



STL Global

# **STL Global Limited**

**15th Annual Report  
2011-2012**

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# STL GLOBAL LIMITED

Unit No. 111, Block No. 1, 1<sup>st</sup> Floor, Tribhuwan Complex, Ishwar Nagar, New Delhi - 110065

## BOARD OF DIRECTORS

Shri Jai Prakash Aggarwal, Chairman cum Managing Director  
Shri Vishal Aggarwal, Joint Managing Director  
Shri Sanjiv Kumar Aggarwal, Whole Time Director  
Shri Sri Prakash Sharma, Nominee Director (IFCI)  
Shri Chandra Prakash Srivastava, Independent Director  
Shri Faquir Chand Gupta, Independent Director

## Company Secretary

Shri Sumit Garg

## Auditors

M/s M. M. Goyal & Co.  
Chartered Accountants,  
208, Allied House, 2<sup>nd</sup> Floor, Shahzada Bagh,  
2, Old Rohtak Road, Inder Lok, Delhi-110035  
Ph# 011- 23658434, 23659795

## Bankers

Punjab National Bank, New Delhi  
Oriental Bank of Commerce, New Delhi  
UCO Bank, New Delhi  
DBS Bank Limited, New Delhi  
Allahabad Bank, New Delhi  
IndusInd Bank Limited, New Delhi

## Registered office

Unit No. 111, Block No. 1, First Floor,  
Tribhuwan Complex, Ishwar Nagar,  
New Delhi 110065  
Ph# 011- 26935829  
Fax# 011- 26935830

## Corporate Office

Plot No.207-208, Sector-58,  
Faridabad-121004,  
Haryana, India  
Ph# 0129- 4275900-30  
Fax# 0129- 4275999

## Registrar and Share Transfer Agent

Link Intime India Private Limited,  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (west)  
Mumbai, Ph# 022- 25963838, 25960320  
Fax# 022- 25946969

## Shares Listed at

Bombay Stock Exchange Limited, Mumbai  
National Stock Exchange of India Ltd, Mumbai

	Page No.
● Notice	2
● Director's report	7
● Management Discussion & Analysis Report	8
● Corporate Governance Report	14
● Certification by CEO & CFO	30
● Auditor's Report	31
● Balance Sheet	35
● Statement of Profit & Loss	36
● Cash Flow Statement	37
● Notes forming part of the financial statements	38



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## **NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Fifteenth Annual General Meeting of the members of STL Global Limited will be held on Saturday the 29<sup>th</sup> day of September 2012 at Conference Room-3, First Floor, India Corporate Centre, J2/B1 Extension, Mohan Cooperative, Mathura Road, New Delhi-110044 at 10:00 A.M. to transact the following business:-

### **ORDINARY BUSINESS**

- 1. To receive, consider, approve and adopt the audited Balance-Sheet as at 31<sup>st</sup> March, 2012 and the reports of the Directors and the Auditors and if thought fit to pass with or without modifications, the following as Ordinary Resolution:**

“RESOLVED THAT the Audited Balance Sheet of the Company as on 31<sup>st</sup> March, 2012 and Profit and Loss A/C for the year ending on that date, together with the Directors' and the Auditors Reports thereon be and are hereby received, approved and adopted.”

- 2. To appoint a Director in place of Mr. Jai Prakash Aggarwal, who retires by rotation and being eligible offers himself for re-appointment and if thought fit to pass with or without modifications, the following as Ordinary Resolution:**

“RESOLVED THAT Mr. Jai Prakash Aggarwal, whose period of office is liable to be determination by retirement of Directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as Director of the Company.”

- 3. To appoint a Director in place of Mr. Faquir Chand Gupta, who retires by rotation and being eligible offers himself for re-appointment and if thought fit to pass with or without modifications, the following as Ordinary Resolution:**

“RESOLVED THAT Mr. Faquir Chand Gupta, whose period of office is liable to be determination by retirement of Directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as Director of the Company.”

- 4. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration, and if thought fit to pass with or without modifications, the following as Ordinary Resolution:**

“RESOLVED THAT M/s M. M. Goyal & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

### **SPECIAL BUSINESS**

- 5. To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution for appointment of Mr. Vishal Aggarwal as Joint Managing Director**

“RESOLVED THAT pursuant to provisions of Section 198,269,309,310 read with Schedule XIII and such other applicable provisions, if any of the Companies Act, 1956, and subject to the approval of



Central Government, if any, consent of the Company be and is hereby accorded to the appointment of Mr. Vishal Aggarwal as Joint Managing Director of the Company for a period of 5 years, with effect from 01<sup>st</sup> October 2012 on the remuneration and terms and conditions as set out in the accompanying explanatory statement attached hereto with liberty to the Board of Directors (herein after referred to as 'the Board', which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including the powers conferred by this resolution) to alter/vary any such terms and conditions so as not to exceed the limits specified in Schedule XIII read with section 198,309,310 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary or increase the remuneration, payable to Mr. Vishal Aggarwal for such remaining period of his tenure, including salary, perquisites, allowances etc., with such prescribed limits or ceilings under Companies Act 1956 without any further reference to or approval by the Company in General Meeting.

RESOLVED FURTHER THAT the remuneration proposed to be paid to Mr. Vishal Aggarwal be paid as minimum remuneration in the case of absence and inadequacy of profits.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps including acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board  
For **STL GLOBAL LIMITED**

Sd/-

**J. P. Aggarwal**  
**(Chairman cum Managing Director)**

Date: 11<sup>th</sup> August, 2012

Place: Faridabad

**NOTES:-**

1. The Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956, with regard to the above stated resolutions mentioned is enclosed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A blank form of proxy is enclosed which if used should be returned to the Company duly completed not later than Forty-Eight hour before the commencement of the meeting.
3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their own copies to the meeting. We hope you will help us in our endeavor to control cost.
4. Members desirous of raising queries at the AGM are requested to send in their questions so as to reach the Company's Registered Office at least seven days in advance before the AGM so that the same can be adequately replied.



5. Members are requested to produce the enclosed Attendance Slip duly signed at the entrance to the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
6. No Gifts shall be distributed at the ensuing 15<sup>th</sup> Annual General Meeting of the Company.
7. Members are requested to notify the change of address, if any, immediately to the Company/Registrar quoting their folio numbers in respect of shares held in physical mode.
8. The Register of Members and Share Transfer Books of the Company Shall remain closed from Monday the 24<sup>rd</sup> September 2012 to Saturday the 29<sup>th</sup> September 2012 (both days inclusive).
9. Non-Resident Indian Shareholders are requested to inform M/s. Link Intime India Private Limited, Mumbai immediately about:
  - (a) The change in the residential status on return to India for permanent settlement.
  - (b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
10. ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING:

Name of the Director	Mr. Jai Prakash Aggarwal	Mr. Faquir Chand Gupta	Mr. Vishal Aggarwal
Date of birth	22-12-1949	19-11-1939	12-09-1971
Nationality	Indian	Indian	Indian
Date of Appointment	February 28, 2005	May 26, 2008	September 29, 2007
Qualifications	B. E. (Mechanical)	B. A.	B.Tech. and MBA (USA)
Expertise in specific functional areas	Mr. J.P. Aggarwal also has a vast & varied experience of more than 42 years in Textile & Chemical Industry. He is associated with the Company's since its inception and has been mainly involved in the long term planning and overall Management of affairs of the Company.	Mr. Faquir Chand Gupta is having over 51 years of vast and varied experience in diverse fields. At present he is also the Chairman of Audit Committee. He advises the board in financial matters & policy formulation.	Mr. Vishal Aggarwal aged about 41 years is a B.Tech and M.B.A from USA. He has a vast and varied experience of over 18 years in Textile Industry. Presently he is holding the position of Joint Managing Director of The Company and is actively involved in day to day management and strategic planning. He also controls the Marketing Division including new product evaluation & Liaisoning with Customers.
Shareholding in STL Global	2869050 (10.45%)	NIL	170000 (0.62%)
Directorship in other Companies and membership of Committees	Companies: 4 Committees: 2	Companies: 1 Committees: 3	Companies: 1 Committees: 5



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## **EXPLANATORY STATEMENT**

**{Pursuant to provisions of section 173(2)}**

As required under section 173(2) of the Companies Act, 1956. The following Explanatory Statement set out all material facts relating to the business mentioned under notice convening Fifteenth Annual General Meeting:

### **ORDINARY BUSINESS**

#### **Item No. 2**

Mr. Jai prakash Aggarwal aged 63 years is the chairman cum Managing Director of the Company, having more than 42 years of experience in Textile Industry. He is associated with the Company since its inception and has been the major driving force behind the company's evolution. He has done B.E. (Mechanical) from Thapar University. HE started his career in Chemical Business in the year 1971 as production Engineer in Dalmia Cement Factory. Later on, he set up a plant of chlorinated paraffin Wax at Faridabad, in 1980 he set up another plant of Chlorinated Paraffin Wax at Gujarat. From 1992 to 1998, he was associated with SPL industries as the Chairman of the Company. Presently, he is responsible for execution of objectives and strategic planning of the Company.

Mr. Jai prakash Aggarwal retires by rotation at the forthcoming 15<sup>th</sup> Annual General Meeting and being eligible he offers himself to be re-appointed. The Board recommends his re-appointment. None of the directors except Mr. J. P. Aggarwal & Mr. Vishal Aggarwal is concerned or interested in this resolution.

Also pursuant to the provisions of the listing agreement, it is to be noted that Mr. Jai Prakash Aggarwal is the Father-in-law of Mr. Vishal Aggarwal and except this he does not have any inter-se relationship with any other director of the Company.

#### **Item No. 3**

Mr. Faquir Chand Gupta aged about 73 years is a independent and non-executive director of the Company. He is having more than 51 years of vast and varied experience in various fields and at present he is also the Chairman of Audit Committee. He advises the board in financial matters as well as in policy formulation & decision making. The board is of the opinion that rich & diversified experience of Mr. F.C. Gupta would be of immense benefit of the Company in terms of his advice to the board in decision making.

Mr. Faquir Chand Gupta retires by rotation at the forthcoming 15<sup>th</sup> Annual General Meeting and being eligible he offers himself to be re-appointed as a director. Except Mr. Faquir Chand Gupta none of the directors of the Company is concerned or interested in this resolution.

Also pursuant to the provisions of the listing agreement, it is to be noted that Mr. Faquir Chand Gupta does not have any inter-se relationship with any of the directors of the Company.

### **SPECIAL BUSINESS**

#### **Item No. 5**

Mr. Vishal Aggarwal, aged 41 years is currently holding the position of Joint Managing Director of the company since 29<sup>th</sup> September 2007. His term as a Joint Managing Director will also expire on 30.09.2012 and in order to continue on this position the board has also approved his appointment as a Joint Managing Director for a further period of 5 years effective from 01<sup>st</sup> October 2012 subject to approval of shareholders.



Board is of the opinion that continuation of Mr. Vishal Aggarwal as a Joint Managing Director is ideally suited to nature of our industry and necessary for effectively managing the affairs of the company.

As the shareholders already know, Mr. Vishal Aggarwal is B.Tech and M.B.A from USA. He has a vast and varied experience of over 18 years in Textile Industry. Presently he is holding the position of Joint Managing Director of the Company and is actively involved in day to day management and strategic planning. He also controls the Marketing Division including new product evaluation & Liaisoning with Customers.

As there is inadequacy of profits in the company during the financial year ended on 31<sup>st</sup> March 2012, hence in accordance with the provisions of Schedule XIII of the Companies Act 1956, the remuneration of Mr. Vishal Aggarwal has also been approved by the Remuneration Committee.

Mr. Vishal Aggarwal is entitled to the following remuneration as already approved by the Board, in pursuance of the provisions of Schedule XIII and other applicable provisions of the Companies Act 1956.

**A) Appointment** : For a period of 5 years effective from 01/10/2012 to 30/09/2017

**B) Remuneration** : From 01/10/2012 to 30/09/2017

1. Basic Salary : **Rs. 30000/- Per Month**
2. House Rent Allowance : **Rs. 12500/- Per Month**
3. Conveyance Allowance : **Rs. 7500/- Per Month**
4. Contribution to provident fund and superannuation funds as per the rules of the company.
5. Medical benefits for self and family provided that the total expenses on this account should not exceed Rs. 30000/- per year being one month basic salary.
6. Leave and Leave travel allowance as per the prevailing policy of the Company.

This should also be considered as an abstract of the terms of appointment of Mr. Vishal Aggarwal as Joint Managing Director of the Company and a memorandum as to the nature of the concern or interest of the Directors in the said appointment, as required under section 302 of the Act.

The resolution contained at item no. 5 of the notice convening 15<sup>th</sup> AGM is proposed to be passed as a Special Resolution for appointment of Mr. Vishal Aggarwal as a Joint Managing Director. The Board recommends above resolution for the approval of shareholders. Except Mr. J.P. Aggarwal and Mr. Vishal Aggarwal none of the Directors is concerned or interested in this resolution. Office of Mr. Vishal Aggarwal as a director shall be subject to retirement by rotation at the Annual General Meetings of the Company.

Also pursuant to the provisions of the listing agreement, it is to be noted that Mr. Vishal Aggarwal is the Son-in-Law of Mr. J.P. Aggarwal and except this he does not have any inter-se relationship with any other director of the Company.

By Order of the Board  
For **STL GLOBAL LIMITED**

Sd/-

**J. P. Aggarwal**  
(Chairman cum Managing Director)

Date: 11<sup>th</sup> August, 2012

Place: Faridabad





## Directors' Report

To

The Members,

Your board of directors has pleasure in presenting the 15<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March 2012

The Financial Results of your company for the year ended on 31<sup>st</sup> March 2012 are as follows:

(Rs. in Crores)

<b>Year Ended March 31st</b>	<b>2012</b>	<b>2011</b>
Sales and Other Income	113.69	163.52
Expenditure	135.69	227.08
Profit/(Loss) (Before Depreciation and Tax)	(22.15)	(63.56)
Depreciation	9.19	11.76
Profit/(Loss) before Tax	(31.34)	(75.32)
Exceptional Items	(12.97)	0.00
Extraordinary Items	37.01	0.00
Provision for Deferred Tax	21.46	(22.83)
Profit/(Loss) After Tax	(28.77)	(52.49)

### **Performance of your Company**

STL GLOBAL LIMITED has been facing adverse factors from previous three-four years and the last financial year was also not an exception for the textile industry as the company continued to face the adverse factors like lesser demand, suspension of production activities due to closure of plant and comparatively lesser recovery in the Indian textile industry against considerable revivals in the world economy. These adverse factors clubbed with huge burden of fixed overheads especially bank interest, depreciation & electricity etc. have forced the Company to incur losses in the last financial year also. Also due to halts in production activities the total income has diminished during last financial year.

As you shareholders are already aware that Corporate Debt Restructuring (CDR) Cell has already approved the Restructuring Package to the Company vide LOA No. CDR (JCP) No.7626/2010-11 dated 24<sup>th</sup> February 2011. In compliance of the restructuring package approved by CDR Cell the Company has disposed off the land and building including plant & machinery of Unit No.2 of the Company situated at Plot No. 4, Sector-6, Faridabad, Haryana and the entire proceeds realized from the sale of land and building has been utilized for repayment of Term Loans of the Banks and Financial Institutions. Hence during last financial year also there were lots of financial pressures on the Company which have badly affected the overall operations of the Company. Due to continuous losses, the Net worth of the company wiped out completely and due to this the company made a reference to BIFR on 05<sup>th</sup> July 2012 and it has been registered in BIFR as Case No.37/2012 vide letter No. 3(S-8)/BC/2012 dated 02<sup>nd</sup> August 2012.

