per annum. This appointment amounts to an Office or Place of Profit as defined under Section 188 of the Companies Act, 2013.
Date of Approval by the Board	30th July, 2014	15th May, 2015
Amount paid as advances, if any	₹ 4025.00 Lacs	NA

For and on behalf of the Board of
STI India Limited

Place: Indore (M.P.)
Date: 10th May, 2016

Dr. R.B. Baheti
Chairman
DIN: 00008202

ANNEXURE – VI TO THE DIRECTORS' REPORT

Disclosure as per Rule 5(1) of Chapter XIII, of the 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 2015-16	₹ 1,19,124/-

S. No.	Name of the Director	Remuneration per annum (INR)	Median Remuneration per annum (INR)	Ratio (Remuneration of Director to Median Remuneration)	Remarks
NIL					

(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.	Mr. Mukesh Maheshwari, Chief Financial Officer	15.70%
02.	Mr. Deepesh Kumar Nayak, Company Secretary	33.83%

(iii) The percentage increase in the median remuneration of employees in the financial year 2015-16 :

% increase in the Median remuneration of the employees	10%

(iv) The number of permanent employees on the rolls of Company :

No. of Permanent Employees as on 31st March, 2016	1053

(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 31st March , 2016 was ₹ 52.20 Crores as against ₹ 30.42 Crores as on 31st March , 2015.

(viii) Increase in the managerial remuneration in the financial year 2015-16:

Not applicable.

(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)	42.96
Revenue of the Company	9547.70
Remuneration of KMPs (as % of revenue)	0.45%
Profit / (Loss) before tax (PBT)	**3717.67**
Remuneration of KMP (as% of PBT)	1.15%

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

The Company does not pay any remuneration to its Directors apart from sitting fees for attending the meetings of the Board of Directors.

(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.

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

ANNEXURE- VII TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS 2015-16

Industry Structure and Development:

India has the largest area under cotton cultivation in the world, covering 12.7 million hectares of cultivated land, which constitute about 37% of the total area under cotton in the world. India has been a major exporter since 2005-06 and is currently the world's second largest exporter. These facts apart, cotton is a major component of the textiles industry, which consumes over 70% of domestically produced cotton.

The Cotton Advisory Board has forecast that cotton production in India will fall by over 7% to around 35.2 million bales (170 kg each) for the October 2015-September 2016 crop year against 38 million bales in the previous year. Despite a drop in production, cotton prices have been in a bear grip owing to higher carryover stocks. Cotton prices in the international market have also crashed to a level not seen since August 2009. The fall is due to widespread fears that China, which has been a net big importer, will soon start selling cotton from reserves, depressing prices world over.

Indian cotton prices, since the beginning of 2016, has fallen 3% compared with over 9% correction in international prices. Prices in India are finding support on the back of rising exports.

India has exported about 62 lacs bales of cotton so far and it is expected to grow by 7 to 8 lacs more bales this crop year. Out of the total export of bales so far, more than half bales were shipped to Pakistan and Bangladesh.

The projected balance sheet drawn by the Cotton Association of India estimates total cotton supply for the season 2015-16 at 415 lacs bales while the domestic consumption is estimated at 310 lakh bales, thus leaving an available surplus (excluding export) of 35 lacs bales.

Despite fears of China offloading its huge stocks in the market, cotton prices are expected to recover. This is because cotton production in two major countries, China and the US, will decrease by 19% and 18% respectively in 2015-16, according the International Cotton Advisory Committee. Moreover, production shortfall in Pakistan is also expected to boost Indian export, supporting domestic prices.

Despite falling prices, exports to neighboring countries is taking due to freight advantage of Indian players have makes trade viable.

Meanwhile, the Cotton Corporation of India has procured about 8 lakh bales in the current crop season, which also helped in providing a floor to cotton prices.

Current cotton prices seem, therefore, to have bottomed out and MCX cotton prices during the next few months can be expected to trade in the range of ₹ 35,000-36000 a bale.

Financial and Operational Performance of the Company

STI India Limited (STI) is situated amidst the cotton growing belt of Madhya Pradesh having 71040 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 ₹4679.14 Lacs as against ₹ 6047.09 Lacs in financial year ended on 31st March, 2015 registering a decrease by 22.62%. PBIDT increased to ₹ 4114.05 Lacs from ₹ (74.82) 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 ; and
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 labour 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.

Opportunities:

- 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.
- Rising prices of inputs-raw material.
- Formation of trading blocks.

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.

