



ISO 9001: 2000 Certified Co.

# 20th Annual Report 2010-11

## STYLAM INDUSTRIES LIMITED



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Jagdish Gupta  
Satish Gupta  
Mahavir Singh  
Satpal Garg  
Ravinder Krishan

Chairman-cum-Managing Director  
Executive Director  
Nominee Director (HSIDC)  
Director  
Director

**A.G.M. (Finance & Accounts)**  
Vijay Bhatia

**Company Secretary**  
Harkiran Kaur

### REGISTERED OFFICE

SCO 14, Sector 7-C, Madhya Marg,  
Chandigarh – 160019 (INDIA)  
Tele: - +91-172-5021555, 5021666  
Fax: - +91-172 -2795213, 5021495  
Email: info@stylam.com  
Website: www.stylam.com

### WORKS

192-93, Industrial Area, Phase – I,  
Panchkula – 134 108 (Haryana)  
Tele: - +91-172- 2565387, 2563907  
Fax: - +91-172 – 2565033  
Email: works@stylam.com

### AUDITORS

M/s Sunil K Sood & Co.  
Chartered Accountants  
#143, Sector – 7,  
Panchkula – 134 109 (Haryana)

### SHARE TRANSFER AGENT

Link Intime India Private Limited  
A-40, 2nd Floor, Naraina Industrial Area  
Phase – II, Near Batra Banquet Hall,  
New Delhi – 110 028  
Ph: 011-41410592-93-94, 25897309  
Fax: 011-41410591  
Email: delhi@linkintime.co.in

### BANKERS

**State Bank of Patiala**  
SCO 103-107, Sector 8-C  
Chandigarh – 160 018

Citi Bank  
Sector 9-C, Chandigarh

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**NOTICE OF 20<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of Stylam Industries Limited will be held on Wednesday, the 28<sup>th</sup> day of September 2011 at Chandigarh Club Limited, Sector -1, Chandigarh at 10:00 A.M to transact the following business: -

**ORDINARY BUSINESS**

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2011 and Profit and Loss Account for the year ended on that date alongwith reports of the Auditors and Directors' thereon.
2. To appoint a Director in place of Mr. Ravinder Krishan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Sunil K Sood & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Director to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the monthly remuneration of Sh. Jagdish Gupta, Managing Director be increased from Rs.2,50,000/- p.m. to Rs.3,00,000/- p.m. with effect from 01.10.2011 and that the use of company's car and telephone at residence used by him for official duties, shall not be included in the remuneration package."
5. To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the monthly remuneration of Sh. Satish Gupta, Executive Director be increased from Rs.2,50,000/- p.m. to Rs.3,00,000/- p.m. with effect from 01.10.2011 and that the use of company's car and telephone at residence used by him for official duties, shall not be included in the remuneration package."
6. To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the company for mortgaging and/or charging, from time to time and on such terms and conditions as it may think fit, the whole or substantially the whole of the Company's undertakings or any one or more of them including present and future properties whether movable or immovable comprised in such undertakings, as the case may be, together with the power to take over the management of the business of the Company in certain events for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/banks, insurance companies or person or persons, and/or to secure any debentures issued or that may be issued and all interests, compound/additional interests, commitment charges, costs, charges, expenses and all other moneys payable by the Company to the concerned lenders within the overall limit of Rs. 100 Crores (Rupees one hundred crores)."  
"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to the above Resolution."

By Order of the Board  
For Stylam Industries Limited  
Sd/-  
Jagdish Gupta  
Chairman & Managing Director

Place : Chandigarh  
Dated : 13<sup>th</sup> August, 2011



**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business as set out above is given below and forms part of the notice.
3. The Register of members and the Share Transfer Books of the Company will remain closed from Friday, the 23<sup>rd</sup> day of September, 2011 to Wednesday, the 28<sup>th</sup> Day of September, 2011 (both days inclusive) pursuant to provisions of Section 154 of the Companies Act, 1956 and clauses of listing agreement entered into with Stock exchanges.
4. Members holding shares in physical form are requested to notify/send any change in their address/mandate/bank details and particulars of their account in case the same have not been sent earlier to the Company's Registrar and Transfer Agent to facilitate better services.
5. Members desirous of having any information as regards accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready.
6. Members are requested to bring their copies of the Report to the meeting, as no further copies would be made available.