Results of the Company for the last financial year are as follows; total income for the year ended 31<sup>st</sup> March, 2012 has been reduced to Rs. 113.69 Crores as compared to previous years' Rs. 163.52 Crores, hence there was a decline of approx. 30.47%. The Operating Loss before tax is Rs. 31.34 Crores during the last year and Provision for deferred tax was Rs. 21.46 Crores during the year. The Net Loss for the year was Rs. 28.77 Crores against a Net Loss of Rs. 52.49 Crores in the previous financial year.

### **Dividend**

As the Company has continued to incur heavy losses in the last financial year due to adverse factors as stated above, hence the board of directors does not recommend any dividend for the financial year ended on 31<sup>st</sup> March 2012.



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## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Presently the Company carrying its operations of (i) Knitting of Fabric and (ii) Processing & Dying of Knitted Fabric at its plant situated at Plot No.207, 208, Sector-58 Faridabad, Haryana . In compliance to the terms of the CDR scheme, the company's land & building including plant & machinery situated at Plot No. 4, Sector-6, Faridabad, Haryana was disposed off by the Asset Sale Committee constituted under the CDR approval and repaid the term loans from ICICI Bank and IFCI. The revenue from operations were not up to the mark as expected and secondly the revenue from the IT park project in collaboration with RPS Infrastructure Limited on the land situated at 12/6 Mathura Road Faridabad were also not touched the height of expectation due to slow construction activities and slump in the commercial Real Estate market. After Delhi-Badarpur flyover being operational, the company was expecting a very good response from the investors and end user, but despite of competitive rates of commercial space at such a prime location neither investors came forward nor the end users shown their interest in the project. In this way the revenue inflow of the company badly affected and the things became worst in terms of financial position of the company. The whole gamut of CDR package was dependant on the revenue generated from the booking receipts of IT Park. As the company is approaching towards the repayment period of the term liabilities of the bankers and if the position of the IT park remains as it is, the company will stuck up in bad financial crunch. Due to bad global scenario of the Textile industry the revenue from the operations is again expected to dip little bit in comparison to current year's results.

The profitability of the Company, after providing for interest, has suffered a severe setback because of continuing increases in input costs, the global economic slowdown, lack of adequate demand due to high inflation and other reasons, fierce competition and high interest costs. In these adverse conditions the Management of your Company presents its analysis over the Company's performance and results of operations during the financial year under review and its outlook for the future. This outlook of the management is based on the assessment of current business environment and the assumptions & expectations of future events, so it may vary due to future economic and other developments in India and abroad. The actual results may differ materially from those expressed in this statement.

## **INDUSTRY STRUCTURE AND DEVELOPMENT OUTLOOK**

India Textile Industry is one of the leading industries in the world. Though was predominantly un organized industry a few years back, but the scenario started changing after the economic liberalization of Indian economy in 1991. The opening up of economy gave the much needed thrust to the Indian Textile Industry, which has now successfully become one of the largest in the world. Indian Textile Industry largely depends upon the textile manufacturing and exports. It also plays the major role in the economy of the country. India earns about 27% of its foreign exchange through textile exports. Further, the Textile Industry of India also contributes nearly 14% of the Total Industrial Production of the country. It also contributes around 3% to the GDP of the country. India Textile Industry is also the largest in the country in terms of employment generation. It not only generates jobs in its own industry but also opens up scopes for the other ancillary sectors. India Textile Industry currently generates employment to more than 35 million people.

India is now a fast emerging market inching to reach half a billion middle income population by 2030. All these factors are good for the Indian textile industry in a long run. Even though the global economic crisis seems to be worsening day-by-day, as long as economies are emerging and growing as those in South and South East Asia, textile industry is here to grow provided it takes competition and innovation seriously. Textile Industry is in a pinch . These are the reasons:

1. Global recession
2. Less export orders due to reductions in inventories by global retail giants like Wal-Mart
3. Price of raw materials like cottons and
4. Infrastructure bottlenecks such as power.

It has been recently reported that textile exports in 2012-13 period will be equal or could be even lower than the one achieved in 2011-12. In this global financial meltdown situation, what should the Indian textile industry do? In the times of adversity, it is an immediate task for all stake holders to pause for a moment and take stock of the difficulties and chart plans for sustainability and growth of the Indian textile industry.

## **ROAD AHEAD FOR THE INDIAN TEXTILE INDUSTRY**

The Indian textile industry has witnessed a year confronting many challenges including sluggish demand in domestic and export markets. Cotton prices reached at an all time high followed by a phase of correction. This left various mills with high cost inventories causing heavy losses as the selling prices of fabrics did not improve. There has been a persistent slowdown in the global demand for yarn, denim and ready- to- wear garments resulting in higher



inventories. Textile products from Bangladesh permitted to be imported duty free are cheaper and have flooded the markets, pushing out Indian products with prices that cannot compete. The Indian textile industry is thus passing through an adverse phase although the future would be more optimistic if input costs, including the cost of raw material and interest, could remain generally stable.

As the saying goes in the financial sector, it is not advisable to put all eggs in one basket. This is what happened somewhat in the case of the Indian textile industry. With the opening of world markets and the abolition of textile quotas since 2005, there came a negative situation as well. But, hindsight is always 20-20. Indian textile industry should have focused on all major sectors right from fibre to fashion and planned for an organized growth across the supply chain so as to compete with China and even countries such as Pakistan, Vietnam and Thailand. Instead, the industry had put majority of its stock in the spinning sector. This is clearly evident in the utilization of Technology Upgradation Fund Scheme effectively by the spinning sector. Although it is a positive outcome, in my opinion, the industry turned a blind eye on value-adding sectors such as weaving and finishing. Indian powerloom sector, which enables value-addition is a highly unorganized industry and needs major upgradation. Not only India does not have world quality indigenous shuttleless looms, but also investments are not adequate to cope with the quality and quantity to cater to the export market. Technical textiles sector is still in its infancy and a tangible growth will be highly visible by 2035 when the growth in this sector will be exponential. Is there a panacea to the complexities surrounding the India Textile Industry?

### **BUSINESS MODEL OUTLOOK AND REVIEW**

Due to adverse conditions and continuous heavy losses, the company had made a reference to the Corporate Debt Restructuring (CDR) Cell and it approved the Restructuring Package for the Company vide LOA No. CDR(JCP) No.7626/2010-11. The company has made almost all the compliances which were part of CDR package. The disposal of company's land & Building including Plant & Machinery situated at Plot No. 4, Sector-6 Faridabad, by the Asset Sale Committee to pay off the liabilities of term lender was also one of the covenants of the CDR package. So after disposing off the said unit now the company has only one factory unit situated at 207-208, sector-58 Faridabad. As per the CDR package the repayment period of the term liabilities have started in July-2012, but the company is unable to service the repayment due to poor operational results and poor revenue from IT Park venture. Due to continuous losses, the Net worth of the company wiped out completely and due to this the company made a reference to BIFR on 05<sup>th</sup> July 2012 and it has been registered in BIFR as Case No.37/2012 vide letter No. 3(S-8)/BC/2012 dated 02<sup>nd</sup> August 2012.

So it is very much clear from the above details that, at present the management of the Company is under tremendous pressure as far as the financial position of the Company is concerned.

### **OPPORTUNITIES AND THREATS (SWOT ANALYSIS):**

The country's domestic market offers much potential for growth and numerous business opportunities as demand for textile products is expected to keep step with increased purchasing power auguring well for the textile Industry. Experts are of the opinion that the era of domination of the world's textile and apparel market by goods originating in China has reached its zenith and that the base is gradually shifting to India and Pakistan.

Your Company is very much optimistic keeping in view the above mentioned opportunities in the textile industry. The vast and varied experience of the promoters of the company in this opportunistic scenario may lead the company to come out of the present adverse financial position. However the Company growth will majorly depend upon receipt of revenues from the IT park project.

Cotton prices which have been highly volatile are of major concern for textile manufacturers along with ever increasing energy prices. Rising oil prices and inadequate power supply situation in the state could result in higher input prices, which lead to lesser margins in profitability. Amidst a slowdown in economic growth, the Indian real estate sector will also continue to face a challenging environment.

### **Segment Reporting**

Business of the Company is segregated into two segments Textile & Real Estate Business and financial statement has been prepared in accordance with Accounting Standard-17 (segmental reporting) prescribed by the ICAI.

### **Fixed Deposit**

During the last financial year the Company has not accepted any fixed deposits under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit, rules) 1975.



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## **Listing and ISIN**

At present the Equity Shares of the Company are listed at Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai. The Annual Listing Fees for the year 2012-2013 has already been paid by the Company to the stock exchanges.

The Company's shares are compulsorily traded in De-Materialized form.

The ISIN for fully paid-up equity shares is **INE353H01010**

## **Share Capital**

There was no change in the Authorized Share Capital of the Company during last financial year and it remains unchanged at Rs.42,00,00,000/- (Forty Two Crores only) divided into 4,20,00,000 (Four Crores Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each .

The paid-up share capital of the Company as on 31<sup>st</sup> March 2012 was also remains unchanged at Rs. 27,22,17,975/- consisting of 26990915 fully paid up Equity shares of Rs.10/- each and 461765 partly paid up Equity Shares of Rs.5/- each.

## **Address of corporate office**

At present the Corporate Office of the company is situated at Plot No.207-208, Sector-58, Faridabad, Haryana-121004 (India). Shareholders are requested to please take a note of the above.

## **Corporate Governance**

Everybody today knows that Corporate Governance is the combination of voluntary practices, disclosures and compliance with laws as may be applicable to the company leading to effective control and management of a Company. Your Company believes that Corporate Governance balances the interest of all stakeholders of a company and satisfies the tests of accountability, transparency and fair play.

The Company's Philosophy on Corporate Governance is to operate for the benefit of all its stakeholders, including shareholders, customers, lenders, creditors, employees, government authorities and the community and to conduct its business in a transparent, ethical and fair manner. Your Board of Directors considers itself the trustee of Company's shareholders and always aims at maximizing the shareholders' value and protecting the interest of all other stakeholders.

The report on Corporate Governance is annexed and forms part of this Directors' Report (Annexure III).

STL GLOBAL LIMITED has been strictly complying with the requirements of Corporate Governance as stipulated under Clause-49 of the Equity Listing Agreement with stock exchanges. The copy of certificate obtained from Statutory Auditor's of the Company dated 26.05.2012 confirming the compliance of the conditions of Corporate Governance by the Company is also attached with this report.

## **Formation of various Committees**

Details regarding various committees constituted by the Board of directors are given in the Corporate Governance report annexed herewith and forms part of this director's report.

## **Directors**

During the last financial year Mr. JagMohan Lal Agarwal, Independent director of the Company has resigned from the directorship on 14<sup>th</sup> February 2012 and now the total strength of the Board of directors is six directors out of which three are executive directors and three are non-executive & independent directors. Mr. Vishal Aggarwal is currently holding the position of Joint Managing Director of the Company since 29<sup>th</sup> September 2007 and his term as a Joint Managing Director will expire on 30th September 2012 and he is proposed to be appointed as Joint Managing Director of the Company for a term of five years in the forthcoming 15<sup>th</sup> Annual general Meeting and board recommends his appointment.

## **Retirement by rotation**

There are five rotational directors in the company at present; hence in accordance with the provisions of Companies Act, 1956 and Articles of Association of the Company two directors shall retire by rotation in the forthcoming 15<sup>th</sup> AGM. So Mr. Jai Prakash Aggarwal and Mr. Faquir Chand Gupta, directors of the Company shall retire by rotation at the forthcoming 15<sup>th</sup> Annual General Meeting and being eligible, they have offered themselves for re-appointment. A brief

resume of both the above directors, containing their age, qualifications and experience is already given in the annexure to the notice convening forthcoming 15<sup>th</sup> Annual General Meeting.

The resolutions contained at item no. 2 and 3 of the notice are being proposed for their re-appointment as directors at the forthcoming Annual General Meeting of the Company. The board recommends their re-appointment.

### **Director's Responsibility Statement**

Pursuant to the provisions of Section-217(2AA) of the Companies Act, 1956 and on the basis of information and advice received, the board of directors hereby state and confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31<sup>st</sup> March 2012 and of the profit or loss of the company for the year ended on that date.
3. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. that the directors have prepared the annual accounts on a Going Concern Basis.

### **Subsidiary Companies**

STL Global Limited does not have any subsidiary companies at present.

### **Auditors and Auditor's Report**

M/s M. M. Goyal & Co., Chartered Accountants, New Delhi, the Statutory Auditors of Company shall retire at the forthcoming 15<sup>th</sup> Annual General Meeting and are eligible for re-appointment. The Audit Committee and Board of Directors, recommend their appointment as statutory auditors of the Company in the forthcoming annual general meeting. The company had already received a confirmation from the statutory auditors that their appointment if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Notes to the accounts referred to in the auditor's report are self explanatory and therefore do not call for any further explanations as required under section 217(3) of the Companies Act, 1956.

### **"Group" for inter-se transfer of shares**

In accordance with the provisions of clause 3(e) of the Securities and Exchange Board of India (substantial acquisition of shares and takeovers) regulation, 1997, the persons constituting group (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from the applicability of the provisions of regulations 10 to 12 of the aforesaid SEBI regulations are given at Annexure-I attached herewith and the said Annexure-I forms part of this Director's Report.

### **Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure**

Information on Conservation of energy as required to be disclosed under section 217(1)(e) of the Companies Act 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, is provided as under:

#### **A. CONSERVATION OF ENERGY**

**During last financial year also the Company has made continuous efforts in order to ensure optimum utilization of fuel and electricity.**

- a. Energy conservation measures taken:

The Company has been continuously making its best efforts for energy conservation; such as (i) energy saving tubes and other 'less electricity consuming' electronic devices are installed in the Plant in a phased manner for this purpose. (ii) Department wise monitoring of energy consumption is regularly conducted in order to save power cost etc.

- b. The relevant data in respect of energy consumption is given below:



## FORM A

<b>(a) Power and Fuel Consumption</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>2011-12</b>	<b>2010-2011</b>
Electricity Purchased Units (Nos)	4367174	6869898
Total Cost (Rs.)	22654274	34924621
Rate per Unit (Rs.)	5.19	5.08
<b>(b) Own Generation- (Through D.G. Set)</b>		
Generated Units (Nos)	2356960	2470371
Diesel Cost (Rs.)	24535949	24069619
Diesel Cost Per Unit (Rs.)	10.41	9.74

### **B. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT**

STL GLOBAL LIMITED has been working with best available technology in all of its production activities viz. knitting, dyeing etc. The Company has an independent Research & Development department for its production divisions, which regularly provide suggestions for reducing the cost of production and improving quality of products. The present technology is also being updated from time to time as and when required.

The Company is also taking full advantage of implementation of information technology through the plant-wide network for quicker decision making and faster preventive actions.