Segment-wise or Product-wise Performance

The Company is engaged in the business of manufacturing of Spun Yarn and knitted grey 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 Company appointed M/s. Fadnis & Gupte, Chartered Accountants, as internal auditors. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements.

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, 2016 was 1053 (1179 as on 31st March, 2015) including 251 (282 as on 31st March, 2015) 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.

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.

Internal Complaints Committee:

Your Company has formulated 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.

Whistle Blower Policy

The Company has also formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases.

INDEPENDENT AUDITOR'S REPORT

To,

The Members of STI India Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **STI India Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 the 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. We conducted our audit in accordance with the Standards on Auditing 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 standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls 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. An audit also includes evaluating the appropriateness of the 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.
7. 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

8. 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, of the state of affairs of the Company as at 31st March 2016, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section143(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 standalone financial statements 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 (as amended);
    e. On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section164(2) of the Act;
    f. We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 10th May 2016 as per Annexure II expressed.
    g. 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. As detailed in Note 25 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
        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.
    h. Attention is also invited to;
    Note No.37 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
CA K.V. Beswal
Partner
Membership Number131054
Firm Registration No:101083W

Place: Mumbai
Date: 10th May, 2016

ANNEXURE I TO THE AUDITOR'S REPORT EVEN DATE CARO 2016:

1. In respect of Fixed Assets:
   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of 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.
   c. The title deeds in respect of all immovable properties are held in the name of the company.
2. In respect of Inventories:
   As explained to us physical verification of inventory has been conducted during the year at reasonable intervals by the management and 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 other Companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
   a. The terms and conditions of grant of such loans are not prejudicial to the interest of the Company.
   b. The repayment of the principal are regular. Loan is given Interest free.
   c. The amounts are payable on demand.
4. The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of Loans granted during the year. There is no Investments, guarantees and securities taken place during the year.
5. During the year the company has not accepted any deposits from public or by any means hence the said clause 3(v) of the said order is not applicable to the Company.
6. As per the information and explanations provided to us, we are of 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, service tax, customs duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given, no undisputed amounts payable in respect of Income-Tax, sales tax, service tax, customs duty, excise duty/cess were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable excpt as given below:

   Statement of Arrears of statutory dues outstanding for more than six months as at 31st March 2016:

(₹in lacs)

S. No.	Nature of the Dues	Amount	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 2016 is ₹ 94.49 lacs.

   (b) 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.

(₹in Lacs)

Nature of the Act	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	CST	63.00	1995-96	Writ Petition filed in M.P High Court
Central Sales Tax Act, 1956	Excise Duty	27.03	September 2004	In the High Court of M.P
Central Sales Tax Act, 1944	Excise Duty	65.49	March 2004 to September 2004	In the High Court of M.P
Central Sales Tax 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**		

8. As per the information and explanations given to us the company has not taken loans from bank or financial institutions. The company has not defaulted in repayment of dues to debenture holders.
9. During the year the Company has not raised any fund by way of initial public offer or further public offer (including debt instruments) and term loans, therefore no comments under the clause are called for.
10. 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.
11. According to the provisions of section 197 read with Schedule V to the Companies Act, 2013, the Company has not paid any Managerial remuneration during the year, hence this clause is not applicable.
12. In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi company. Hence, in our

₹

opinion the clause does not apply to the company.

13. The Company has disclosed all the transactions with the related parties in the Financial Statements during the year and the transactions are in compliance with sections 177 and 188 of Companies Act, 2013.
14. During the year under consideration, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence comments under this clause are not called for.
15. According to the provisions of section 192 of Companies Act, 2013 the company has not entered into any non-cash transactions with directors or persons connected with him during the year hence no comments under this clause are called for.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence this clause is not applicable and no comments under this clause are called for.

For V.K BESWAL & ASSOCIATES
Chartered Accountants

CA K.V. Beswal
Partner
Membership Number-131054
Firm Registration No:101083W

Place: Mumbai
Date: 10th May, 2016

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE.

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of STI India Limited ("the Company") as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria being specified by management. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the criteria being specified by management.