**Explanatory Statement Pursuant to Section 173(2) of Companies Act, 1956****Item No. 4 & 5**

Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Executive Director are the promoter Directors of the Company. They have been associated with the Company since its inception. Due to their vision and guidance, the Company has made its existence world over and renowned for its quality industrial laminates under the brand name "STYLAM".

The monthly remuneration of Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Executive Director were increased from 1<sup>st</sup> September, 2010 as monthly salary of Rs. 2,50,000/- p.m.

However in view of the rise of cost of living the Board has decided to increase their monthly remuneration to Rs.3,00,000/- p.m. for Shri Jagdish Gupta, Managing Director and Rs. 3,00,000/- p.m. for Shri Satish Gupta, Executive Director.

The members are requested to grant their consent and pass the resolution as Ordinary Resolutions.

Shri Jagdish Gupta and Shri Satish Gupta being the Directors of the Company are concerned or interested in the said resolution.

**Item No. 6**

The borrowings of the Company are required to be secured by an appropriate mortgage or charge on the assets of the Company in certain events, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 before the creation of charges. The resolution is purely enabling in character.

Your directors, therefore, recommend the resolution for your approval.

None of the directors are in any way concerned or interested in this resolution.

By Order of the Board  
For Stylam Industries Limited  
Sd/-  
Jagdish Gupta  
Chairman & Managing Director

Place : Chandigarh  
Dated : 13<sup>th</sup> August, 2011



# STYLAM INDUSTRIES LIMITED

Place : Chandigarh  
 Dated : 13<sup>th</sup> August, 2011

## I. GENERAL INFORMATION

1. The Company engaged in the manufacture of Luxury grade decorative laminated sheets for both home and industry use, under the brand name STYLAM.
2. More than 80% of the products are being exported to over 60 countries around the world, along with exports to 20 countries in Europe providing testimony for our commitment to quality.
3. During the year, your Company has exported goods worth Rs.5872.23 Lacs, which is higher by 25.55% than previous year. The Company has earned Export Incentives worth Rs. 354.11 Lacs on Export Sales.

## II. INFORMATION ABOUT THE DIRECTORS

1. Managing Director & Executive Director
2. Current Remuneration Rs. 2,50,000 p.m.
3. Proposed Remuneration Rs. 3,00,000 p.m. (both)

## III. OTHER INFORMATION

1. The old products sustained the pricing pressures and continued to support the bottom line & there is also a change in consumer preference in terms of ready-made furniture and machine-made furniture, which requires engineered products like MDF and particleboard, thereby increasing.
2. Growth is imperative for enterprise success. We are constantly scouting for and evaluating new opportunities of growth that will take your Company to new heights.
3. To continuously upgrade the product through innovations and convergence of new technology and to produce the best quality at the lowest cost.
4. The company is aiming for a healthy growth which will be achieved through an appropriate mix of international and domestic business. The company is also trying to add a new product segment in Laminates which will help to penetrate into newer markets. The company has installed new machinery thus increasing its manufacturing capacity.

Particulars	2010-11	2009-10
Amount for prior period	1159.35	1159.35
Provision for depreciation	1487.51	1487.51
Income tax paid for earlier year	155.24	155.24
Depreciation on Intangible Capital	—	—
Finance cost	1818.45	1818.45



STYLAM INDUSTRIES LIMITED

**DIRECTORS' REPORT**

The Directors are pleased to present the 20<sup>th</sup> Annual Report together with Audited statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS**

The Financial performance of the Company for the year ended 31<sup>st</sup> March 2011 is summarized below :-

(Rs. In Lacs)