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars regarding foreign exchange earnings and expenditure are annexed hereto as annexure-II and forms part of this Director's Report.

#### **Cautionary Statement**

This director's report contains some forward looking statements which may be identified by use of words like expect, anticipate, believes, intends, projects, plans or other words of similar meaning. These forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. Company assumes no responsibility to publicly amend, modify or revise any of the forward looking statement on the basis of any subsequent developments, information or events.

Management is also of the opinion that quarter to quarter performance comparison would not be an ideal way of reviewing the Company's performance in view of the changing transaction dynamics which might result into some of the key assignments getting stretched and the incidence of the revenues may either pass over to next quarter or pushed on to a longer time scale than anticipated.

#### **Safety, Health and Environment**

##### Safety

STL GLOBAL LIMITED believes that safety is an essential part in the efficient business management; hence it has benchmarked its processes to the highest standards of safety. Prompt and regular efforts with respect to safety, training and education are your company's commitment to the safety. The employees working on the production floor are required to undergo a mandatory training in their respective department. Also various other efforts are being taken continuously for improving safety at the plant and these efforts include continuous safety trainings with internal & external faculties, on-the-job training for technicians and safety awareness among employees etc.

##### Health

**STL GLOBAL LIMITED** has built sufficient infrastructure in order to provide necessary medical care to the employees working at all levels. The medical checkups are also done before recruitment of any new person. A first-aid box is always available in all the departments and normal medical checkups are regularly conducted. The employees are also imparted with health education from time to time.



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## **Environment**

Your company and its management are fully committed to provide a safe and healthy working environment inside the Company as well outside. The Company regularly complies with all rules & regulations regarding protection of the environment of its outside surrounding area. Your Company is also committed to prevent wasteful use of natural resources and to minimize the dangerous impacts of any of its activities e.g. production, development, use & disposal of products and other services on the environment. The Company always ensures that highest standards of environmental management are being maintained.

## **SHE Committee**

Your Company has already constituted a SHE Committee (Safety, Health & Environment Committee) that comprises of members from the senior management of Company. The SHE Committee is mainly responsible for ensuring safe and healthy environment within the Company and its neighboring area, and also for complying with all applicable regulatory requirements in this regard.

The Company is also fully committed to make its contribution in the Social and Economic Development of the community located in vicinity of its operations and to provide assistance for improving the quality of their life.

## **Personnel**

The board of directors once again sincerely acknowledges the devotion of all employees of the Company, who have contributed in the performance & development of the Company. The Company's relations with employees are always cordial, the employees are regularly provided with internal & external trainings and more responsibility is being entrusted to them thereby involving them in day-to-day decision making. The true spirit of trust, commitment, dignity, transparency and opportunity to explore & achieve their dreams gives the employees an encouragement and yearning to perform better.

The number of employees as on 31<sup>st</sup> March 2012 was 233.

The information as per section 217(2A) of the Companies act, 1956 read with Companies (particulars of employees) rules 1975 is NOT APPLICABLE to your Company.

## **Acknowledgement**

In today's world no company can grow without the support of their Employees. The board of directors once again takes this opportunity to first of all thank all the employees of the Company for their hard work, dedication, co-operation and support rendered towards the Company.

The board of directors also wants to express its gratitude towards the Company's Bankers, Financial Institutions, Central and State Government Authorities & Officials, Customers, Vendors, Traders, Solicitors, Advisors and to our well wishers for their support and co-operation during the period under review.

And also to you, our dear shareholders, we are extremely grateful for your continuous support and confidence.

## **For and on behalf of the Board of Directors**

**Sd/-**

**J. P. Aggarwal**  
**(Chairman cum Managing Director)**

**Sd/-**

**Vishal Aggarwal**  
**(Joint Managing Director)**

**Date: 11<sup>th</sup> August 2012**  
**Place: Faridabad**



## ANNEXURES TO DIRECTOR'S REPORT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2012

### Annexure-I

Following is the list of persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) SAST Regulations, 1997 as provided in Clause 3 (e) of the said Regulations:

S. No.	Particulars	S. No.	Particulars
01	M/s Target Fashions Limited	15	Mrs. Jyoti Aggarwal
02	M/s Reckon Industries Limited	16	Mrs. Savitri Aggarwal
03	M/s Demaco Polymers Ltd	17	M/s K. N. Aggarwal (HUF)
04	M/s S. D. Chem Pvt. Ltd	18	Mr. Vishal Aggarwal
05	M/s Ruchi India Limited	19	Mrs. Sangeeta Aggarwal
06	M/s Reckon Pharmachem Pvt. Ltd	20	Mrs. Rachna Jain
07	M/s Shyam Tex Exports Limited	21	Mr. Sharad Jain
08	Mr. Jai Prakash Aggarwal	22	Mrs. Bhawna Goenka
09	Mrs. Sumitra Aggarwal	23	Mr. Navneet Goenka
10	Mr. Sandeep Aggarwal	24	Mr. Vinod Aggarwal
11	Mrs. Viniti Aggarwal	25	Mr. Vikas Aggarwal
12	Mr. Naresh Aggarwal	26	Mrs. Rita Aggarwal
13	Mrs. Sunita Aggarwal	27	Mrs. Payal Aggarwal
14	Mr. Vimal Aggarwal		

### Annexure-II

Foreign Exchange Earnings and Outgo

(In Rupees)

Particulars	Current Year	Previous Year
(I) Foreign exchange earned (Including export of goods on FOB basis)	Nil	Nil
(II) Foreign exchange used	22,25,100	13,86,416

### Annexure-III

## CORPORATE GOVERNANCE REPORT

### INTRODUCTION

It is universally understood that Corporate Governance is the mechanism by which the values, principles, policies and procedures of a Company are being manifested. The core value of corporate governance lies in the principles of honesty, integrity, transparency, fairness, quality and accountability. The effective Corporate Governance is very much essential for the vibrant and resilient capital markets and the investor protection ultimately rests on this foundation. In the last few years, almost every country has formulated & adopted a set of Corporate Governance Codes, spelt out best practices and has also sought to introduce appropriate board structures.

The details of compliances of the provisions of clause 49 of Listing Agreement by STL Global Limited, pertaining to good Corporate Governance are described hereunder;



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## **Company's Philosophy on Corporate Governance**

STL GLOBAL LIMITED is fully committed to adopt best Corporate Governance practices & procedures in all its activities, policies and actions. Your Company's Philosophy on Corporate Governance is to operate for the benefit of all its stakeholders, and to conduct its business in a transparent, ethical and fair manner. Your Company believes in transparency, accountability, empowerment, motivation, respect for law, fair business and good corporate practices. These principles have been continuously followed by the Company since its inception. Your Company also believes that adhering to good corporate governance norms will ultimately leads to generation of goodwill for Company, earning respect from society, bringing about a consistent sustainable growth and also generating competitive returns for the investors. Board of Directors of the Company is committed to develop an environment of fairness, equity and transparency in all its activities with the objective of securing long-term shareholder value, while at the same time respecting the rights of all stakeholders.

## **COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT**

As the shareholders are already aware that presently the shares of your company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai. The Company is regularly complying with the requirements of Clause-49 of the Listing Agreement with these Stock Exchanges since the first day of listing. The company has also obtained a Certificate from its statutory auditors regarding compliance of the conditions of Corporate Governance as stipulated in Clause-49 of the Listing Agreement and the same is also attached herewith and forms part of this director's report.

## **Board of Directors**

### Composition and Category

The board of directors of the Company consists of professional independent directors drawn from diverse fields for advising the board in respective areas. At present exactly the half of the board consists of independent directors. Day-to-day affairs & activities of the Company are normally conducted by Chairman cum Managing Director with the help of executive directors, subject to the supervision and control of the board.

As on 31<sup>st</sup> March 2012, the Board of Directors consisted of Six directors out of which Three were executive directors and Three were non-executive & independent directors. The Board takes all key decisions only after detailed discussions and deliberations in its meetings. The board members possess adequate experience, ability and expertise, which are necessary to manage the affairs of the Company in a most efficient manner. The Independent Directors do not have any material or pecuniary relationship or transactions with the Company, its promoters, other directors or management of the Company.

In board meetings, the board members are provided with all the relevant information on crucial matters affecting the working of Company as well as matters requiring deliberations at the highest level. The Board acts with full autonomy and independence in exercising the decision making process and discharging its fiduciary responsibilities. The size and composition of the board of directors completely confirms to the requirements of Corporate Governance Norms as stipulated under the provisions of clause 49 of the equity listing agreement.

Meetings of the Board of Directors are scheduled well in advance and are generally held at the Company's corporate office in Faridabad, Haryana. Notices and agenda for board meetings are sent well in advance to all the directors of the Company along with relevant information.

During the last financial year, Five Meetings of the board of directors were held viz. 27<sup>th</sup> April 2011, 28<sup>th</sup> May 2011, 10<sup>th</sup> August 2011, 12<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012.

The details of attendance of all the directors at the Board Meetings, Last Annual General Meeting, number of shares held, number of other directorships and committee memberships etc. are as under:



As at 31<sup>st</sup> March 2012

Name of Director and business relationship	Position	No. of Shares held in the company	No. of other Directorships	No. of other Committee memberships held #	
				Chairman	Member
Mr. Jai Prakash Aggarwal (Chairman cum Managing Director)	Promoter/Executive Director	2869050	4	2	0
Mr. Sanjiv Kumar Aggarwal (Whole Time Director)	Executive Director	NIL	0	0	5
Mr. Vishal Aggarwal (Joint Managing Director)	Promoter/Executive Director	170000	1	0	5
Mr. C. P. Srivastava (Director)	Independent & Non Executive Director	NIL	1	1	1
Mr. Sri Prakash Sharma (Nominee Director IFCI)	Independent & Nominee Director	NIL	2	0	0
Mr. Faquir Chand Gupta (Director)	Independent & Non Executive Director	NIL	1	3	1
Mr. Jagmohan Lal Agarwal (Director)**	Independent & Non Executive Director	NIL	1	0	4

#Details relate to all the six committees of the board i.e. Audit Committee, Remuneration Committee, Share Transfer Committee, Investor's grievance committee, Monitoring Committee and General Committee.

\*\* Ceased to be a director of the Company w.e.f. 14<sup>th</sup> February 2012.

**Particulars of Directors attendance are given below:**

Name of the Director and Business Relationship	No. of Board Meetings attended during the year	Attendance at Fourteenth Annual General Meeting held on September 29th 2011
Mr. Jai Prakash Aggarwal (Chairman cum Managing Director)	5	Present
Mr. Sanjiv Kumar Aggarwal (Whole Time Director)	5	Present
Mr. Vishal Aggarwal (Joint Managing Director)	5	Present
Mr. Sri Prakash Sharma (Nominee Director)	3	Present
Mr. C. P. Srivastava (Independent Director)	3	Absent
Mr. Faquir Chand Gupta (Independent Director)	4	Present
Mr. Jagmohan Lal Agarwal (Independent Director)**	3	Absent

\*\* Ceased to be a director of the Company w.e.f. 14<sup>th</sup> February 2012.

**Notes on Directors appointment/ re-appointment**

Mr. Jai prakash Aggarwal and Mr. Faquir Chand Gupta, Directors of the Company are retiring by rotation at the forthcoming 15<sup>th</sup> Annual General Meeting and being eligible, they offer themselves for re-appointment. Details regarding age, qualification & experience etc. of Mr. Jai prakash Aggarwal and Mr. Faquir Chand Gupta, are already



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given in the annexure forming part of the notice convening 15<sup>th</sup> Annual General Meeting of the Company. Mr. Vishal Aggarwal are proposed to be appointed as Joint Managing director of the Company.

## **BOARD COMMITTEES**

### **A. Audit Committee**

#### **Broad terms of reference**

As the shareholders are already aware that Audit Committee assists the Board of Directors in matters relating to overview of Company's financial reporting process and disclosure of financial information in order to ensure that the financial statements are correct, sufficient and credible. It reviews the annual and quarterly financial statements before submission to the board; it also reviews the Company's financial risk and management policies and the adequacy of internal control systems with the management and statutory auditors. The Audit Committee acts as a link between Company's Management, Statutory Auditors and the Board of Directors and it also has full access to the financial information of the Company.

The role and terms of reference of the Audit Committee covers the areas as mentioned under clause-49 of the Listing Agreement and section 292A of the Companies Act, 1956 besides other terms as may be referred by the board of directors. The main powers & functions of audit committee include the following:

#### **POWERS**

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To have full access to information contained in the records of the company and external professional advice, if necessary.

#### **FUNCTIONS**

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the fixation of audit fee and for payment for any other services.
3. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e., transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
4. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
5. Reviewing the half-yearly financial statements before submission to the Board.
6. Reviewing the adequacy of internal audit function, 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.

7. Discussion with internal auditors any significant findings and follow up thereon.
8. Reviewing the findings 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.
9. Discussion with External Auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
10. Reviewing the Company's financial and risk management policies.
11. To look into reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. Any other functions that may be assigned by the Board to the Audit Committee from time to time.

The Audit Committee also reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by the management if any;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors if any;
4. Internal audit reports relating to internal control weaknesses if any; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

#### **Composition and attendance during the year ended 31<sup>st</sup> March 2012**

Five meetings of Audit Committee were held during the year 2011-12 on the following dates:

1. 30<sup>th</sup> April 2011
2. 19<sup>th</sup> May 2011
3. 02<sup>nd</sup> August 2011
4. 02<sup>nd</sup> November 2011
5. 01<sup>st</sup> February 2012

The Audit Committee of the Company comprises of three directors i.e. Sh. Faquir Chand Gupta (Chairman), Sh. Jagmohan Lal Agarwal (Member) and Sh. Vishal Aggarwal (Member). Majority of the members of audit committee consists of independent directors. All the committee members are financial literate and Chairman Sh. Faquir Chand Gupta is having a rich experience and expertise in the field of accounting & financial management. Following are the details of attendance of audit committee meetings during the year ended on 31<sup>st</sup> March 2012:

#### **Audit Committee**

<b>S. No.</b>	<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
1.	Sh. Faquir Chand Gupta	Chairman	5
2.	Sh. Jagmohan Lal Agarwal	Member	5
3.	Sh. Vishal Aggarwal	Member	5

\* Sh. Jagmohan Lal Agarwal, independent director resigned from the directorship of the Company on 14<sup>th</sup> February 2012 and in his place Sh. C.P. Srivastava has been appointed as a member of Audit committee.

Statutory Auditors and CFO of the Company are permanent invitees to the Audit Committee Meetings.

The Company Secretary of the company acts as the Secretary to the Committee.

Minutes of the Audit Committee Meetings are noted and approved by the Board of Directors in the subsequent Board Meetings.

#### **B. Remuneration Committee**

Remuneration Committee of the Company consists of Sh. C. P. Srivastava, Sh. F. C. Gupta and Sh. Jagmohan Lal



Agarwal, all being Independent and Non Executive Directors. Terms of reference of the 'Remuneration Committee' includes review, recommendation & advice to the Board of Directors on payment of remuneration to Executive and Non-executive Directors within the overall ceilings fixed under the provisions of Companies Act, 1956. The terms of reference of the Committee are also in accordance with the provisions of the Companies Act, 1956 and clause-49 of the Listing Agreement with Stock Exchanges.