For V.K BESWAL & ASSOCIATES
Chartered Accountants

CA K.V. Beswal
Partner
Membership Number-131054
Firm Registration No:101083W

Place: Mumbai
Date: 10th May, 2016

STI India Limited

Balance Sheet as at 31st March, 2016

PARTICULARS	Note No.	31st March, 2016 (₹ in Lacs)	31st March, 2015 (₹ in Lacs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1 (b)	**2,900.00**	2,900.00
Reserves and surplus	2	**(2,902.16)**	(5,302.01)
		(2.16)	(2,402.01)
Non-current liabilities			
Long-term borrowings	3	**11,272.00**	12,247.00
Long-term provisions	4	**149.76**	100.17
		11,421.76	12,347.17
Current liabilities			
Trade payables	5	**231.32**	252.63
Other current liabilities	6	**620.37**	590.75
Short-term provisions	7	**156.96**	72.99
		1,008.65	916.36
TOTAL		**12,428.25**	**10,861.52**
ASSETS			
Non-current assets			
Fixed assets :	8		
Tangibleassets		**7,009.09**	7,157.40
Intangible assets		**2.25**	-
Capital work-in-progress		**192.95**	175.90
		7,204.29	7,333.30
Non-current investments	9	-	1,199.93
Deferred tax assets (Net)	10	-	1,319.54
Long-term loans and advances	11	**437.68**	466.54
		7,641.97	10,319.31
Current assets			
Inventories	12	**106.08**	137.97
Trade receivables	13	**428.44**	112.86
Cash and cash equivalents	14	**2.57**	6.11
Short-term loans and advances	15	**4,047.70**	70.87
Other current assets	16	**201.49**	214.40
		4,786.28	542.21
TOTAL		**12,428.25**	**10,861.52**
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
Membership Number : 131054
Firm Reg No.:101083W

Place : Mumbai
Date : 10th May, 2016

Deepesh Kumar Nayak
Company Secretary

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

Dr.R.B.Baheti
Chairman

Prashant Agarwal
Managing Director

Mukesh Maheshwari
Chief Financial Officer

Place : Indore
Date : 10th May, 2016

Statement of Profit & Loss for the year ended 31st March, 2016

PARTICULARS	Note No.	31st March, 2016 (₹ in Lacs)	31st March, 2015 (₹ in Lacs)
INCOME :			
Revenue from Operations	17	**4,679.14**	6,047.09
Other income	18	**4,868.55**	66.32
Total Revenue		**9,547.69**	6,113.41
EXPENDITURE :			
Purchases of traded goods	19	**402.51**	770.03
Changes in inventories of finished goods, work-in-progress and waste	20	**16.95**	14.14
Employee benefits expenses	21	**1,965.99**	1,665.73
Finance costs	22	**1.93**	4.28
Depreciation and amortization expenses		**392.73**	417.83
Other expenses	23	**3,049.01**	3,732.33
Total Expenditures		**5,829.12**	6,604.34
Extraordinary Items :			
Prior year adjustments		**(0.82)**	6.00
Profit / (Loss) before tax		**3,719.39**	(496.93)
Tax expenses :			
Current tax (Wealth Tax) -		-	0.01
Deferred tax		**1,319.54**	(18.14)
Profit / (Loss) for the period		**2,399.85**	(478.80)
Earnings per equity share: Basic & Diluted (in ₹)		**8.28**	(1.65)

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
Membership Number : 131054
Firm Reg No.:101083W

Place : Mumbai
Date : 10th May, 2016

Deepesh Kumar Nayak
Company Secretary

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

Dr.R.B.Baheti
Chairman

Prashant Agarwal
Managing Director

Mukesh Maheshwari
Chief Financial Officer

Place : Indore
Date : 10th May, 2016

Cash Flow Statement for the year ended 31st March, 2016

	PARTICULARS	31st March, 2016 (₹ in lacs)	31st March, 2015 (₹ in lacs)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit / (Loss) before Tax and after Extraordinary items	**3,717.67**	(496.93)
	Adjustment For :		
	Depreciation	**392.73**	417.82
	Interest & Finance charges	**1.93**	42.84
	Interest received	**(33.81)**	(31.64)
	Devidend received	**(299.98)**	-
	Profit (-) / Loss (+) on sale of Investments	**(4,499.74)**	-
	Profit (-) / Loss (+) on sale of Assets	**0.12**	9.82
	Operative Profit before Working Capital Changes	**(721.08)**	(96.65)
	Adjustment For :		
	Trade and Other Receivables	**(263.18)**	(110.26)
	Inventories	**31.89**	31.48
	Trade & Other payable	**143.60**	228.93
	Cash Generation from Operations	**(808.77)**	53.51
	Direct Taxes	**(8.85)**	(43.68)
	Net Cash Flow from operating activities	**(817.62)**	9.83
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets and Advances		
	Capital Expenditure	**(221.31)**	(55.11)
	Sale of Fixed Assets	**3.87**	20.50
	Sale of Investment (Net)	**5,699.67**	-
	Dividend received	**299.98**	-
	Interest Received	**33.81**	31.64
	Net Cash used in investing activities	**5,816.02**	(2.97)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Short Term Loan to Holding Co.	**(975.00)**	-
	Short Term Advances to Holding Co.	**(4,025.00)**	-
	Interest on Term loans & Others	**(1.93)**	(4.28)
	Net Cash used in financing activities	**(5,001.93)**	(4.28)
D.	**Net Change In Cash And Cash Equilants (A+B+C)**	**(3.53)**	2.58
	Cash and Cash Equivalents (Opening)	**6.11**	3.53
	Cash and Cash Equivalents (Closing)	**2.57**	6.11