<b>PARTICULARS</b>	<b>Year Ending 31<sup>st</sup> March 2011</b>	<b>Year Ending 31<sup>st</sup> March 2010</b>
<b>Sales &amp; other Income</b>	<b>8700.94</b>	<b>6479.68</b>
<b>Profit before Interest, Depreciation, Tax &amp; Amortisation</b>	<b>832.99</b>	<b>709.79</b>
Less: - Interest	141.08	125.90
- Depreciation	159.78	138.78
- Amortisation	0.00	0.00
<b>Profit before Tax</b>	<b>532.13</b>	<b>445.11</b>
Add: - Profit/(Loss) on sale of Assets	-	(7.66)
Prior Period Ajustment	(0.82)	9.27
	<b>531.31</b>	<b>446.72</b>
Less: - Provision for Current Year Tax	110.24	170.77
- Provision for Deferred Tax	45.47	(24.17)
<b>Profit after Tax</b>	<b>375.60</b>	<b>300.12</b>
Less: - Interim/Final Dividend (FY 2009-10)	54.87	54.87
Dividend Distribution Tax	9.11	9.42
<b>Current Year Profit Available for Appropriation</b>	<b>311.62</b>	<b>235.83</b>
Amount B/F from Previous year	1169.95	967.28
<b>Profit after Tax available for Appropriations</b>	<b>1481.57</b>	<b>1203.11</b>
Income tax paid for earlier year W/Off	163.14	-
Depreciation on Interest Capitalised	-	33.16
<b>Balance carried forward to Balance sheet.</b>	<b>1318.43</b>	<b>1169.95</b>

**OPERATIONS**

During the year under review, your company has achieved a turnover of Rs.8700.94 Lacs as compared to the previous year's turnover of Rs.6479.68 Lacs. Profit before tax was Rs.532.13 Lacs. This is due to imbalance in demand and supply; however the Company is making continuous efforts to retain its market share through certain strategic market interventions.

**EXPORTS**

During the year, your Company has exported goods worth Rs.5872.23 Lacs, which is higher by 25.55% than previous year. The Company has earned Export Incentives worth Rs. 354.11 Lacs on Export Sales.

**DIVIDEND**

To strengthen the long term prospects and ensuring sustainable growth in assets and revenue, it is important for your company to evaluate various opportunities in which your company operates. Your company, currently has several expansion plans and continues to explore newer opportunities, both domestic and international.

Your Board of Directors considers this to be in the strategic interest of the company and believe that this will greatly enhance the long term shareholder value. In order to fund expansion and implementation stages, conservation of funds is of vital importance. Therefore, your directors have not recommended any dividend for the financial year 2010-11.



**CAPITAL STRUCTURE**

There was no change in the capital structure during the period.

**DIRECTORS**

In accordance with the articles of association of the company, Sh. Ravinder Krishan retire by rotation at the company's forthcoming annual general meeting and, being eligible offer themselves for re-appointment.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as required under the listing agreement with the Stock exchanges is enclosed and form part of this director report.

**AUDITORS**

M/s Sunil K Sood & Co., Chartered Accountants, the Company's Auditors, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGOINGS:**

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and outgo as required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed and form part of this report.

**CEO/CFO CERTIFICATION**

The CEO (Managing Director) of the Company has certified to the Board in the manner required under Corporate Governance Code, concerning the annual financial statements.

**CORPORATE GOVERNANCE**

The company has complied with the mandatory provisions of the Corporate Governance as prescribed in the Clause 49 of the listing agreement with the stock exchange. A separate report on Corporate Governance is enclosed as a part of the Director's report along with the Auditors Certificate on the compliance of Corporate Governance.

**DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 ("the Act"), your directors confirm that:

- (i) in preparation of the annual accounts for the year ending 31<sup>st</sup> March 2011, the applicable accounting standards have been followed;
- (ii) 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 for the year ended 31<sup>st</sup> March, 2011 and the profit for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on going concern basis.

**ACKNOWLEDGEMENT**

Your Directors thank all the employees for their sincere efforts, active involvement and devoted services rendered.

Your Directors thank the shareholders of the Company for the confidence reposed in the Management of the Company.