\* Sh. Jagmohan Lal Agarwal, independent director resigned from the directorship of the Company on 14<sup>th</sup> February 2012 and in his place Sh. S.K. Aggarwal has been appointed as a member of Remuneration committee.

### **Remuneration Policy- For Executive Directors**

The Company is paying remuneration to Executive Directors in terms of the resolutions passed by members at the General Meetings. Earlier the profits of the company were adequate and total remuneration of all executive directors of the Company was well within the ceilings as provided under the provisions of Companies Act, 1956. However from the last four financial years, Company is incurring losses and there has been inadequacy of profits, hence remuneration is being paid to the executive directors in accordance with the provisions of Schedule-XIII of the Companies Act, 1956.

Also in the 13th Annual General Meeting, the company has appointed Mr. J.P. Aggarwal and Mr. S.K. Aggarwal as Chairman-cum-Managing Director and Wholetime Director of the company respectively subject to the approval of the Central Government, accordingly we applied for the same and in response to our application, the company has received the approval of Central Government on 14th March 2011 for appointment of Mr. J.P. Aggarwal as Chairman-cum-Managing Director and Mr. S.K. Aggarwal as Wholetime Director of the company for a period of 5 years. However, the Central Government has approved the payment of remuneration to both the directors for a period of 3 years only from the date of appointment.

### **The details of remuneration of executive directors are as under:**

#### **1. Mr. Jai Prakash Aggarwal, Chairman cum Managing Director**

**A) Appointment:** For a period of 5 years effective from 28/02/2010 to 27/02/2015

**B) Remuneration:** with effect from: 28/02/2010 to 27/02/2013;

1. Basic Salary : **Rs. 45000/-** Per Month
2. House Rent Allowance : **Rs. 18750/-** Per Month
3. Conveyance Allowance : **Rs. 11250/-** Per Month
4. Contribution to provident fund and superannuation funds as per the rules of the company.
5. Medical benefits for self and family provided that the total expenses on this account should not exceed Rs. 45000/- per year being one month basic salary.
6. Leave and Leave travel allowance as per the prevailing policy of the Company.

#### **2. Mr. Vishal Aggarwal, Joint Managing Director**

**A) Appointment :** For a period of 5 years effective from 01/10/2012 to 30/09/2017

**B) Remuneration :** w.e.f. 01/10/2012 to 30/09/2017

1. Basic Salary : **Rs. 30000/-** Per Month
2. House Rent Allowance : **Rs. 12500/-** Per Month
3. Conveyance Allowance : **Rs. 7500/-** Per Month
4. Contribution to provident fund and superannuation funds as per the rules of the company.
5. Medical benefits for self and family provided that the total expenses on this account should not exceed Rs. 30000/- per year being one month basic salary.
6. Leave and Leave travel allowance as per the prevailing policy of the Company.

#### **3. Mr. Sanjiv Kumar Aggarwal, Whole Time Director**

**A) Appointment :** For a period of 5 years effective from 01/10/2010 to 30/09/2015

**B) Remuneration :** From 01/10/2010 to 30/09/2013



1. Basic Salary : **Rs. 30000/- Per Month**
2. House Rent Allowance : **Rs. 12500/- Per Month**
3. Conveyance Allowance : **Rs. 7500/- Per Month**
4. Contribution to provident fund and superannuation funds as per the rules of the company.
5. Medical benefits for self and family provided that the total expenses on this account should not exceed Rs. 30000/- per year being one month basic salary.
6. Leave and Leave travel allowance as per the prevailing policy of the Company.

#### **Remuneration Policy- For Non- Executive Directors**

Pursuant to the notification from Ministry of Finance, Department of Company affairs dated 24<sup>th</sup> July 2003 a Sitting Fees of Rs. 2000/- (Rupees Two Thousand only) per meeting was paid to the Non-Executive Directors for each meeting of the Board and Committees attended by them.

#### **Composition and attendance in Remuneration Committee during the year ended 31<sup>st</sup> March 2012**

S. No.	Name of the Member	Category	No. of Meetings Attended
1.	Sh. C. P. Srivastava	Chairman	2
2.	Sh. F.C. Gupta	Member	2
3.	Sh. Jagmohan Lal Agarwal	Member	0

Two Meetings of the Remuneration Committee were held during the financial year under review i.e. on 30<sup>th</sup> July, 2011 and 30<sup>th</sup> January 2012 respectively.

#### **Remuneration to Non-Executive Directors**

During the financial year 2011-2012, only sitting fees for attending board or committee meetings was paid to the non-executive directors and the details are as follows:

##### Non-Executive Directors

Name	Sitting Fees paid during FY 2011-12		TOTAL
	Board Meeting	Committee Meeting	
Sh. C. P. Srivastava	3	2	10000/-
Sh. F. C. Gupta	4	14	36000/-
Sh. Jagmohan Lal Agarwal**	3	7	20000/-
Sh. S. P. Sharma	3	0	6000/-

\*\* Ceased to be a director of the Company w.e.f. 14<sup>th</sup> February 2012.

#### **C. Shareholder Committees**

As members already know, two shareholder committees are there in the Company viz. (i) Share Transfer Committee and (ii) Investor's Grievance Committee. Following are the details of these committees:

##### 1.) Share Transfer Committee

S. No.	Name of the Member	Category	Designation
1.	Sh. J. P. Aggarwal	Chairman	Chairman cum Managing Director
2.	Sh. Vishal Aggarwal	Member	Joint Managing Director
3.	Sh. S. K. Aggarwal	Member	Whole Time Director

The main terms of reference of Share Transfer Committee cover the following matters:

- a) Transfer/Transmission of Shares;

- b) Issue of duplicate share certificates;
- c) Review of Shares dematerialized / rematerialized and other related matters;
- d) Performance appraisal of the Registrar and Transfer Agents of the company with regard to handling of Transfer Requests.
- E) Share Transfer Committee meets as and when required in the above matters.

## 2.) Investor's Grievance Committee

The Company also has an 'Investor's Grievance Committee' consisting of combination of Executive & Independent directors for monitoring and controlling the investor complaints redressal system of the Company. The Committee normally meets on quarterly basis in order to review and discuss on the investor complaints received and resolved during the preceding quarter. It also keeps an eye on the Registrar & Share Transfer Agent's approach towards resolving investor complaints.

During the last financial year following four meetings of the Investor's Grievance Committee were held:

- 1. 19<sup>th</sup> May 2011
- 2. 02<sup>nd</sup> August 2011
- 3. 02<sup>nd</sup> November 2011
- 4. 01<sup>st</sup> February 2012

S. No.	Name of the Member	Category	Designation	No. of Meetings Attended
1.	Sh. F.C. Gupta	Chairman	Independent Director	4
2.	Sh. Jagmohan Lal Agarwal	Member	Independent Director	1
3.	Sh. S. K. Aggarwal	Member	Whole Time Director	4

\* Sh. Jagmohan Lal Agarwal, independent director resigned from the directorship of the Company on 14<sup>th</sup> February 2012 and in his place Sh. Vishal Aggarwal has been appointed as a member of Investor's Grievances committee.

Duties and terms of reference of Investor's Grievance Committee cover the matters specified under Clause 49 of the Listing Agreement with Stock Exchanges.

Company Secretary Sh. Sumit Garg has been designated as the Compliance Officer of the Company.

The status of quarterly investor queries/complaints received and resolved during the year 2011-2012 was duly reported on quarterly basis along with the un-audited/audited financial results of the Company for each corresponding quarter. The information on investor complaints in numbers for the last quarter ended on 31<sup>st</sup> March 2012 was as follows: Opening: -Nil, Received: Nil, Disposed of: Nil and Closing: NIL. Also, there were no pending share transfers in the Company as on 31<sup>st</sup> March 2012.

## **D. Monitoring Committee**

The board of directors has constituted a Monitoring Committee for monitoring the progress of IT Park Project with M/s RPS Infrastructure Limited. Majority of the members of monitoring committee are independent directors and it comprises of following:

- 1. Sh. F. C. Gupta, (Independent director) - Chairman
- 2. Sh. Jagmohan Lal Agarwal (Independent director) - Member
- 3. Sh. Vishal Aggarwal (Joint Managing director) - Member

Terms of reference of the monitoring committee is to review and monitor the progress of IT Park Project of the Company with M/s RPS Infrastructure Limited for development of Company's Land situated at 12/6, Mile Stone, Mathura Road, Sarai Khawaja, Faridabad. During the last financial year, three meetings of the Monitoring Committee were held i.e. on 29<sup>th</sup> April 2011, 27<sup>th</sup> August 2011 and 28<sup>th</sup> February 2012 respectively.

\* Sh. Jagmohan Lal Agarwal, independent director resigned from the directorship of the Company on 14<sup>th</sup> February 2012 and in his place Sh. Sanjiv Kumar Aggarwal has been appointed as a member of Monitoring committee.

## **E. General Committee**

The board has also constituted a "General Committee" comprising of three executive directors i.e.



1. Mr. J. P. Aggarwal (Chairman)
2. Mr. Vishal Aggarwal (Member)
3. Mr. S.K. Aggarwal (Member)

The General Committee is mainly responsible for day to day smooth functioning of various business activities and quick decision making in urgent matters. Presence of at least two of the above directors is necessary to constitute the requisite quorum for the meetings of general committee. The general committee is empowered to exercise the following powers & functions:-

- Make long term contracts with any reputed supplier of raw materials, chemicals & components etc.
- Appointment of technical and non technical staff.
- Purchase of any equipment, machinery or any replacement thereof.
- Deal with all technical problems involved in the production and maintenance of the plant.
- Taking accommodation on lease or rent.
- Making Capital Expenditure on behalf of the company not exceeding Rs 5,00,00,000/- (Rupees Five Crores only).
- Investment of funds of the Company in any venture up to Rs. 1,00,00,000/- (Rupees One Crore Only).
- Opening of Bank Accounts.
- Operation of Bank Accounts.
- Execution of authorization on behalf of Company.
- Delegation of administrative Duties to Staff.
- Calling Extra Ordinary General Meetings.
- Execution of custom house documents.
- Dealing with Central/State Government Authorities or local bodies.
- Obtaining license from Central Government or State Government.
- Availing loan facilities from Bankers & Financial Institutions within the limits given to the Board by shareholders of the Company under section 293(1)(d) of the Companies Act 1956.
- To mortgage and/or to create first/second charge as security for term loans/financial assistance granted by Financial Institutions/ Banks in addition to the mortgages/charge created/ to be created by the company, in favor of any banks, financial institutions, bodies corporate.
- Appoint Lead managers, Legal advisors, Co-managers, Bankers, Trustees, Underwriters, Collection agents, etc in case company plans for public issue of its shares.

The General Committee meetings are held at regular intervals as and when required in the above matters. Minutes of the meetings of General Committee are regularly placed before the board for its consideration and approval.

### **Investor Services**

M/s Link Intime India Private Limited is acting as the Registrar and Transfer Agents (RTA) of the Company since the year 2006. Link Intime India Pvt. Ltd. is having adequate infrastructure and VSAT connectivity with both the depositories (NSDL & CDSL), which facilitate prompt and better services to the shareholders of the Company.



**Name and Address of Compliance Officer**

Mr. Sumit Garg,  
Company Secretary and Compliance Officer  
STL Global Limited  
Plot No. 207-208, Sector-58,  
Faridabad, Haryana 121004  
Contact No. 91-129-4275900-30, Fax No. 91-129-4275999  
E-mail [sumitgarg@stl-global.com](mailto:sumitgarg@stl-global.com), [investors@stl-global.com](mailto:investors@stl-global.com)

**General body Meetings**

Location and Time where last three Annual General Meetings of the company were held is given below

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2008-2009	30th September 2009	Jagan Nath Dharamshala, 1/9, Main Road, Gobindpuri, Opp. Acharya Narendra Dev College (ANDC), Kalkaji, New Delhi-110019	10:30 AM	3
2009-2010	30th September 2010	Jagan Nath Dharamshala, 1/9, Main Road, Gobindpuri, Opp. Acharya Narendra Dev College (ANDC), Kalkaji, New Delhi-110019	10:00 AM	2
2010-2011	29th September 2011	Conference Room-3, First Floor, India Corporate Centre, J2/B1 Extension, Mohan Cooperative, Mathura Road, New Delhi-110044	10:00 AM	0

Details of Extra-ordinary General Meetings held during the year 2011-2012

S. N.	Date	Location of Meeting	Time	No. of Special Resolutions passed
N. A.	N. A.	N. A.	N. A.	N. A.

During the last financial year ended on 31<sup>st</sup> March 2012 no Extra-ordinary General Meeting of the Company was held.

**Postal Ballot****A. Resolutions passed through Postal Ballot on July 12, 2011**

One special resolution and 2 ordinary resolutions were passed on July 12, 2011 through postal ballot, pursuant to the Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, in respect of the following item of business:

1. Special resolution to alter the object clause of the Company.
2. Ordinary resolution to sell, lease or otherwise dispose of the whole or substantially whole of the undertakings of Unit No. 2 of the Company situated at Plot No.4, Sector-6, Faridabad, Haryana.
3. Ordinary resolution to allow the use of land as per the Collaboration Agreement between RPS Infrastructure Limited and STL Global Limited for development of Company's Land situated at 12/6, Mile stone, Mathura Road, Sarai Khawaja, Faridabad, Haryana as an IT Park.

Mr. Vinit Sikka, Practicing Company Secretary was appointed as scrutinizer to conduct the Postal Ballot Process.

The notice was sent to the members on 06<sup>th</sup> June, 2011 and the last date for receipt of postal ballot forms was 08<sup>th</sup> July 2011. According to the Scrutinizer's report the above Resolutions were passed by a requisite majority of more than



99%. The result of the postal ballot was declared on July 12, 2011 and published on July 14, 2011 in Veer Arjun (Hindi) Delhi edition and Business Line (English) All India editions for the information of the members.

Resolutions required to be passed through postal ballot will be taken up as and when necessary.

#### **Disclosures**

##### **a) Disclosure on Materially significant related party transaction**

There were no material significant related party transactions entered into by the Company with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. Also there were no material individual transactions with related parties which are not on an arm's length basis.

Details of transactions entered with related parties are disclosed in the notes to accounts annexed herewith.

##### **b) Details of Non Compliance by the Company**

STL Global Limited has duly complied with all the requirements of listing agreement with Stock Exchanges, rules & regulations of Securities and Exchange Board of India (SEBI) and other Statutory Bodies on the matters related to Capital Markets during the financial year under review.

Also no penalties or strictures were imposed on the Company by SEBI, Stock Exchanges or any other Statutory Authorities on any matters relating to Capital Markets during the last three years.

##### **c) Code of Conduct**

Board of Directors has already adopted a Code of Corporate Governance & Conduct for Directors and Senior Management of the Company in order to make them aware of the ethics of the code. The said code has been communicated to all the Directors and Members of the Senior Management and has also been posted on Company's website [www.stl-global.com](http://www.stl-global.com). All the directors and executives from senior management of the Company are duly complying with above code of 'corporate governance and conduct'.

##### **d) CEO / CFO Certificate**

The Chairman cum Managing Director and the Chief Financial Officer (CFO) of the Company have already furnished the requisite Certificate to the Board of Directors pursuant to Clause 49-V of the Listing Agreement. The said certificate is also attached herewith and forms part of this director's report.