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

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

Place : Mumbai
Date : 10th May, 2016

Deepesh Kumar Nayak
Company Secretary

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

Dr.R.B.Baheti
Chairman

Prashant Agarwal
Managing Director

Mukesh Maheshwari
Chief Financial Officer

Place : Indore
Date : 10th May, 2016

NOTE NO.- 1 (a) SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st March, 2016.

(1) SIGNIFICANT ACCOUNTING POLICIES

(I) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules, 2014 and the relevant provision of Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statement are consistent with those of previous year..

(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.

Notes to financial statements for the year ended 31st March, 2016

Note : 1 (b) Share Capital

A

Particulars	31st March, 2016		31st March, 2015	
	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 number of shares outstanding is set out below :

Particulars	31st March, 2016		31st March, 2015	
	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	31st March 2016	31st March 2015
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	31st March, 2016		31st March, 2015	
	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	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note - 2 : Reserve and surplus		
Capital Reserves		
Opening Balance	40.01	40.01
(+)/(-) Transfer	-	-
Closing Balance	40.01	40.01
Securities Premium Account		
Opening Balance	3773.00	3773.00
(+)/(-) Transfer	-	-
Closing Balance	3773.00	3773.00
Surplus		
Opening balance	(9,115.02)	(8538.69)
(+) Net Profit/(Net Loss) For the current year	2,399.85	(478.80)
(-) Assets written off**	-	(97.53)
Closing Balance	(6,715.17)	(9,115.02)
Total	**(2,902.16)**	**(5,302.01)**

** 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
(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).		
Loans and Advances from Holding Company	-	975.00
Total	**11,272.00**	**12,247.00**

During the year , the repayment of Loan of ₹ 975 Lacs was made to the Holding Company.

Note - 4 : Long Term Provisions		
Provision for employee benefits :		
Gratuity	80.78	36.78
Leave Encashment	68.98	63.39
Total	**149.76**	**100.17**
Note - 5 : Trade payables		
Unsecured :		
Trade payables	231.32	252.63
Total	**231.32**	**252.63**

PARTICULARS	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note - 6 : Other Current Liabilities		
Customer deposits & Advances	10.23	13.45
Accrued salaries and benefits	145.66	106.55
Statutory dues	143.38	119.51
Outstanding expenses	321.10	351.24
Total	**620.37**	**590.75**
Note - 7 : Short Term Provisions		
Provision for employee benefits :		
Gratuity	41.14	26.66
Bonus	74.12	37.40
Leave Encashment	41.70	8.91
Others :		
Wealth tax	-	0.01
Total	**156.96**	**72.98**

Note - 8 : Fixed Assets

Fixed Assets	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Balance as at 01.04.2015 ₹ in lacs	Additions ₹ in lacs	Disposals ₹ in lacs	**Balance as at 31.03.2016 ₹ in lacs**	Balance as at 01.04.2015 ₹ in lacs	For the year ₹ in lacs	Transfer to Reserve ₹ in lacs	Written back ₹ in lacs	**Balance as at 31.03.2016 ₹ in lacs**	**Balance as at 31.03.2016 ₹ in lacs**	Balance as at 31.03.2015 ₹ in lacs
Tangible Assets:											
Land - Lease hold	862.36	-	-	**862.36**	51.00	10.08	-	-	**61.07**	**801.29**	811.36
- Free hold	67.93	-	-	**67.93**	-	-	-	-	**-**	**67.93**	67.93
Site developments	298.47	-	-	**298.47**	23.00	3.44	-	-	**26.44**	**272.04**	275.47
Factory buildings	2,614.79	-	-	**2,614.79**	1,548.69	74.70	-	-	**1,623.39**	**991.39**	1,066.10
Non factory buildings	776.72	3.95	-	**780.67**	212.29	12.14	-	-	**224.44**	**556.23**	564.43
Plant and Equipment	20,563.21	180.51	-	**20,743.72**	16,255.75	271.14	-	-	**16,526.88**	**4,216.84**	4,307.46
Vehicles	67.98	57.32	9.70	**115.61**	31.90	12.57	-	6.14	**38.33**	**77.28**	36.08
Computer	42.01	5.70	9.27	**38.43**	36.80	2.31	-	8.83	**30.28**	**8.15**	5.21
Furniture and Fixtures	189.44	0.12	-	**189.56**	170.50	4.98	-	-	**175.48**	**14.08**	18.94
Office equipment	9.40	0.77	-	**10.16**	4.98	1.32	-	-	**6.30**	**3.86**	4.42
Total	25,492.31	248.37	18.97	**25,721.70**	18,334.90	392.68	-	14.97	**18,712.61**	**7,009.09**	7,157.40
Intangible Assets :											
Computer software	3.96	2.30	-	**6.26**	3.96	0.05	-	-	**4.01**	**2.25**	-
Total	3.96	2.30	-	**6.26**	3.96	0.05	-	-	**4.01**	**2.25**	-
Capital Work In Progress	175.90	22.85	5.80	**192.95**	-	-	-	-	**-**	**192.95**	175.90
Total	25,672.17	273.52	24.77	**25,920.91**	18,338.87	392.73	-	14.97	**18,716.62**	**7,204.29**	7,333.30
Previous Year	25,879.90	41.74	249.47	**25,672.17**	18,042.67	417.83	97.53	219.16	**18,338.87**	**7,333.30**	7,837.22