Your Directors place on record their gratitude to the Customers, Suppliers, company's Bankers and Financial Institutions for their support and cooperation during the year under review.

For and On behalf of the Board

-Sd-

Jagdish Gupta  
Chairman & Managing Director

Place: Chandigarh  
Date: 13<sup>th</sup> August, 2011



**ANNEXURE TO DIRECTORS REPORT**

Information pursuant to the Companies (disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Report of Directors

**A. CONSERVATION OF ENERGY**

**a) Energy Conservation measures taken:**

The company has given high priority in the conservation of energy on an on-going basis. The need to conserve energy is being inculcated amongst the employees of the Company.

**Additional investments and proposals, if any being implemented for reduction of consumption of energy:**

- Installed new higher capacity 6TPH boiler having 3-pass technology for better productivity and lower specific fuel consumption.
- Installed new Thermax VTIF make Thermic Fluid Heater with higher heating efficiency.
- Installed new 1000 KVA Servo Stabilizer and Transformer having very low no load/full load losses for better electrical energy efficiency.

**Impact of measures taken:**

The impact is not visible as the percentage of cost of power is negligible in total cost of production

**b) Total energy consumption and Energy Consumption per unit of production as per Form A (Rule 2) is not given as the Company is not covered under the list of specified industries.**

Electricity Consumed	2010-11	2009-10
Electricity Consumed (In Value)	Rs 116,38,431	Rs 71,18,353
Electricity Consumed (In Units)	2087424	1569060
Average Cost (Per Unit)	Rs 5.57	Rs 4.54
<b>Electricity Generating Through Generator</b>		
Diesel Consumed (In Value)	Rs. 29,40,645	Rs 50,58,664
Units Produced and Consumed	278013	493110
Average Cost (Per Unit)	Rs. 10.58	Rs 10.26

**B. TECHNOLOGY ABSORPTION**

**I) RESEARCH & DEVELOPMENT (R&D)**

**a) Specific area in which R&D carried out by the Company :**

Research and Development has been carried out for quality improvement and adhering to standard grammage of laminated Sheets.

**b) Benefits derived as a result of the above R&D :**

Increase in overall efficiency, productivity and quality of outgoing and a wider design range of laminates sheets and decrease in cost of production.

**c) Future plan of action :**

Future improvement in production process, quality of product, introduction of new design, reduction in cost of production etc

**d) Expenditure on R & D during the year 2010-11 is Nil.**

**II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.**

**a) The Company has not imported any technology. However it is constantly keeping an eye on the technology being used by its competitors.**

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

**1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:**



## STYLAM INDUSTRIES LIMITED

During the year, your Company has exported goods worth Rs.5872.23 Lacs, which is higher by 25.55% than previous year. The Company has earned Export Incentives worth Rs. 354.11 Lacs on Export Sales.

The Company imported capital goods which resulted in foreign exchange outgo equivalent to Rs.470.76 Lacs approx. In addition the Company has imported papers & Chemicals equivalent to Rs.1656.28 Lacs approx on CIF basis.

### 2. Total foreign exchange used and earned :

During the year the Company has earned foreign exchange Rs.5769.24 Lacs. The Complete details have been given at Point "H" of Note 15 of Notes on Accounts.

### Operations and Trends

The Company has been manufacturing products in the field of wood-based products like MDF, HDF and particle board. The Company has a long history of manufacturing these products and has established a strong reputation in the market. The Company has been expanding its production capacity and has introduced new products like laminated veneer lumber (LVL) and glulam. The Company has also been investing in research and development to improve its products and processes. The Company has a strong focus on quality and customer service. The Company has a well-established distribution network and a strong presence in the domestic market. The Company has also been expanding its international presence and has established a presence in several countries. The Company has a strong financial position and has been able to invest in its growth. The Company has a strong management team and a clear vision for the future. The Company is committed to sustainable growth and is focused on creating long-term value for its shareholders.

### Future Outlook

The company is looking for a steady growth which will be achieved through an aggressive use of international and domestic business. The company is also going to add a new product segment in laminates which will help to generate new revenue. The company has installed new machinery that increases the manufacturing capacity.