#### **Means of Communication**

##### **a) Quarterly, Half-yearly and Annual Results**

The quarterly/half yearly/annual un-audited/audited financial results of the Company are announced within 45/60 days (as the case may be) from the end of respective quarter/half-year/year, as stipulated under Clause-41 of the Listing Agreement. The aforesaid financial results are regularly reviewed by the Audit Committee and then taken on record by the Board of Directors in its meeting. The approved results are then communicated to the concerned Stock Exchanges by way of fax/e-mail and hard copy through courier; the Company also sends newspaper cuttings of the published results to stock exchanges regularly;

In accordance with Clause-41 of the Listing Agreement, the Company regularly sends the quarterly/half yearly/annual audited/un-audited financial results to stock exchanges within 15 minutes from the conclusion of the Board Meetings at which they are approved.

The above results are published within 48 hours from the conclusion of board meetings, in which they are approved, in following two newspapers; i.e. (i) Mint (English) all editions and (ii) Veer Arjun (Hindi) Delhi edition. The notice convening above-referred board meetings is also published in the above newspapers regularly.

b) The Company regularly informs the stock exchanges about all price sensitive matters and such other information which in its opinion is material and of importance to the shareholders.

c) In addition to above, the Company's quarterly, half-yearly and yearly Financial Results, quarterly Shareholding Pattern and the Annual Reports are also regularly displayed on the Company's website [www.stl-global.com](http://www.stl-global.com).



- d) As the Company's quarterly / half-yearly / annual financial results are published in newspapers and also posted on Company's website, hence the same are not mailed to the shareholders.

### General Shareholder Information

#### A. 15<sup>th</sup> Annual General Meeting

Date	Time	Venue
September 29th 2012	10:00 A. M.	Conference Room-3, First Floor, India Corporate Centre, J2/B1 Extension, Mohan Cooperative, Mathura Road, New Delhi-110044

#### B. Financial Calendar (April 2012 to March 2013)

(Tentative and subject to change)

Period	Approval of Quarterly results
For the 1 <sup>st</sup> quarter ending on 30.06.2012	: On or before 14 <sup>th</sup> of August, 2012
For the 2 <sup>nd</sup> quarter & half year ending on 30.09.2012	: On or before 14 <sup>th</sup> of November, 2012
For the 3 <sup>rd</sup> quarter ending on 31.12.2012	: On or before 14 <sup>th</sup> of February, 2013
For the 4 <sup>th</sup> quarter & year ending on 31.03.2013	: On or before 30 <sup>th</sup> of May, 2013
Limited Review by the Auditors	: On or before 14 <sup>th</sup> August, 2012 On or before 14 <sup>th</sup> November, 2012 On or before 14 <sup>th</sup> February, 2013 On or before 15 <sup>th</sup> May, 2013

#### C. Listing on Stock Exchanges:

- (a) At Present the Equity Shares of the Company are listed on the following Stock Exchanges:

- 1.) **Bombay Stock Exchange Limited (BSE)**  
Floor-25, P. J. Towers, Dalal Street, Fort Mumbai - 400 001
- 2.) **National Stock Exchange of India Limited (NSE)**  
"Exchange Plaza", Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051

The Listing Fee for the year 2012-2013, has already been paid to the above Stock Exchanges.

- (b) Depositories:

1. **National Securities Depository Limited (NSDL)**  
4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai 400 013
2. **Central Depository Services (India) Limited (CDSL)**  
Phiroze Jeejeebhoy Towers, 17<sup>th</sup> Floor, Dalal Street,  
Mumbai 400 023

The Annual Custodial Fees for the year 2012-2013, has also been paid to the above depositories.

#### D. Stock Code:

1. Bombay Stock Exchange Limited (BSE) : **532730**
2. National Stock Exchange of India Limited (NSE) : **SGL**

#### E. Market Price Data (for the financial year 2011-12)

As the shareholders already aware that, shares of the Company are listed at Bombay Stock Exchange Limited



(BSE) and the National Stock Exchange of India Limited (NSE). The Market Price data showing monthly high and low prices of equity shares of the Company at BSE and NSE for the year 2011-2012 is as follows:

MONTH	Bombay Stock Exchange (BSE) (In Rs. Per share)		National Stock Exchange (NSE) (In Rs. Per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2011	6.37	4.90	6.30	4.75
May, 2011	5.97	3.39	5.90	3.40
June, 2011	5.08	3.49	4.75	3.70
July, 2011	5.75	3.85	5.80	4.00
August, 2011	5.42	3.60	5.35	3.60
September, 2011	4.82	3.76	4.85	3.60
October, 2011	4.13	2.65	4.25	2.85
November, 2011	4.50	3.05	4.40	3.55
December, 2011	3.40	2.90	3.40	2.85
January, 2012	3.69	2.69	3.55	2.75
February, 2012	4.50	3.55	4.55	3.45
March, 2012	4.35	3.37	4.25	3.45

#### F. Registrar and Transfer Agents

M/s Link Intime India Private Limited continues to be the Registrar and Share Transfer Agents (RTA) of the Company for both physical and Demat Shares and the address of their Mumbai & Delhi offices is given below:

##### Link Intime India Private Limited (Mumbai)

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West)  
Mumbai-400078

A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area,  
Phase-II, Near Batra Banquet,  
New Delhi-110028

##### Contact Person

Mr. Vishwas Attvar

Mr. Bharat

#### G. Share Transfer System:

The share transfer requests are received and processed by the Registrar and share Transfer Agents (RTA) and are approved by the Share Transfer Committee of the company, which normally meets at regular intervals depending on the volume of share transfers. The share transfers are executed and share certificates are returned to the shareholders within a period of 30 days from the date of lodgment, provided the documents are complete in all respects.

All the valid share transfer requests received till 11<sup>th</sup> August 2012 have been acted upon.

The Company has been regularly complying with the provisions of Clause 47(c) of the Listing Agreement with stock exchanges, and a Certificate from a Company Secretary-in-Practice for due compliance of the share transfer formalities by the Company is being forwarded to NSE and BSE on half yearly basis with in one month from the end of each half year as per the provisions of said clause.

The Company also sends a 'Reconciliation of Share Capital Audit Report' obtained from a Company Secretary-in-Practice for reconciliation of share capital & dematerialization of the shares of the Company pursuant to regulation



55A of SEBI (Depositories and Participants) Regulations, 1996 to the Stock Exchanges within One month from the end of each quarter.

### Dematerialization of Shares and Liquidity

Shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31<sup>st</sup> March 2012 only 500 equity shares out of total 27452680 equity shares were held in physical form and the remaining 27452180 equity shares were held in dematerialized form.

The Company's shares are regularly traded on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE).

### Distribution of Shareholding as on 31<sup>st</sup> March 2012

Number of Shares Category	Number of Shareholders		Equity Shares held in each category	
	Holders	% of Total	Total Shares	% of Total
1 to 5000	10643	97.62	5236990	19.08
5001 to 10000	125	1.15	940909	3.43
10001 to 20000	65	0.60	950279	3.46
20001 to 30000	22	0.20	552163	2.01
30001 to 40000	9	0.08	319498	1.16
40001 to 50000	6	0.05	285102	1.04
50001 to 100000	14	0.13	1089055	3.97
100001 and above	18	0.17	18078684	65.85
<b>TOTAL</b>	<b>10902</b>	<b>100</b>	<b>27452680</b>	<b>100</b>

### Shareholding Pattern as on 31<sup>st</sup> March 2012

S. NO.	Category	No. of Shares	% of total
1.	<b>Promoters Holding</b>		
	Promoters	17451056	63.57
2.	<b>Institutional Investors</b>		
	Mutual Funds & UTI	0	0.00
	Banks/ FIs /FIIs/ Insurance Co.	390847	1.43
3.	<b>Others</b>		
	Private Corporate Bodies	1011438	3.69
	Indian Public	8011895	29.19
	NRIs/HUF/OCBs & Others	587444	2.12
	<b>TOTAL</b>	<b>27452680</b>	<b>100</b>

### Plant Locations

In accordance with the CDR Package the land and building of Company's plant situated at Plot No. 4, Sector-6, Faridabad, Haryana has been disposed off and now the production activities are running on plant located at Plot No. 207 & 208, Sector-58, Faridabad, Haryana (India).

### Address for Correspondence:

The shareholders may send their Communications, Suggestions, Grievances or Queries to:

Mr. Sumit Garg  
Company Secretary and Compliance Officer

### STL Global Limited

Plot No. 207-208, Sector-58,  
Faridabad, Haryana 121004  
Contact No. 91-129-4275900-30; Fax No. 91-129-4275999  
E-mail [investors@stl-global.com](mailto:investors@stl-global.com), [Sumitgarg@stl-global.com](mailto:Sumitgarg@stl-global.com),



## Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) vide its General Circular No. 18/2011 dated 29<sup>th</sup> April 2011 has clarified that as a measure of "Green Initiative in Corporate Governance" it will be in compliance, if the Annual Report(i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. A recent amendment to the listing agreement with the Stock Exchanges now permits Company to send soft copies of the Annual Report to all those shareholders who have registered email address for the purpose.

However we are not having the E-mail IDs of all the shareholders with us, and accordingly we are proposing to send the physical copy of 15<sup>th</sup> Annual Report to the shareholders whose Email IDs are not available with us. In case the shareholders desire to receive the documents mentioned above in electronic form, they are requested to register their E-mail ID with their Depository Participant (only in case of Demat accountholders) or send an email to [investors@stl-global.com](mailto:investors@stl-global.com) giving details like Name and Folio No. (in case of physical shares) so that the above-referred documents can be sent to them electronically in future.

The board is sure that you appreciate the Green Initiative that has been undertaken by MCA and hope that you will support your Company's desire to participate in it.

## INTER-SE RELATIONSHIP IN DIRECTORS (AS PER AMENDED CLAUSE 49)

(As on 11.08.2012)

The following table contains the details of inter-se-relationships between the directors of the Company, as required to be disclosed in accordance with the provisions of clause-49 of the Listing Agreement:

S. N.	Name	Designation	Inter-Se Relationship
01	Mr. Jai Prakash Aggarwal	Chairman cum Managing Director	Father in law of Mr. Vishal Aggarwal
02	Mr. Vishal Aggarwal	Joint Managing Director	Son in law of Mr. Jai Prakash Aggarwal
03	Mr. Sanjiv Kumar Aggarwal	Whole Time Director	No Relationship
04	Mr. Chandra Prakash Srivastava	Independent Director	No Relationship
05	Mr. Faquir Chand Gupta,	Independent Director	No Relationship
06	Mr. Sri Prakash Sharma	Nominee Director (IFCI)	No Relationship

## NON-MANDATORY REQUIREMENTS

- 1) CHAIRMAN OF THE BOARD**  
The Company is having an Executive Chairman on the board; hence the requirement relating to reimbursement of expenses to non-executive Chairman does not arise.
- 2) REMUNERATION COMMITTEE**  
A Remuneration Committee comprising of two non-executive and independent directors & one Executive Director is already functioning in the Company.
- 3) SHAREHOLDER RIGHTS**  
The financial performance of the Company is well published and also displayed on the Company's website in the form of quarterly/half-yearly/annual financial results. In view of this, individual communication of quarterly/half-yearly/annual financial results is not sent to the shareholders separately.
- 4) AUDIT QUALIFICATIONS**  
The Auditor's Report on annual accounts of the Company for the financial year ended on 31<sup>st</sup> March 2012 does not contain any qualifications or adverse remarks.
- 5) WHISTLE BLOWER POLICY**  
The Company has already established a mechanism for its employees to report to the Audit Committee about any unethical & improper practices or alleged wrongful conduct. The whistle blower policy also provides adequate safeguards against victimization of employees who report under the above mechanism. The adoption of above mechanism by the Company has already been notified and communicated to the employees of all departments and there is no denial of any personnel access to the Audit Committee.



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## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members,

**STL GLOBAL LIMITED**

We have examined the compliance of conditions of Corporate Governance by M/s STL Global Limited, for the year ended on 31<sup>st</sup> March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with 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, and the representations made by the directors and the management, we hereby certify that the Company has complied with the requirements & conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

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 **M. M. GOYAL & COMPANY**

(Chartered Accountants)

SD/-

**M. M. GOYAL**  
(Partner)

Membership No. 86085

Place: New Delhi  
Date: 26<sup>th</sup> May 2012



To

**The Board of Directors**  
STL GLOBAL LIMITED  
New Delhi.

## **CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

We have reviewed the financial statements and the cash flow statements for the year 2011-2012 and to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are to the best of our knowledge and belief, no transactions entered in to by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
4. We accept the responsibility for establishing and maintaining Internal Controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of Internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;
5. We further certify that:
  - (a) There have been no significant changes in internal control during this year;
  - (b) There have been no significant changes in accounting policies during this year and that the same has been disclosed in the notes to the financial statements; and
  - (c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control systems.

**SD/-**  
**J. P. Aggarwal**  
(Chairman cum Managing Director)

Date: 26<sup>th</sup> May 2012

**SD/-**  
**Anil Jodhani Aggarwal**  
(Chief Financial Officer)

Place: Faridabad





# AUDITORS' REPORT

## To the Shareholders of STL GLOBAL LIMITED

We have audited the attached Balance Sheet of **STL GLOBAL LIMITED**, as at 31st March 2012, and also the annexed Profit & Loss Account and the cash flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have 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 accounts as required by law have been kept by the Company so far as appears from our examination of the books;
- (c) The Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with the Books of account;
- (d) In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply with the accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the Directors, as on 31st March 2012, and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on 31st March 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India:
  - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
  - (ii) In the case of the Profit & Loss Account, of the loss for the year ended on that date; and
  - (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

**For M M GOYAL & CO.**  
**Firm Regn. No. 007198N**  
Chartered Accountants

Sd/-

**M.M.GOYAL**

Partner

Membership No. 86085

**New Delhi**  
May 26th 2012



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# STL GLOBAL LIMITED

## ANNEXURE

(Referred to in the main Report of even date)

- (I) (a) The Company has maintained proper record showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets covering significant value have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of its assets. On the basis of the information and explanations given by the management, no material discrepancies have been noticed on such verification.
- (c) The Company's assets i.e Land & Building and Plant & machinery situated at Plot no 4, Sector-6 Faridabad has been disposed off by term lenders during the year, which is substantial part of Company's fixed assets.
- (ii) (a) The Inventories have been physically verified by the management at reasonable intervals during the year.
- (b) To the best of our knowledge and according to information and explanation given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) To the best of our knowledge and according to information and explanation given to us, the company has maintained proper records of inventory. The discrepancies, noticed on the aforesaid verification, between the physical stocks and stocks as per books have been properly dealt with in the books of account.
- iii) (a) To the best of our knowledge and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has taken unsecured loan from Two parties covered in the register maintained under section 301 of the Companies Act, 1956, on call basis. The maximum amount outstanding during the year was Rs. 539.95 Lakhs and the year end balance was Rs. 539.95 lakhs.
- (c) The same loan is interest free. Other terms and conditions on which the loan has been taken are prima facie, not prejudicial to the interest of the company.
- (d) In view of our comments in para iii (b) and (c) above, clause 4 (iii) (g) of the said order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems.
- (v) (a) To the best of our knowledge and belief and according to explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