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
Total	**-**	**1,199.93**

PARTICULARS	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note - 10 : Deferred tax assets (Net)		
Deferred tax liability		
Net Block as per Companies Act	-	6,278.10
Net Block as per Income Tax Act	-	2,539.50
Difference	-	3,738.60
Deferred tax liability (A)	-	**1,155.23**
Deferred tax assets		
Expenditure to be disallowed u/s 43B -		
Bonus	-	68.38
Leave encashment	-	72.30
Gratuity	-	63.44
Unabsorbed depreciation	-	7,804.81
	-	8,008.93
Deferred tax assets (B)	-	**2,474.77**
Net Deferred Tax (Assets) (A)-(B) (Closing)	-	(1,319.54)
Less : Net Deferred Tax (Assets) (Opening)	(1,319.54)	(1,301.40)
Net Deferred Tax (Assets) to be recognized in Profit & Loss Account.	(1,319.54)	(18.14)
Note - 11 : Long-term loans and advances		
Capital Advances		
Unsecured, considered good	4.56	50.95
Security Deposits		
Unsecured, considered good	433.12	415.59
Other loans and advances (refer Note 26)		
Doubtful	2,450.75	2,450.75
Less: Provision for doubtful advances	2,450.75	2,450.75
	-	-
Total	**437.68**	**466.54**

Note - 12 : Inventories				
Waste (Valued at net realisable value)		12.86		29.81
Stores and spares (Valued at cost)	67.91		80.16	
Goods-in transit	3.23	71.14	4.41	84.57
Packing material (Valued at cost)		19.24		19.04
Oil & lubricant (Valued at cost)		2.84		4.55
(As certified by Management)				
Total		**106.08**		**137.97**

PARTICULARS	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note - 13 : Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment	428.44	99.95
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	12.91
Total	**428.44**	**112.86**
Note - 14 : Cash and cash equivalents		
Balances with banks		
On current accounts	2.12	5.50
Cash on hand	0.45	0.61
Total	**2.57**	**6.11**
Note - 15 : Short-term loans and advances		
Advance to Holding Co.	4,025.00	-
Advance receivable in cash or kind	22.70	70.87
Total	**4,047.70**	**70.87**
Note - 16 : Other current assets		
Insurance claim receivable	84.51	84.51
Balance with Government authorities	114.50	129.08
Others	2.48	0.81
Total	**201.49**	**214.40**
Note - 17 : Revenue from operations		
Sale of product :		
Traded goods	428.54	835.03
Other goods	543.48	854.68
Sale of service :		
Jobwork receipt	3,707.12	4,357.38
Total	**4,679.14**	**6,047.09**
Detail of Sales		
Domestic :		
Waste Fiber	504.05	795.73
Yarn Sale	149.50	54.64
Fabric Sale	99.88	4.30
Export :		
Yarn Sale	63.93	16.07
Fabric Sale	154.67	818.97
Total	**972.03**	**1,689.71**