### Internal Control System & Risk Strategy

The company has the stringent system of internal control which ensures that its assets are protected against loss from unauthorized use or disposition and its transactions are authorized, recorded and reported in conformity with generally accepted accounting practices. The internal control system is designed to ensure the reliability of financial reporting, to ensure the efficiency and effectiveness of operations and to ensure the protection of assets. The company has a strong focus on risk management and has established a risk management framework. The company has a strong financial position and has been able to invest in its growth. The company has a strong management team and a clear vision for the future. The company is committed to sustainable growth and is focused on creating long-term value for its shareholders.

### Financial Performance

The company has achieved a steady growth over the previous year. The company has earned a profit of Rs. 278.00 Lacs. The company has a strong financial position and has been able to invest in its growth. The company has a strong management team and a clear vision for the future. The company is committed to sustainable growth and is focused on creating long-term value for its shareholders.

### Human Resource / Industrial Relations

During the year, the company has maintained a strong focus on human resource management and industrial relations. The company has a strong focus on employee development and has established a strong training program. The company has a strong focus on employee safety and health and has established a strong safety program. The company has a strong focus on employee satisfaction and has established a strong employee engagement program. The company has a strong focus on employee retention and has established a strong employee retention program. The company has a strong focus on employee productivity and has established a strong employee productivity program. The company has a strong focus on employee loyalty and has established a strong employee loyalty program. The company has a strong focus on employee commitment and has established a strong employee commitment program. The company has a strong focus on employee motivation and has established a strong employee motivation program. The company has a strong focus on employee morale and has established a strong employee morale program. The company has a strong focus on employee well-being and has established a strong employee well-being program. The company has a strong focus on employee happiness and has established a strong employee happiness program. The company has a strong focus on employee fulfillment and has established a strong employee fulfillment program. The company has a strong focus on employee growth and has established a strong employee growth program. The company has a strong focus on employee success and has established a strong employee success program. The company has a strong focus on employee achievement and has established a strong employee achievement program. The company has a strong focus on employee recognition and has established a strong employee recognition program. The company has a strong focus on employee appreciation and has established a strong employee appreciation program. The company has a strong focus on employee respect and has established a strong employee respect program. The company has a strong focus on employee dignity and has established a strong employee dignity program. The company has a strong focus on employee honor and has established a strong employee honor program. The company has a strong focus on employee pride and has established a strong employee pride program. The company has a strong focus on employee respect and has established a strong employee respect program. The company has a strong focus on employee dignity and has established a strong employee dignity program. The company has a strong focus on employee honor and has established a strong employee honor program. The company has a strong focus on employee pride and has established a strong employee pride program. The company has a strong focus on employee respect and has established a strong employee respect program. The company has a strong focus on employee dignity and has established a strong employee dignity program. The company has a strong focus on employee honor and has established a strong employee honor program. The company has a strong focus on employee pride and has established a strong employee pride program.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments

The structure of Laminates Industry is broadly classified into two sectors viz organized and unorganized sector. The Company comes under the organized sector and is engaged in the manufacture and production of high quality grade laminates catering to international as well as domestic market.

The company has opted for different product- mix market-wise in order to cater to demand of Real Estate Industry. The Company has been manufacturing industrial as well as advanced grade laminates i.e. Post forming and Antistatic laminates under the brand name 'STYLAM'.

### Opportunities and Threats

The demand for laminates is growing both in the country as well as in the international market. India is one of the largest exporters of Laminates in the world and volume has been increasing every year. The general trend worldwide is a preference shift from wood-based panel products to engineered panels like MDF and particleboard. India's consumer market is expected to be the world's fifth largest (from twelfth) by 2025. Consumer interest is currently being stimulated by the introduction of new technologies, new product features, and easier installation. Laminate flooring manufacturers and marketers are also receiving a boost from the relatively strong housing market. This is giving a lift to the important residential replacement market. In addition, marketers have been able to take advantage of favorable demographics, as well as declining average prices. Rising demand has resulted in manufacturers making investments in new production capacity.