- (b) Transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public covered by section 58 A and 58 AA of The Companies Act 1956.
- (vii) To the best of our knowledge and according to information and explanation given to us, the company has an adequate internal audit system commensurate with its size and nature of its business.
- (viii) To the best of our knowledge and according to the information given to us, The Central Government has not been prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the company's products.
- (ix) (a) To the best of our knowledge and according to the books and records as produced and examined by us, in accordance with the generally accepted auditing practices in India, the Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, Income tax, sale tax, wealth tax, service tax, excise duty, custom duty, and cess and other statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sale tax, wealth tax, service tax, excise duty, custom duty and cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they become payable.
- (c) As at 31st March, 2012, according to the records of the Company and the information & explanations given to us, the following are the particulars of dues on account of Income Tax, Sale Tax, wealth tax, service tax, custom duty, excise duty and cess matters that have not been deposited on account of any dispute -

Sl. No.	Name of the Statute	Nature of Dues	Amount Rupees	Forum where Dispute is pending
1.	Income Tax Act, 1961	Income Tax	26,72,030	High Court ( Delhi)
2.	Local Area Development Ordinance-2000	Local Area Development Tax	47,99,479	Jt. Excise & Taxation Commissioner, Faridabad
3.	HGST Act	Sale Tax	23,12,722	Jt. Excise & Taxation Commissioner, Faridabad
4.	HVAT Act	Sale Tax	4,10,939	Haryana Sale Tax Appellate Tribunal, Chandigarh

- (x) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. Further the Company has not incurred cash losses during the financial year covered by our audit, however there was cash loss during the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company during the year has not defaulted in repayment of dues to financial institutions and banks except in the case of DBS Bank, which has filed recovery suit against the Company before the Hon'ble Debt Recovery Tribunal (DRT), further the company has not provided interest on such loans as the case is still to be decided by the Hon'ble DRT.
- (xii) The Company during the year has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



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- (xiii) The provisions of any special statute as specified under paragraph (xiii) of the order are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities.
- (xv) According to the information and explanations given to us, in our opinion, the Company has not given any guarantee for loans taken by others from Bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
- (xvi) To the best of our knowledge and according to the information and explanation given to us. And on an overall examination, we are of the opinion that, terms loans availed by the company, have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the company, funds raised on short term basis have not been used for long term investment.
- (xviii) To the best of our knowledge and as per the information and explanations given to us the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) As there are no debentures outstanding at year-end, paragraph (xix) of the order is not applicable.
- (xx) According to The information provided to us, the company has not raised any money by way of public issue during the year. Therefore clause 4(xix) of order is not applicable to the company.
- (xxi) According to the information and explanations given to us, during the year no fraud on or by the company has been noticed or reported.

**For M M GOYAL & CO.**  
**Firm Regn. No 007198N**  
Chartered Accountants

Sd/-  
**M.M.GOYAL**  
**Partner**

Membership No. 86085

**New Delhi**  
May 26th 2012



# STL GLOBAL LIMITED

BALANCE SHEET AS AT 31ST MARCH 2012

(Figure in Rupees)

PARTICULARS	NOTE NO.	AS AT 31-03-2012	AS AT 31-03-2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2.1	27,22,17,975	27,22,17,975
Reserves and surplus	2.2	(18,60,32,742)	13,50,43,403
		<u>8,61,85,233</u>	<u>40,72,61,378</u>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	84,57,99,462	1,27,34,32,757
Deferred tax Liabilities (net)	2.4	-	-
Other long-term liabilities	2.5	14,00,00,000	14,00,00,000
Long-term provisions	2.6	12,44,026	18,46,460
		<u>98,70,43,488</u>	<u>1,41,52,79,217</u>
<b>Current liabilities</b>			
Short-term borrowings	2.7	50,04,99,620	77,37,33,284
Trade payables	2.8	16,85,39,802	29,00,31,292
Other current liabilities	2.9	17,63,87,761	4,23,46,106
Short-term provisions	2.10	3,76,492	4,48,656
		<u>84,58,03,675</u>	<u>1,10,65,59,338</u>
	<b>TOTAL</b>	<b><u>1,91,90,32,397</u></b>	<b><u>2,92,90,99,933</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	2.11	61,44,98,057	84,74,59,922
Intangible assets	2.11	-	-
		<u>61,44,98,057</u>	<u>84,74,59,922</u>
Non-current investments	2.12	1,26,400	1,26,400
Deferred tax assets (net)	2.4	-	21,46,33,257
Long-term loans and advances	2.13	2,70,70,833	1,93,60,972
Other non-current assets	2.14	3,61,860	4,22,170
		<u>2,75,59,093</u>	<u>23,45,42,799</u>
<b>Current assets</b>			
Inventories	2.15	72,26,38,165	89,79,94,192
Trade receivables	2.16	51,80,68,225	89,23,24,264
Cash and cash equivalents	2.17	1,03,44,758	1,97,83,881
Short-term loans and advances	2.18	2,59,24,098	3,69,94,875
		<u>1,27,69,75,247</u>	<u>1,84,70,97,212</u>
	<b>TOTAL</b>	<b><u>1,91,90,32,397</u></b>	<b><u>2,92,90,99,933</u></b>
<b>Significant Accounting Policies and notes on Accounts</b>	<b>1&amp;2</b>		

AUDITOR'S REPORT  
As per our report attached

For and on behalf of the Board of Directors

**FOR M.M.GOYAL & CO.**  
Chartered Accountants  
Firms Regn. No. 007198N

**Sd/-**  
**J.P.AGGARWAL**  
Chairman & Managing Director

**Sd/-**  
**VISHAL AGGARWAL**  
Joint Managing Director

**M.M.GOYAL**  
Partner  
Membership No.86085  
Place : New Delhi  
Date : May 26th 2012

**Sd/-**  
**ANIL JODHANI AGGARWAL**  
Chief Financial Officer

**Sd/-**  
**SUMIT GARG**  
Company Secretary



# STL GLOBAL LIMITED

STATEMENT OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH 2012

(Figure in Rupees)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
Revenue from Sales	2.19	1,09,15,85,021	1,63,44,11,953
Other income	2.20	4,53,63,661	8,24,827
<b>Total revenue</b>		<b>1,13,69,48,682</b>	<b>1,63,52,36,780</b>
<b>Expenses</b>			
Cost of materials consumed	2.21	98,79,07,925	1,46,73,91,344
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.22	(2,64,46,595)	33,32,27,398
Employee benefit expense	2.23	3,71,17,781	4,01,78,856
Finance costs	2.24	21,62,46,400	23,26,72,539
Depreciation	2.11	9,19,85,617	11,76,05,239
Other expenses	2.25	14,35,78,752	19,73,34,738
<b>Total expenses</b>		<b>1,45,03,89,880</b>	<b>2,38,84,10,114</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>(31,34,41,198)</b>	<b>(75,31,73,334)</b>
Exceptional items	2.26.a	(12,97,43,380)	-
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>(44,31,84,578)</b>	<b>(75,31,73,334)</b>
Extraordinary items	2.26.b	37,01,42,558	-
<b>Profit / (Loss) before tax</b>		<b>(7,30,42,020)</b>	<b>(75,31,73,334)</b>
<b>Tax expense:</b>			
Current tax expense for current year		-	-
Deferred tax		21,46,33,257	(22,83,17,184)
<b>Profit / (Loss) for the period</b>		<b>(28,76,75,277)</b>	<b>(52,48,56,150)</b>
<b>Earnings per share (of Rs. 10/- each):</b>			
Basic & diluted		(10.66)	(19.45)
<b>Significant Accounting Policies and notes on Accounts</b>	<b>1&amp;2</b>		

AUDITOR'S REPORT  
As per our report attached

For and on behalf of the Board of Directors

**FOR M.M.GOYAL & CO.**  
Chartered Accountants  
Firms Regn. No. 007198N

Sd/-  
**J.P.AGGARWAL**  
Chairman & Managing Director

Sd/-  
**VISHAL AGGARWAL**  
Joint Managing Director

**M.M.GOYAL**  
Partner  
Membership No.86085  
Place : New Delhi  
Date : May 26th 2012

Sd/-  
**ANIL JODHANI AGGARWAL**  
Chief Financial Officer

Sd/-  
**SUMIT GARG**  
Company Secretary



# STL GLOBAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Figure in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-03-2012	FOR THE YEAR ENDED 31-03-2011
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	(730.42)	(7,531.73)
<i>Adjustments for:</i>		
Depreciation and amortisation	919.86	1,176.05
Amortisation of expenses	0.60	0.60
Transferred from revaluation reserve	(334.01)	-
(Profit) / loss on sale / write off of assets	(3,676.26)	9.90
Finance costs	2,162.46	2,326.73
Interest income	(14.45)	(6.20)
Dividend income	(0.29)	(0.15)
	(942.09)	3,506.93
Operating profit / (loss) before working capital changes	(1,672.51)	(4,024.80)
<i>Changes in working capital:</i>		
Inventories	1,753.56	4,696.39
Trade receivables	3,742.56	71.85
Short-term loans and advances	110.71	(49.25)
Long-term loans and advances	(77.10)	6.92
Trade payables	(1,214.91)	1,142.60
Other current liabilities	1,340.42	(129.10)
Long Term Provisions	(6.02)	-
Short-term provisions	(0.72)	-
	5,648.49	5,739.41
	3,975.98	1,714.61
Net Income Tax (Paid/Refunds)	-	-
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>3,975.98</b>	<b>1,714.61</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(60.03)	(92.60)
Proceeds from sale of fixed assets	5,146.06	62.25
Interest received	14.45	6.20
Dividend received	0.29	0.15
	5,100.77	(24.00)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>5,100.77</b>	<b>(24.00)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings	1,425.84	4,761.98
Repayment of long-term borrowings	(5,702.17)	(924.11)
Net increase / (decrease) in working capital borrowings	(2,732.34)	(3,107.70)
Finance cost	(2,162.46)	(2,326.73)
	(9,171.13)	(1,596.56)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(9,171.13)</b>	<b>(1,596.56)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(94.39)</b>	<b>94.05</b>
Cash and cash equivalents at the beginning of the year	197.84	103.79
<b>Cash and cash equivalents at the end of the year</b>	<b>103.45</b>	<b>197.84</b>

AUDITOR'S REPORT

As per our report attached

**FOR M.M.GOYAL & CO.**  
Chartered Accountants  
Firms Regn. No. 007198N

**M.M.GOYAL**  
Partner  
Membership No.86085  
Place : New Delhi  
Date : May 26th 2012

For and on behalf of the Board of Directors

Sd/-  
**J.P.AGGARWAL**  
Chairman & Managing Director

Sd/-  
**ANIL JODHANI AGGARWAL**  
Chief Financial Officer

Sd/-  
**VISHAL AGGARWAL**  
Joint Managing Director

Sd/-  
**SUMIT GARG**  
Company Secretary



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## **STL GLOBAL LIMITED**

### **Notes forming part of the financial statements**

#### **Company overview**

STL Global Limited having its plant situated at Plot no 207-208 Sector-58 Faridabad , the company deals in business of Manufacturing of knitted fabrics and processing, dyeing and finishing of Knitted Fabrics.

#### **Note 1 Significant accounting policies**

##### **1.1 Basis of accounting and preparation of financial statements**

The Financial statements have been prepared to comply with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company are consistent with those used in the previous year. The financial statements are presented in the general format specified in Revised Schedule VI to the Companies Act, 1956.

##### **1.2 Use of estimates**

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

##### **1.3 Inventories**

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Work-in-progress and finished goods include appropriate proportion of overheads.

##### **1.4 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances.

##### **1.5 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

##### **1.6 Depreciation and amortisation**

Depreciation on fixed assets has been provided on the written down value method (W.D.V) on pro rata basis at the rate and in the manner as prescribed in Schedule XIV to the Companies Act, 1956.

##### **1.7 Revenue recognition**

Sales are recognised, net of returns and trade discounts and exclude sales tax and value added tax.

##### **1.8 Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

##### **1.9 Tangible fixed assets**

Fixed assets are stated at their original cost and net of CENVAT, VAT and Capital subsidy wherever availed less accumulated depreciation. Cost of fixed assets comprises purchase value, duties, levies and freight and any directly attributable cost of bringing the assets to its working condition for the intended use. Capital work in progress is stated at cost and it includes advances given for capital items.

##### **1.10 Foreign currency transactions and translations**

Foreign exchange transactions are accounted at the exchange rates prevailing on the date of the transaction. Realised gains and losses on foreign exchange transactions during the year are recognized in



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the Profit & Loss account. Foreign currency monetary assets and liabilities are translated at year-end rates and resultant gains/losses on foreign exchange transactions are recognised in the Profit & loss account.

#### **1.11 Government grants, subsidies and export incentives**

Government grants and subsidies like capital subsidy on acquiring Capital Assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for on the basis of exports sales affected during the period.

Government grants and subsidies like TUFs are recognised by deducting them from the costs of interest for which they are intended to compensate.

#### **1.12 Investments**

Investment that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investment are carried at cost.

#### **1.13 Employee benefits**

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation made at the end of the each financial year.

Provision for compensated absence are provided for based on the estimates. Long term compensated leave are provided for based on actuarial valuation at the year end.

Actuarial gain/losses are immediately taken to profit and loss account and are not deferred.

The Company's contributions to State plans namely Employee State Insurance Fund and employees Pension Scheme are charged to Profit & Loss Account.

#### **1.14 Borrowing costs**

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

#### **1.15 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

#### **1.16 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.



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### **1.17 Derivative contracts**

In respect of Derivative contracts, Premium paid, gain/losses on settlements are recognized and charged to Profit & Loss account.

### **1.18 Amalgamation Expenditure**

Amalgamation expenses shown under other non-current assets are amortised over a period of ten years.

### **1.19 Contingent Liability**

Contingent liabilities in respect of show cause notices received is considered only when they are converted into demands. Payments in respect of such demands, if any are shown as advances.

Contingent liabilities under various fiscal laws includes those in respect of which the company/ Department is in appeal No Provision is made for a liability which is contingent in nature but if material , the same is disclosed by way of notes.