PARTICULARS	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note - 18 : Other income		
Interest Income (TDS of ₹.3.09 lacs (₹. 2.55 lacs))	33.81	31.64
Dividend Income	299.98	-
Profit on sale of Investment	4,499.74	-
Profit on sale of assets	1.09	0.06
Sundry balances written back	-	0.31
Exchange fluctuation gain	3.14	5.42
Insurance claim received	1.99	2.42
Miscellanous income	28.80	26.47
Total	**4,868.55**	**66.32**
Note - 19 : Detail of traded goods		
Finished Goods	402.51	770.03
	402.51	**770.03**
Note - 20 : Increase (-)/ decrease(+) in inventories		
Inventory at the end of the year		
-Wastage	12.86	29.81
Inventory at the beginning of the year		
-Wastage	29.81	43.95
Increase (-)/ decrease(+) in inventories	**16.95**	**14.14**
Note - 21 : Employee benefit expenses		
Salaries & wages	1,456.62	1,254.32
Contributions to provident and other fund	164.32	147.56
Gratuity & Bonus	140.75	76.85
Staff welfare expenses	204.30	187.00
Total	**1,965.99**	**1,665.73**
Note - 22 : Finance costs		
Interest expense	1.24	3.69
Bank Charges	0.69	0.59
Total	**1.93**	**4.28**

PARTICULARS	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note - 23 : Other expenses		
Stores & spares consumption	257.58	324.32
Packing material and expenses	188.86	246.06
Power and fuel	2,115.48	2,112.19
Fiber Processing & Handling Expenses	87.07	57.75
Water charges	22.26	14.86
Rent	3.28	3.27
Rates and taxes	20.08	4.98
Insurance	20.40	19.28
Repair and maintenance :		
Plant and machinery	35.60	39.52
Building	17.82	13.90
Others	8.65	5.54
Advertising and business promotion	2.00	3.13
Traveling and conveyance	59.51	105.70
Communication Expenses	8.73	8.73
Printing and stationary	6.31	7.48
Legal and professional fees	40.13	483.65
Director's remuneration	-	113.39
Directors' sitting fees	1.32	0.82
Auditor's remuneration	17.69	15.28
Frieght & Forwarding	9.36	38.94
Commission on sale	4.79	7.64
Contract Labour	47.29	38.74
Loss on sale of fixed assets	1.21	9.88
Bad debts	13.15	-
Miscellaneous expenses	60.44	57.27
Total	**3,049.01**	**3,732.33**
Payments to auditor		
For Audit Fee	11.45	11.24
For Tax Audit Fee	4.58	2.81
For Certification & Others	1.66	1.23
Total	**17.69**	**15.28**

24. CONTINGENT LIABILITIES NOT PROVIDED FOR :

(₹ In Lacs)

S. N.	Particulars	As at 31.03.2016	As at 31.03.2015
(i)	Claims against the company towards energy charges on Captive Generation. Case is pending before High Court, M.P.	490.32	490.32
(ii)	Estimated Interest amount payable on confirmed demand for sales and entry tax	94.49	87.21
(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 for which writ petition is pending before High Court M.P.	63.00	63.00
(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, M.P.	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 High Court, M.P.	27.03	27.03
(viii)	Disputed Income tax demand on penalty matter before CIT(A)	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
(x)	Bank Guarantee given to DGFT	5.00	-

Capital Commitments :

Estimated amount of Capital Contracts remaining to be executed (net of advances) is ₹52.91 Lacs. (P.Y. ₹ 364.63 Lacs)

25. 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.

26. 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.

27. Managerial Remuneration

The remuneration paid to non executive chairman in earlier year (s) is subject to approval of Central Government for which application has been filed on 4th October, 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.

28. On 8th July, 2011, the fire had broken out at the factory premises of the company. The company has filed an intimation about the total loss of ₹. 5 crores on 9th July, 2011 to the insurance company and also requested for deputing surveyor for assessing losses. During the earlier years company had received ₹ 124.94 lacs as on account payment towards the insurance claim and ₹168.12 lacs towards salvage value. The remaining of the insurance claim would be processed after the company re-instates the damage assets, which according to the management is under process.

29. 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.

30. 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 2016.

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

32. In view of the Management, in absence of the virtual certainty of the company making taxable/ operating profit in the near future, the management is of the company has decided to not to make a provision for the deferred tax asset during the year and accordingly they gave reversed the deferred tax assets of ₹ 1319.54 Lakhs standing on 1 April-15, this stand would be maintained by the company till there is reasonable certainty of Operating/ taxable profit.