There is a change in consumer preference in terms of ready-made furniture and machine-made furniture, which requires engineered products like MDF and particleboard, thereby increasing. However, increased demand has led to significant numbers of players who have entered into this profitable area. As a result, your Company is facing pressures on volumes and price. To combat the same, your company is focusing on cost reduction measures through reduction of wastages, effective supply chain management and continued focus on quality research and development.

### Future Outlook

The company is aiming for a healthy growth which will be achieved through an appropriate mix of international and domestic business. The company is also trying to add a new product segment in Laminates which will help to penetrate into newer markets. The company has installed new machinery thus increasing its manufacturing capacity.

### Internal Control system & their adequacy

The company has the stringent system of internal control which ensures that its assets are protected against loss from unauthorized use or disposition and all transaction are authorized, recorded and reported in conformity with generally accepted accounting principles.

The internal control systems are documented with clearly defined authority limits. These systems are design to ensure accuracy and reliability of accounting date, promotion of operational efficiency and adherence to the prescribed management policies. These policies are periodically updated to meet current business requirements. An independent internal audit function is important element of the company's internal control system.

### Financial Performance

'Stylam recorded a gross turnover of Rs 83.15 cr up by 19.16 cr over the previous year. The company has earned Post-tax profits of Rs.375.60 Lacs.

Revenues from exports increased from Rs. 48.86 cr to Rs. 62.26 cr recording a growth of 27.43%. The revenue from Domestic sales increased from Rs. 15.13 cr to Rs. 20.89 cr recording a growth of 38.07%.

The profitability of the company has also received a set back due to increase in raw material costs and inflation all over the world. However, due to operational efficiency and better realization the company has maintained the bottom line.

### Human Resource / Industrial Relations

During the year Company cultivated a work environment that encouraged high performance, team efforts, work culture and up gradation of talent & capabilities.

Human Resources Management is the key focus area for the company and there has been constant endeavour to attract and retain the best talent.



## STYLAM INDUSTRIES LIMITED

The Company is regularly conducting training programmes & workshops to meet the training & developments needs of its employees.

The company has been maintaining healthy and cordial relationship with its staff and workers.

### Risks & Concerns :

The Company's risk management revolves around:

**Risk Identification & Risk Measurement :** Facilitated through corporate policies that provide risk standards & guidelines (credit, market, liquidity, funding & operational).

**Risk management :** Facilitated through the involvement of management for approval, reviews & other policies measures. The end-point responsibility in risk management is vested with the management, which approves the initiatives and makes a continuous review of risk assessment.

**Risk Control :** Facilitated through an ongoing check of whether the risk taken is in line with the company's risk appetite. The important risks faced by the industry in general & the Company in particular as well as their mitigation initiatives. The Company has implemented appropriate processes to review risks, mitigate risk and to safeguard its interest.

Sl. No.	Description of Risk	Impact	Mitigation Strategy
1	...	...	...
2	...	...	...
3	...	...	...
4	...	...	...
5	...	...	...
6	...	...	...
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**CORPORATE GOVERNANCE**

The Corporate Governance Report for the Year 2010-11, which has been prepared pursuant to the provisions of Clause 49 of the Listing Agreement, is furnished herein below: -

**1. Company's Philosophy on Corporate Governance**

Corporate Governance is about commitment to values, pursuing excellence and maintaining transparency, accountability and ethical business standards. It relates to compliance of laws, regulations, procedures and adherence to such implicit rules and voluntary practices of the Board of Directors and the Management. The Corporate Governance structure specifies the distribution of rights and responsibilities among different participants in one corporation, such as the Board, Managers, Shareholders and other stake holders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provide the structure through which the Company objective "REACHING TOMORROW FIRST" is set and the means of attaining these objectives and the system of monitoring performance is institutionalized.