## Notes forming part of the financial statements

The previous year figures have been regrouped/reclassified, wherever considered necessary to make comparable with the current year figures

### Note 2.1 Share Capital

( Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
<b>Authorised</b>		
4,20,00,000 Equity shares ( Previous year 4,20,00,000 Equity shares) of Rs. 10/ each with voting rights	420,000,000	420,000,000
<b>Issued, Subscribed &amp; Paid-up</b>		
2,69,90,915 Equity shares ( Previous year 2,69,90,915 Equity shares of `Rs.10/ each with voting rights	269,909,150	269,909,150
<b>Subscribed but not fully Paid up</b>		
4,61,765 Equity shares ( Previous year 4,61,765 Equity shares) of `Rs.10/ each with differential voting rights, `Rs. 5/- not paid up	2,308,825	2,308,825
<b>Total</b>	<b>272,217,975</b>	<b>272,217,975</b>

2.1.a) 32,00,000 ( Previous year 32,00,000) Equity shares out of the issued, subscribed & paid up share capital were issued as fully paid -persuant to scheme of Amalgamation in the year 2006-2007

2.1.b) The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31,2012 and March 31, 2011 is set out below

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity shares with voting rights</b>				
Number of Shares at the beginning	26,990,915	269,909,150	26,990,915	269,909,150
Add: Share issued during the year	-	-	-	-
<b>Number of Shares at the end</b>	<b>26,990,915</b>	<b>269,909,150</b>	<b>26,990,915</b>	<b>269,909,150</b>

2.1.c) The details of shareholders holding more than 5% shares :

Name of the Shareholders	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	% held	Number of shares	% held
Sumitra Aggarwal	3391830	12.35%	3391830	12.35%
Sandeep Aggarwal	1733460	6.31%	1733460	6.31%
Jai Prakash Aggarwal	2869050	10.45%	2869050	10.45%
Reckon Industries Limited	1822916	6.64%	1722916	6.28%
Target Fashion Limited	3625821	13.21%	3626000	13.21%



Notes forming part of the financial statements

**Note 2.2 Reserve and surplus**

(Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
<b>Share Premium Account</b>		
Opening Balance	45,37,62,392	45,37,62,392
Add : Premium on shares issued during the year	-	-
Less : Premium utilised during the year	-	-
Closing balance	<b>45,37,62,392</b>	<b>45,37,62,392</b>
<b>Capital Revaluation Reserve</b>		
Opening Balance	24,38,75,500	24,38,75,500
Add: Addition on revaluations during the year	-	-
Less: Release to Profit & Loss Account	3,34,00,867	-
Closing Balance	<b>21,04,74,633</b>	<b>24,38,75,500</b>
<b>General Reserve</b>		
Opening Balance	6,25,62,721	6,25,62,721
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:	-	-
Closing Balance	<b>6,25,62,721</b>	<b>6,25,62,721</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(62,51,57,210)	(10,03,01,060)
Add: Profit / (Loss) for the year	(28,76,75,277)	(52,48,56,150)
Closing balance	<b>(91,28,32,488)</b>	<b>(62,51,57,210)</b>
<b>Total</b>	<b>(18,60,32,742)</b>	<b>13,50,43,403</b>

**Note 2.3 Long Term Borrowings**

(Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
<b>Secured</b>		
<b>Term Loans from Banks</b>		
Term Loans *	( 2,31,24,869)	28,43,00,000
Corporate Loans **	-	9,28,30,352
Working Capital Term Loans ***	54,19,63,695	43,53,48,947
Funded Interest Term Loans ***	17,01,67,526	14,56,98,756
Working Capital Rupees Term Loans ****	9,90,00,000	9,00,00,000
	<b>78,80,06,352</b>	<b>1,04,81,78,055</b>
<b>From Other Parties</b>		
From Financial Institutions	34,13,090	17,20,75,318
<b>Deferred Payment Liabilities</b>		
Vehicle Loans *****	3,85,020	16,84,384
	<b>79,18,04,462</b>	<b>1,22,19,37,757</b>
<b>Unsecured</b>		
Loans & Advances from related parties	5,39,95,000	5,14,95,000
	<b>5,39,95,000</b>	<b>5,14,95,000</b>
<b>Total</b>	<b>84,57,99,462</b>	<b>1,27,34,32,757</b>

## Notes forming part of the financial statements

### 2.3.a Security

\* Secured by a first charge over the Company's immovable and movable properties ( except land situated at 12/6 Mathura Road, Faridabad) including its movable machinery, spare & tools and accessories, present & future, and a first charge on all the remaining assets of the Company, present & future ( save and except book debts in the case of hypothecation) subject to prior charges and/ or to be created in favour of the company's bankers for securing its working capital requirement and further guaranteed by personal guarantee of promoters directors

\*\* Secured by equitable mortgage of land measuring 13370 Sq Yards situated at 12/6 ,Mathura Road Faridabad.

\*\*\* Secured by pari passue first charge on current assets , stock of raw material, semi finished and finished goods, consumable stores & spares, bills receivables & books debts and all other movable, present & future and also a second parri passue charge ranking after the charge to be created in favours of the term lenders on immovable and movable properties both present and future.

\*\*\*\* Secured by Subservient charge on the current assets of the Company.

\*\*\*\*\* Secured by first charge on certain movable assets ( Vehicles)

### 2.3.b Repayment

Year wise repayment schedule are as follows:

Figure in Lakhs

PARTICULARS	2012-2013	2013-2014	2014-2015	2015-2016
<b>Secured</b>				
Working Capital Term Loans	738.22	1,066.84	2,180.49	2,172.31
Funded Interest Term Loan	690.49	1,701.68	-	-
Working Capital Rupees Term Loans	110.00	165.00	412.50	412.50
Vehicle Loans	16.84	3.85	-	-
<b>Un-secured</b>				
Loans and advances from related parties	Payable on Demand			

### 2.3.c Details of long-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2012	As at 31 March, 2011
Term loans from banks	78,80,06,352	1,04,81,78,055
Term loans from other parties	34,13,090	17,20,75,318

### 2.3.d The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Period of default	Amount	Period of Default	Amount
Term loans from banks				
Principal	-	-	-	-
Interest	-	-	-	-

**Notes forming part of the financial statements****Note 2.4 Deferred Tax****(Figure in Rupees)**

<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
<b>Deffered tax assets</b>		
Preliminary Expenditure	23,58,463	23,58,463
Accrued Expenses	3,49,73,135	3,49,73,135
Unabsorbed Business loss & Depreciation	33,70,44,579	33,70,44,579
	<b>37,43,76,177</b>	<b>37,43,76,177</b>
<b>Deffered tax Liabilities</b>		
Fixed Assets	7,68,49,639	7,68,49,639
Others	8,28,93,281	8,28,93,281
	<b>15,97,42,920</b>	<b>15,97,42,920</b>
	<b>21,46,33,257</b>	<b>21,46,33,257</b>
Less: Deferred Tax Reversed as per note below	<b>21,46,33,257</b>	-
<b>Total</b>	<b>-</b>	<b>21,46,33,257</b>

Note : During the current financial year amount of deferred tax assets created in the previous years has been reversed as there is no certainty that there will be sufficient future taxable income to realise such assets.

**Note 2.5 Other long-term liabilities****( Figure in Rupees)**

<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
Security Received against Collaboration Agreement	14,00,00,000	14,00,00,000
<b>Total</b>	<b>14,00,00,000</b>	<b>14,00,00,000</b>

**Note 2.6 Long-term Provisions****( Figure in Rupees)**

<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
Provision for employee benefits		
Leave encashment	3,75,832	5,52,816
Provision for gratuity (unfunded)	8,68,194	12,93,644
<b>Total</b>	<b>12,44,026</b>	<b>18,46,460</b>

**Note 2.7 Short-term borrowings****( Figure in Rupees)**

<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
(a) Loans repayable on demand		
From Banks		
Secured		
Working Capital Loans	50,04,99,620	77,37,33,284
<b>Total</b>	<b>50,04,99,620</b>	<b>77,37,33,284</b>

**2.7.a Security**

Secured by pari passu first charge on current assets , stock of raw material, semi finished and finished goods, consumable stores & spares, bills receivables & books debts and all other movable, present & future and also a second parri passu charge ranking after the charge to be created in favours of the term lenders on immovable and movable properties both present and Future.



## Notes forming part of the financial statements

### 2.7.b Details of short-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2012	As at 31 March, 2011
Loans repayable on demand from banks Working Capital Loans	50,04,99,620	77,37,33,284

### 2.7.c The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Period of default	Amount	Period of Default	Amount
Loans repayable on demand from banks Principal	-	-	-	-
Interest	Jan-12	7,89,096	-	-
Interest	Feb-12	16,78,795	-	-
Interest	Mar-12	72,13,274	-	-

Note : The company has not provided interest on working capital loans from DBS Bank, as they have not implemented the CDR Package (approved by more than 3/4 majority of lenders) and filed recovery suit against the company before the Hon'ble Debt Recovery Tribunal ( DRT) and the case is still pending to be settled.

### Note 2.8 Trade payables

(Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade Payable	16,85,39,802	29,00,31,292
<b>Total</b>	<b>16,85,39,802</b>	<b>29,00,31,292</b>

### Note 2.9 Other current liabilities

(Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Current maturities of long-term debt	15,38,71,429	-
Deffered Payment - Vehicle Loans	16,84,404	29,79,215
Interest accrued but not due on borrowings	-	49,90,819
Interest accrued and due on borrowings	1,71,09,416	1,79,73,929
Accrued Salaries & benefits	26,84,437	27,50,713
Other payables		
(i) Statutory liabilities	6,30,195	6,32,247
(ii) Provision for expenses	1,80,072	2,16,393
(iii) Trade / security deposits received	50,000	75,000
(iv) Advances from customers	1,77,808	1,27,27,790
<b>Total</b>	<b>17,63,87,761</b>	<b>4,23,46,106</b>

### Note 2.10 Short-term provisions

(Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Provision for employee benefits		
Provision for bonus	3,76,492	4,48,656
	<b>3,76,492</b>	<b>4,48,656</b>

# STL GLOBAL LIMITED

## NOTE 2.11 FIXED ASSETS

### Notes forming part of the financial statements

(Figures in Rupees)

ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Balance As At 1 April 2011	Additions/Adjustment during the Year	Sale/Transfer during the Year	Balance As At 31 March 2012	Balance as at 1st April 2011	Deduction during the year	During the year	Balance As At 31 March 2012	Balance As At 31 March 2011
<b>Tangible Assets</b>									
Land ( Free-hold)	10,05,22,562	-	3,70,97,442	6,34,25,120	-	-	-	6,34,25,120	10,05,22,562
Building	19,87,60,548	18,62,025	9,90,72,175	10,15,50,398	6,24,04,695	1,23,63,249	5,58,91,190	8,26,73,644	13,63,55,853
Plant & Equipment	1,33,80,67,468	39,81,681	59,16,93,205	75,03,55,944	74,17,40,507	7,68,53,488	52,95,71,082	46,13,33,031	59,63,26,961
Furniture & Fixture	85,03,956	45,750	57,30,133	28,19,573	59,24,697	2,38,058	44,22,644	17,40,111	25,79,259
Vehicles	2,81,03,211	-	1,50,57,196	1,30,46,015	1,79,35,263	21,07,574	1,17,85,637	82,57,200	1,01,67,948
Office Equipment	38,43,189	25,594	-	38,68,783	30,29,465	1,16,111	-	31,45,576	8,13,724
Computers	1,08,84,848	88,300	62,45,400	47,27,748	1,01,91,233	3,07,137	62,45,400	42,52,970	6,93,615
<b>Intangible Assets</b>									
Total	1,68,86,85,782	60,03,350	75,48,95,551	93,97,93,581	84,12,25,860	9,19,85,617	60,79,15,953	32,52,95,524	84,74,59,922
Previous year	1,70,88,22,395	85,66,845	2,87,03,458	1,68,86,85,782	74,51,09,220	1,76,05,239	2,14,88,599	84,12,25,860	84,74,59,922

### Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Depreciation and amortisation for the year on tangible assets as	91985617	117605239
Depreciation and amortisation for the year on intangible assets as	0	0
Depreciation and amortisation relating to continuing operations	<b>91985617</b>	<b>117605239</b>





**STL GLOBAL LIMITED**  
Notes forming part of the financial statements

**Note 2.12 Non-current investments**

(Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
<b>Quoted</b>	-	-
Investments (At cost):		
9700 Equity shares of Uco Bank at Rs. 12/- each (Previous year 9700 Equity shares) market value Rs 7,63,875 ( Previous year Rs. 10,37,900)	1,16,400	1,16,400
PNB Mutual Funds 997.934 Units at Rs. 10.02/ per unit Market Value Rs 11346 ( Previous year Rs. 12.528)	10,000	10,000
<b>Total Investment</b>	<b>1,26,400</b>	<b>1,26,400</b>

**Note 2.13 Long-term loans and advances**

Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(Unsecured, considered good)		
Capital advances	1,15,97,511	38,87,650
Security deposits	42,06,400	42,06,400
Balances with government authorities		
CENVAT credit receivable	1,12,03,196	1,12,03,196
Excise Duty Balance	6 3,726	63,726
<b>Total</b>	<b>2,70,70,833</b>	<b>1,93,60,972</b>

**Note 2.14 Other non-current assets**

( Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Unamortised expenses		
Amalgamation Expenditure	3,61,860	4,22,170
<b>Total</b>	<b>3,61,860</b>	<b>4,22,170</b>

**Note 2.15 Inventories**

(At lower of cost and net realisable value)

(Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011
<b>(As taken valued &amp; certified by the management)</b>		
Raw Material	13,87,11,001	30,43,29,173
Work-in-progress	18,52,58,150	21,15,41,044
Finished goods	17,22,86,519	11,94,78,330
Stores and spares	18,66,529	30,91,709
Fuel & Oil	10,50,313	5,94,460
Packing Material	8 4,599	89,876
Scrap	2,46,900	3,25,600
Land ( Conversion into Stock in Trade)	22,31,34,154	25,85,44,000
<b>Total</b>	<b>72,26,38,165</b>	<b>89,79,94,192</b>



**STL GLOBAL LIMITED**  
**Notes forming part of the financial statements**

**Note 2.16 Trade receivables**

(Figure in Rupees)

<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	11,07,20,235	33,53,14,290
Doubtful	24,35,67,221	18,54,36,917
	<u>35,42,87,456</u>	<u>52,07,51,207</u>
Less: Provision for doubtful trade receivables	-	-
	35,42,87,456	52,07,51,207
Other Trade receivables		
Unsecured, considered good	16,37,80,769	37,15,73,057
Doubtful	-	-
	<u>16,37,80,769</u>	<u>37,15,73,057</u>
Less: Provision for doubtful trade receivables	-	-
	16,37,80,769	37,15,73,057
<b>Total</b>	<b>51,80,68,225</b>	<b>89,23,24,264</b>

**Note 2.17 Cash and cash equivalents**

(Figure in Rupees)

<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
Cash on hand	18,26,626	9,17,736
Balances with banks		
In Current Account	28,94,756	1,36,35,705
Margin money deposits against Letter of Credit	56,23,376	52,30,440
<b>Total</b>	<b>1,03,44,758</b>	<b>1,97,83,881</b>

**Note 2.18 Short-term loans and advances**

(Figure in Rupees)

<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
(Unsecured, considered good)		
Advance payment to suppliers	11,87,859	32,82,888
Loans and advances to employees	25,57,634	25,30,421
Prepaid expenses	1,94,590	6,22,703
Advance Income Tax	1,92,27,300	2,45,44,515
Balances with government authorities		
VAT credit receivable	27,56,715	50,29,100
Deposit with A.E.P.C	-	9,85,248
<b>Total</b>	<b>2,59,24,098</b>	<b>3,69,94,875</b>



**STL GLOBAL LIMITED**  
Notes forming part of the financial statements

**Note 2.19 Revenue from operations** (Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Sale of products ( see note below)	1,09,15,85,021	1,63,44,11,953
	<b>1,09,15,85,021</b>	<b>1,63,44,11,953</b>