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 Encashment 2015-16	Leave Encashment 2014-15
a) Present value of obligation as at the beginning of the year	72.30	47.00
b) Acquisition adjustment	--	--
c) Interest cost	5.65	4.23
d) Past service cost	--	(0.68)
e) Current service cost	42.75	16.17
f) Curtailment cost/(Credit)	--	--
g) Settlement cost/(Credit)	--	--
h) Benefits paid	(42.61)	(5.10)
i) Actuarial (gain)/loss on obligation	3.96	10.69
j) Present value of obligation as at the end of the year	82.05	72.30

The amounts to be recognized in balance sheet

	31/03/2016	31/03/2015
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	82.05	72.30
d) Unrecognized Past Service Cost	--	--
e) Net Liability	82.05	72.30
Amount in the balance sheet		
Liabilities	82.05	72.30
Asset	--	--
Net liability	82.05	72.30

Expense recognized in the statement of profit and loss

	2015-16	2014-15
a) Current service cost	42.75	16.17
b) Past service cost	--	(0.68)
c) Interest cost	5.65	4.23
d) Expected return on plan assets	--	--
e) Curtailment or Settlement cost / (Credit)	--	--
f) Net actuarial (gain)/ loss recognized in the period	3.96	10.69
g) Expenses recognized in the statement of profit & losses	52.36	30.40

Actuarial Assumptions:

	2015-16	2014-15
a) Mortality Table	100%	100%
b) Discount Rate (P.A.)	8.00%	7.80%
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%
31 – 44 Years	2%	2%
Above 44 Years	1%	1%

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 31.03.16	As on 31.03.15
1. Assumption		
Discount Rate	8.00%	7.80%
Salary Escalation	7.00%	7.00%
2. Present value of Obligation		
Present value of obligations as at beginning of year	228.36	153.22
Interest cost	17.85	13.79
Current Service Cost	49.42	37.48
Past Service Cost	-	(2.37)
Benefits Paid	(22.94)	(9.25)
Actuarial (gain)/ loss on obligations	12.75	35.49
Present value of obligations as at end of year	285.44	228.36
3. Fair value of plan assets		
Fair value of plan assets at beginning of year	164.91	143.43
Expected return on plan assets	14.46	12.55
Contributions	6.80	16.50
Benefits Paid	(21.27)	(8.60)
Actuarial (gain)/ loss on obligations	(1.38)	1.03
Fair value of plan assets at the end of year	163.52	164.91
Funded status	121.92	63.45
4. Actuarial Gain/Loss recognized		
Actuarial (gain)/ loss on obligations	(12.75)	(35.49)
Actuarial (gain)/ loss for the year - plan assets	-	-
Actuarial (gain)/ loss on obligations	12.75	35.49
Actuarial (gain)/ loss recognized in the year	12.75	35.49
5. The amounts to be recognized in the balance sheet		
Present value of obligations as at the end of year	285.44	228.36
Fair value of plan assets as at the end of the year	163.52	164.91
Funded status	121.92	63.45
6. Expenses Recognized in statement of Profit and loss		
Current Service cost	49.42	37.48
Past Service Cost	-	(2.37)
Interest Cost	17.85	13.79
Expected return on plan assets	(14.46)	(12.55)
Net Actuarial (gain)/ loss recognized in the year	14.13	34.45
Expenses to be recognized in statement of Profit and loss	66.95	70.80

The Company has recognized ₹ 66.63 lacs (P.Y. ₹ 39.46 lacs) in the Profit & Loss account for the year ending 31st March 2016 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	Remarks
1.	Bombay Rayon Fashions Limited	Holding Company	
2.	STI Sanoh India Limited	Incorporated Joint Venture	(up to 21.08.2015)
3.	STI Fabricraft P.Ltd.	Enterprise in which KMP has significant influence	(up to 16.01.2016)
4.	**Key Management Personnel :**		
	A. Dr. R.B .Baheti	Non Executive Chairman	
	B. Mr. Aman Agrawal	Vice – Chairman	
	C. Mr. Prashant Agrawal	Managing Director	
	D. Mr. K.N.Garg	Director	(up to 30.09.2015)
	E. Mrs. Pushpa Garg	President	
	F. Mr. Mukesh Maheshwari	Chief Financial Officer	
	G. Mr. Deepesh Kumar Nayak	Company Secretary	

b) Related Party transaction (s) during the year 2015-16: **(Amount in ₹ Lacs)**

Transaction	Associates Enterprise & JVs	Holding Company	Key Management Personnel/Relatives
Loan Given	-	4025.00	-
	(-)	(-)	(-)
Loan repayment	-	975.00	-
	(-)	(-)	(-)
Sales of Goods	-	1.56	-
	(-)	(-)	(-)
Job work	2.09	3599.18	-
	(-)	(4270.16)	(-)
Purchases of Goods	-	420.55	-
	(-)	(773.45)	(-)
Rent received	-	1.20	-
	(-)	(1.20)	(-)
Managerial Remuneration	-	-	-
	(-)	(-)	(113.39)
Dividend received	299.98	-	-
	(-)	(-)	(-)
Salary of Key Managerial Persons	-	-`	146.81
	(-)	(-)	(24.77)

Note : The figures in the brackets are for the previous year.