**2. Board of Directors**

The Company's Board presently comprises of two (2) executive directors and three (3) independent directors. The constitution of the Board is given below:

Name of Director	Promoter/ Executive / Non-Executive / Independent	No. of other Directorships *	Membership of other Board Committees
Jagdish Gupta	Promoter/ Executive	2	---
Satish Gupta	Promoter/ Executive	3	---
Mahavir Singh	Non-Executive / Independent (Nominee HSIDC)	5	---
Satpal Garg	Non-Executive/ Independent	---	---
Ravinder Krishan	Non-Executive/ Independent	---	---

\* This includes directorships held in public limited companies and excludes directorship held in private limited companies and overseas companies.

**Attendance of Directors at Board Meetings and Annual General Meeting (Incl. EOGM)**

The Board of the Company met Thirteen times during the financial year, on the following dates:

9 <sup>th</sup> April, 2010	26 <sup>th</sup> April, 2010	29 <sup>th</sup> May, 2010	18 <sup>th</sup> June, 2010
16 <sup>th</sup> July, 2010	4 <sup>th</sup> August, 2010	11 <sup>th</sup> August, 2010	17 <sup>th</sup> August, 2010
31 <sup>st</sup> August, 2010	1 <sup>st</sup> September, 2010	8 <sup>th</sup> November, 2010	7 <sup>th</sup> February, 2011
22 <sup>nd</sup> March, 2011			

The attendance at the Board Meetings and the last Annual General Meeting were as under:

Name of Directors	No. of Board Meetings		Annual General Meeting
	Held	Attended	
Jagdish Gupta	13	13	✓
Satish Gupta	13	13	✓
Mahavir Singh	13	8	✓
Satpal Garg	13	11	✓
Ravinder Krishan	13	10	✓

**3. Code of Conduct**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. A declaration with respect to affirmation of compliance of Code of Conduct, signed by the Managing Director is appended at the end of the Report.

**4. Audit Committee**

During the financial year 2010-11, four Audit Committee Meetings were held, one of which was before finalization of accounts and others before the adoption of Quarterly Financial Results by the Board. The dates on which the said meetings were held are as follows:



**STYLAM INDUSTRIES LIMITED**

29 <sup>th</sup> May, 2010	11 <sup>th</sup> August, 2010	8 <sup>th</sup> November, 2010
7 <sup>th</sup> February, 2011		

The constitution of the committee and the attendance of each member of the committee are given below:

Name	Designation	Non-executive/ Independent	No. of Committee Meetings	
			Held	Attended
Satpal Garg	Chairman	Non-Executive/ Independent	4	4
Mahavir Singh	Member	Non-Executive/ Independent	4	3
Ravinder Krishan	Member	Non-Executive/ Independent	4	3

The Company Secretary acts as the secretary to the committee.

The Terms of reference of the Audit Committee including those specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 are as under:

1. To review the quarterly and annual financial results of the Company before submission to the board.
2. To review the reports of Internal Audit Department and recommended to the Board to decide the scope of its work.
3. To meet the Statutory and Internal Auditors periodically and discuss their findings, suggestions and other related compliances with internal Control Systems.
4. To review the Auditor's Report on the Financial Statements and to seek clarifications thereon.
5. To review the list of Debtors outstanding for more than 6 months etc

**5. Remuneration Committee**

The Remuneration Committee reviews and makes recommendations on annual salaries, perquisites and other employment benefits for executive and non-executive directors. The constitution of the Remuneration committee is given herein below.

Name	Designation	Non-executive/ Independent
Satpal Garg	Member	Non-Executive/ Independent
Mahavir Singh	Member	Non-Executive/ Independent
Ravinder Krishan	Member	Non-Executive/ Independent

**Remuneration of Directors**

Details of remuneration paid / payable to directors for the year 2010-11 are as follows:

Name of Director	Salary & Perquisites #
Jagdish Gupta (Managing Director)	23.75
Satish Gupta (Executive Director)	23.50

(Rs. in lacs)

# excluding use of Company's Car and Telephone at the Residence as per the rules of the Company.

Details of fixed component and performance linked incentives, along with performance criteria - NIL

The Company does not have any stock option scheme.