**Note**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Sale of products comprises</b>		
<b>Revenue from Real estate</b>	18,00,00,000	-
<b>Manufactured goods</b>		
Processed, Dyed & Finished Fabric ( Woven Fabric)	-	79,99,62,910
Processed, Dyed & Finished Fabric ( Knitted Fabric)	87,46,15,081	80,43,25,410
Knitting	3,67,88,841	2,78,85,984
Others	1,81,099	22,37,649
<b>Total - Sale of manufactured goods</b>	<b>91,15,85,021</b>	<b>1,63,44,11,953</b>
Traded goods	-	-
<b>Total - Sale of products</b>	<b>1,09,15,85,021</b>	<b>1,63,44,11,953</b>

**Note 2.20 Other income** (Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Interest income	14,45,093	6,19,641
Dividend income from quoted investment	29,100	14,550
Interest reimbursed by Collaborator	4,38,07,468	-
Other Misc Incomes	82,000	1,90,636
<b>Total</b>	<b>4,53,63,661</b>	<b>8,24,827</b>

**Note**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Interest income comprises:</b>		
Interest from banks on Deposits	4,36,595	6,19,641
Interest on income tax refund	10,08,498	-
<b>Total - Interest income</b>	<b>14,45,093</b>	<b>6,19,641</b>



**STL GLOBAL LIMITED**  
Notes forming part of the financial statements

**Note 2.21 Cost of materials consumed**

(Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Cost in respect of Raw Material</b>		
Opening stock	30,43,29,173	43,45,71,186
Add: Purchases	82,02,80,775	1,33,71,49,331
	1,12,46,09,948	1,77,17,20,517
Less: Closing stock	13,87,11,001	30,43,29,173
<b>Cost of material consumed</b>	<b>98,58,98,947</b>	<b>1,46,73,91,344</b>
<b>Cost in respect of Real Estate</b>		
Opening Stock	25,85,44,000	25,85,44,000
Less: release from Capital Revaluation reserve	3,34,00,867	-
Less: Closing Stock	22,31,34,154	25,85,44,000
	<b>20,08,979</b>	-
<b>Total cost of Material consumed</b>	<b>98,79,07,925</b>	<b>1,46,73,91,344</b>
<b>Material consumed comprises:</b>		
Real Estate	20,08,979	-
Dyes & Chemicals	10,40,54,412	13,13,46,533
Fabric	56,49,78,069	94,47,38,635
Yarn	31,57,88,622	39,05,35,557
Other items	10,77,844	7,70,619
<b>Total</b>	<b>98,79,07,925</b>	<b>1,46,73,91,344</b>

**Note 2.22 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<u>Inventories at the end of the year:</u>		
Finished goods	17,22,86,519	11,94,78,330
Work-in-progress	18,52,58,150	21,15,41,044
Scrap	2,46,900	3,25,600
	35,77,91,569	33,13,44,974
<u>Inventories at the beginning of the year:</u>		
Finished goods	11,94,78,330	31,79,99,298
Work-in-progress	21,15,41,044	34,63,25,422
Scrap	3,25,600	2,47,652
	33,13,44,974	66,45,72,372
<b>Net (increase) / decrease</b>	<b>(2,64,46,595)</b>	<b>33,32,27,398</b>



**STL GLOBAL LIMITED**  
Notes forming part of the financial statements

**Note 2.23 Employee benefits expense**

(Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Salaries and wages including bonus	3,47,13,836	3,70,80,239
Contributions to provident and other funds	14,67,926	19,21,149
Staff welfare expenses	9,36,019	11,77,468
<b>Total</b>	<b>3,71,17,781</b>	<b>4,01,78,856</b>

**Note 2.24 Finance costs**

(Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 31 March, 2011
Interest expense on:		
Borrowings	21,11,88,092	16,13,96,858
Other borrowing costs and bank charges	50,58,308	1,08,74,266
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	6,04,01,415
<b>Total</b>	<b>21,62,46,400</b>	<b>23,26,72,539</b>

**Note 2.25 Other expenses**

(Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 31 March, 2011
Consumption of stores and spare parts	68,43,012	1,23,54,609
Consumption of packing materials	46,44,370	48,27,047
Job work Charges	1,16,99,056	1,89,04,321
Power and fuel	9,25,39,617	12,79,62,750
Repairs and maintenance - Buildings	4,75,086	2,84,646
Repairs and maintenance - Machinery	69,75,684	1,18,56,474
Repairs and maintenance - Others	9,44,305	9,37,847
Insurance	5,13,926	8,28,881
Rates and taxes	37,63,105	8,47,629
Postage, Telegram & Telephone	11,07,116	11,89,576
Travelling and conveyance	11,64,445	22,23,934
Advertisement & publicity	2,53,604	1,93,158
Fees & subscription	2,49,350	2,77,099
Printing and stationery	9,01,182	9,48,311
Freight and forwarding	28,94,813	63,49,275
Sales commission	82,046	-
Sales promotions	2,05,055	3,17,429
Donations and contributions	26,100	12,100
Legal and professional	42,05,040	40,44,876
Vehicle Running & maintenance	13,51,015	16,43,437
Payments to auditors (Refer Note (i))	1,37,875	1,37,875
Amortisation of share issue expenses and discount on Shares	6,0,310	60,310
Loss on fixed assets sold / scrapped / written off	25,16,172	9,90,159
Miscellaneous expenses	26,468	1,42,995
<b>Total</b>	<b>14,35,78,752</b>	<b>19,73,34,738</b>



**STL GLOBAL LIMITED**  
**Notes forming part of the financial statements**

**Notes:** (Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i) Payments to the auditors comprises (inclusive of service tax		
As auditors - statutory audit	99,270	99,270
For taxation matters	38,605	38,605
For management services	-	-
<b>Total</b>	<b>1,37,875</b>	<b>1,37,875</b>

**Note 2.26.a Exceptional items** (Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Sundry Debtors Written off *	12,97,43,380	-
<b>Total</b>	<b>12,97,43,380</b>	<b>-</b>

\* Sundry Debtors written off due to closure of Units

**Note 2.26.b Extraordinary items** (Figure in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Profit on sale of Land *	37,01,42,558	-
<b>Total</b>	<b>37,01,42,558</b>	<b>-</b>

\* Profit from Sale of Land located at Plot No 4 Sector-6 Faridabad.

**Note 2.27 Contingent liabilities and commitments (to the extent not provided for)**

(Figure in Lakhs)

Particulars	As at 31 March, 2012	As at 31 March, 2011
<b><u>Contingent liabilities</u></b>		
Letter of Credit ( Net of Margin of Rs. 47.71 Lakhs previous year Rs. 44.72 Lakhs )	351.07	353.92
Disputed Liability towards Income Tax	39.33	39.33
Disputed Liability towards Sale Tax	27.23	27.23
Disputed Liability towards Local Area Development Tax	47.99	47.99
Disputed Liability towards A.E.P.C	-	9.85
Bank Gurantee towards HSPCB	3.00	-
Surity given to Sale Tax Deptt for third party	1	1
<b><u>Commitments</u></b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	120.00	42.00



**STL GLOBAL LIMITED**  
Notes forming part of the financial statements

**Note 2.28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ( Figure in Rupees)**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	15,20,490	18,90,712
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

Note : Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**Note 2.29 Related party transactions**

**A. List of Related Parties :**

**Key Managerial Personnel**

J.P.Aggarwal  
Vishal Aggarwal  
S.K.Aggarwal

**Relative of Key Managerial Personnel**

Vikas Aggarwal  
Sumitra Aggarwal

**Enterprises over which Key management personnel or relative having influence**

Reckon Industries Ltd.  
Ruchi India Limited  
Shyam Tex Exports Limited  
Target Fashion Limited

**B. Related Party Transactions :**

(Figure in Lakhs)

Particulars	Year	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key management personnel or relative having influence
Trade Receivable	2011-12	-	-	55.42
	2010-11	-	-	104.93
Loans & advances from	2011-12	476.95	-	63.00
	2010-11	451.95	-	63.00
Remuneration Payable	2011-12	1.42	-	-
	2010-11	1.35	-	-
Loans Given/ Repayment	2011-12	-	-	-
	2010-11	-	65.00	-
Loans Taken from	2011-12	25.00	-	-
	2010-11	65.00	-	-
Revenue from Sales	2011-12	-	-	541.55
	2010-11	-	-	556.77
Director Remuneration paid	2011-12	19.20	-	-
	2010-11	19.20	-	-



**STL GLOBAL LIMITED**  
Notes forming part of the financial statements

**Note 2.30 Earning Per Share**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Weighted Average Number of Equity Shares	2,69,90,915	2,69,90,915
Net Profit as per Profit & Loss Account	(28,76,75,277)	(52,48,56,150)
Basic & Diluted Earning per Share Rs.	(10.66)	(19.45)
Face Value per Equity Share Rs.	10.00	10.00

**Note 2.31 Employee Benefits**

In accordance with Accounting standard 15 "Employee Benefits", the Company has classified various benefits provided to the employee are as follows: **(Figure in Lakhs)**

Particulars	For the year ended 31 March, 2012	For the year ended 31 31 March, 2011
<b>Defined Contribution Plans</b>		
Employer's Contribution to Provident Fund	11.28	12.29
Employer's Contribution to Employees's State Insurance	7.66	7.80
	<b>18.94</b>	<b>20.09</b>

**Note 2.32 Segment Reporting**

**a) Primary Segment**

Based on the guidelines on Segment Reporting (AS-17) issued by the ICAI. The Company's primary business segment is Textile, during the current financial year The Company have revenue from Real Estate also. **( Figure in Rupees)**

Particulars	For the year ended 31 March, 2012			For the year ended 31 March, 2011
	Textile	Real Estate	Total	
Revenue from operations	91,15,85,021	18,00,00,000	1,09,15,85,021	1,63,44,11,953
Cost of Material consumed	98,58,98,946	20,08,979	98,79,07,925	<b>1,46,73,91,344</b>
Segmental Operation Income	<b>(7,43,13,925)</b>	<b>17,79,91,021</b>	<b>10,36,77,096</b>	<b>16,70,20,609</b>
Unallocable Expenses			46,24,81,955	<b>92,10,18,770</b>
Other Income			4,53,63,661	<b>8,24,827</b>
Profit before Tax & exceptional & Extraordinary expenses			<b>(31,34,41,198)</b>	<b>(75,31,73,334)</b>
Exceptional items			(12,97,43,380)	-
Extra-ordinary items			37,01,42,558	-
<b>Profit before Tax</b>			<b>(7,30,42,020)</b>	<b>(75,31,73,334)</b>
Tax Expenses			21,46,33,257	(22,83,17,184)
<b>Profit after Tax</b>			<b>(28,76,75,277)</b>	<b>(52,48,56,150)</b>

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities are made.

**b) Secondary Segment Reporting ( By Geographical Segments) :**

The distribution of Company's consolidated sales is within India, accordingly no disclosure relating to Geographical Segment are made.





**STL GLOBAL LIMITED**  
**Notes forming part of the financial statements**

**Note 2.33 Additional Informations**

( Figure in Rupees)

Particulars	As at 31 March, 2012	As at 31 March, 2011		
a) Value of Imports calculated on C.I.F Basis by Company in respect of:- Store & spares	13,35,659	7,50,810		
Capital Items	6,40,091	-		
b) Expenditure in foreign Currency: Travelling- Foreign	-	6,35,606		
Licence Fees	2,49,350	-		
c) The amount remitted during the year in foreign currencies on account of dividends	-	-		
d) Earning in foreign currency	-	-		
e )Value of imported/ Indigenous Raw material and Store & Spares consumed,				
Particulars	Year Ended 31st March 2012		Year Ended 31st March 2011	
	Percentage	Value Rs.	Percentage	Value Rs.
<b>Raw Material</b>				
Imported	-	-	-	-
Indigenous	100.00%	98,79,07,925	100.00%	1,46,73,91,344
	<b>100.00%</b>	<b>98,79,07,925</b>	<b>100.00%</b>	<b>1,46,73,91,344</b>
<b>Store &amp; Spares</b>				
Imported	19.52%	13,35,659	6.08%	7,50,810
Indigenous	80.48%	55,07,353	93.92%	1,16,03,799
	<b>100.00%</b>	<b>68,43,012</b>	<b>100.00%</b>	<b>1,23,54,609</b>

As per our Audit Report attached

**For M.M.Goyal & Co.**  
**Chartered Accountants**

Firm's Registration Number : 007198N

**Sd/-**  
**M.M.Goyal**

Partner  
Membership No. 86085

**For and on behalf of the Board of Directors**

**Sd/-**  
**J.P.Aggarwal**  
Chairman & Managing Director

**Sd/-**  
**Vishal Aggarwal**  
Joint Managing Director

**Sd/-**  
**Anil Jodhani Aggarwal**  
Chief Financial Officer

**Sd/-**  
**Sumit Garg**  
Company Secretary

Place : New Delhi  
Date : May 26, 2012



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# STL GLOBAL LIMITED

Unit No. 111, Block No. -1, 1<sup>st</sup> Floor, Tribhuvan Complex, Ishwar Nagar, New Delhi - 110 065

DP Id No.		Folio No.	
Client Id No.		No. of Shares	

## ATTENDANCE SLIP

I/We hereby record my presence at the Fifteenth Annual General Meeting of the Company held on Saturday the 29<sup>th</sup> day of September 2012 at Conference Room-3, First Floor, India Corporate Centre, J2/B1 Extension, Mohan Cooperative, Mathura Road, New Delhi-110044, at 10:00 A.M.

NAME/S OF THE SHAREHOLDER (IN BLOCK LETTERS)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER/PROXY	

### Notes:

1. Member/s intending to appoint a Proxy, should complete the Proxy form below and deposit it at the registered office of the Company not later than 48 hours before the time of Commencement of the meeting.
2. A Proxy need not be a member.
3. A Proxy cannot speak at the meeting or vote on a show of hands.



(Tear Here)



# STL GLOBAL LIMITED

Unit No. 111, Block No. -1, 1<sup>st</sup> Floor, Tribhuvan Complex, Ishwar Nagar, New Delhi - 110 065

DP Id No.		Folio No.	
Client Id No.		No. of Shares	

## PROXY

I / We ..... of ..... in the district of ..... being a member/members of STL GLOBAL LIMITED hereby appoint ..... of ..... or failing him..... of ..... in the district of ..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company, to be held on Saturday the 29<sup>th</sup> day of September 2012 at 10.00 a.m. at Conference Room-3, First Floor, India Corporate Centre, J2/B1 Extension, Mohan Cooperative, Mathura Road, New Delhi-110044, at 10:00 A.M. and at any adjournment thereof.

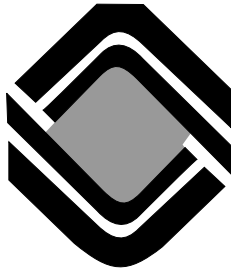
Signed this ..... day of ..... 2012.

(Signature/s of the Shareholder's)

**Note:** The Proxy must be deposited at the Registered Office of the Company at Unit No. 111, Block No. - 1, 1<sup>st</sup> Floor, Tribhuvan Complex, Ishwar Nagar, New Delhi - 110065 not less than 48 hours before the time appointed for holding of the annual general meeting.

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# **STL Global Limited**

**Registered Office**

Unit No. 111, Block No. 1,  
1st Floor, Tribhuwan Complex,  
Ishwar Nagar, New Delhi - 65

**Corporate Office**

Plot No. 207-208, Sector-58,  
Faridabad-121 004  
Haryana, India