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)	**2399.85**	(478.80)
(ii).	Basic and diluted earnings per share (₹)	**8.28**	(1.65)

36. During the Year the company has sold the investment of 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of STI Sanoh India Limited (the Joint Venture Company) to Sanoh Industrial Company Limited, Japan. Accordingly, Joint Venture Agreement with Sanoh Industrial Company Limited, Japan has come to an end.

37. The net worth of the company is eroded, the accounts have been prepared on the principle of going concern with a view to revive the operation of the Company in the future notwithstanding the fact that its net worth is completely eroded, and the Company is a Sick Industrial Company.

					(₹ In Lacs)
			Current year 31.03.2016		Prev. Year 31.03.2015
38. C.I.F. Value of Imports:					
(a) Stores, Spares & HSD			69.79		40.12
(b) Capital Goods			-		-
39. Expenditure in Foreign Currency:					
(a) Foreign Traveling			8.12		28.36
(b) Commission on Export Sales			-		-
40. Earning in Foreign Exchange					
FOB value of Exports			200.80		770.83
41. Stores and Spares Consumed:					
(a) Indigenous	179.44	69.66%	291.17	89.78%	
(b) Imported	78.14	30.34%	33.15	10.22%	
Total	**257.58**	**100.00%**	**324.32**	**100.00%**	

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

42. 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 year, at least 2% of the average net profit of the company made during the last three years immediately preceding financial year, as per the objects mentioned in the Rules.

As the company has no average net profit during the immediately preceding last three financial years, therefore 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
Membership Number : 131054
Firm Reg No.:101083W

Place : Mumbai
Date : 10th May, 2016

Deepesh Kumar Nayak
Company Secretary

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

Dr.R.B.Baheti
Chairman

Prashant Agarwal
Managing Director

Mukesh Maheshwari
Chief Financial Officer

Place : Indore
Date : 10th May, 2016

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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 31st Annual General Meeting of the Company being held on **Tuesday, the 23rd August, 2016 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 Member / 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 filled and signed in accordance with their specimen signature registered with the Company/RTA, 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,
The Company Secretary
Rau-Pithampur Link Road,
Tehsil - Mhow, Dist. Indore
453 332 (M.P.) India,

Date:

Sub: Consent for serving Documents through Electronic Mode.

Dear Sir,

I / We.....holding .....share(s) under Folio No / DP ID* / Client ID*.....hereby give my / our consent for serving the documents through Electronic Mode.

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

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

*Applicable for investors holding shares in electronic form.

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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

(Form MGT - 11)

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

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

I/We, being the member(s) of …….. , share(s) of the STI India Limited, hereby appoint:

(1) Name ……. Email …….....……

Address …….....…...

Signature ……..……., or failing him / her;

(2) Name ……. Email …….....…….....……

Address …….....…...

Signature ……..……., or failing him / her;

(3) Name ……. Email …….....…….....……

Address …….....…...

Signature ……..……., or failing him / her;

.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on **Tuesday, the 23rd August, 2016 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	Abstain
	Ordinary Business			
01.	Receive, Consider and Adopt the Reports of Auditors, Directors and Audited Financial Statements for the year ended 31st March, 2016.			
02.	Re-appointment of Mr. Aman Agrawal, who retires by rotation.			
03.	Re-appointment of Ms. Prachi Deshpande, who retires by rotation.			
04.	Ratification of 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. Yudhvir Singh Jain as Director of the Company.			
06.	Approval of charges for service of documents on the members.			

* Applicable for investors holding shares in electronic form.

Signed this.....day of.....2016.

Affix ₹ 1/- Revenue stamp

Signature of shareholder.....

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

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 31st 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" or "Abstain" columns 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.

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 give 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* / DP Id*	:	
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 (Please enclose self attested ID & Address Proof)	:	1 ID 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)

*Applicable for investors holding shares in electronic form.

Route Map showing location of the venue of the 31st Annual General Meeting of the Company

Landmark: Next to Indian Institute of Management (IIM), Indore

Venue of Meeting:

STI India Limited
Rau-pithampur Link Road,
Tehsil – Mhow, Distt. Indore
453 332 (M.P.)

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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