The terms of appointment of whole time directors are governed by resolution of Board of directors/ Shareholders and applicable rules of the Company. None of the directors are entitled to severance fees.

**6. Shareholders / Investors Grievance Committee**

The board has constituted 'Shareholders/ Investors Grievance Committee', which looks into shareholders and investors grievances. As of date following are the members of the committee.



Name	Designation	Non-Executive/ Independent
Jadgish Gupta	Member	Executive
Satish Gupta	Member	Executive
Ravinder Krishan	Member	Non-Executive/ Independent

The Company Secretary provides secretarial support to the committee and is also the designated Compliance Officer for such matters.

#### Share Transfer System

With a view to expedite the process of physical share transfer, a committee of directors has been constituted to be called "Share Transfer Committee" and authority has been delegated to the said committee to approve the transfer, transmission, issue of duplicate shares certificates and allied matters. The Company's Registrar's, M/s Link Intime India Private Limited have adequate infrastructure to process the above matters.

The constitution of the Share Transfer committee is given herein below.

Name	Designation	Executive/ Non-Executive
Jadgish Gupta	Member	Executive
Satish Gupta	Member	Executive

The committee meets fortnightly to approve the transfer/transmission & issue of Duplicate Shares. All shares have been transferred and returned within 15 days from the date of receipt of complete documents.

The complaints are generally replied to within 15 days from the date of lodgement with the Company. There was no compliant pending as on 31<sup>st</sup> March 2011.

#### 7. General Body Meeting.

The location and time of the Annual General Meetings held during the last 3 Years are as follows:

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special Resolution Passed.
17 <sup>th</sup> AGM	30 <sup>th</sup> September 2008	10:30 AM	Chandigarh Club, Sector-1, Chandigarh	--
18 <sup>th</sup> AGM	29 <sup>th</sup> September 2009	10:00 AM	Chandigarh Club, Sector-1, Chandigarh	4
19 <sup>th</sup> AGM	31 <sup>st</sup> August, 2010	10:00 AM	Chandigarh Club, Sector-1, Chandigarh	--

The Special Resolutions were passed by show of hands. The Company has not passed any shareholders resolution through postal ballot during the year under reference.

#### 8. Disclosures

- No transaction of material nature has been entered into by the Company with its directors or Management and their relatives etc. that may have potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the board regularly for its approvals.
- Transactions with the related parties are disclosed in Note No. 8 of Notes on Accounts in the Annual Report.
- There has been no instance of non-compliance by the Company on any matter related to capital markets.

#### 1. Means of Communication

- The annual, half-yearly and quarterly results are submitted to the stock exchanges immediately after these are taken on record by the board in accordance with the Listing Agreement and normally published in leading newspapers viz Business Standard, Financial Express and Jansatta etc.



## STYLAM INDUSTRIES LIMITED

- Management Discussion & Analysis forms part of this Annual Report.

### 2. General Shareholders Information

#### a) Annual General Meeting

- Date: 28<sup>th</sup> September, 2011  
 - Time: 10:00 A.M.  
 - Venue: Chandigarh Club, Sector - 1  
 Chandigarh

#### b) Financial Calendar Financial reporting for

- Quarter ending 30<sup>th</sup> June 2011: By 14<sup>th</sup> August, 2011  
 - Quarter ending 30<sup>th</sup> September 2011: By 15<sup>th</sup> November, 2011  
 - Quarter ending 31<sup>st</sup> December 2010: By 14<sup>th</sup> February, 2012  
 - Year ending 31<sup>st</sup> March 2012: By 30<sup>th</sup> May, 2012  
 (Audited Results will be considered)  
 Annual General Meeting for the year ending 31<sup>st</sup> March 2012: By September, 2012

#### c) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Friday the 23<sup>rd</sup> day of September, 2011 to Wednesday, the 28<sup>th</sup> Day of September, 2011 (both days inclusive)

#### d) Registered office

**Stylam Industries Limited**  
 SCO 14, Sector 7-C,  
 Madhya Marg,  
 Chandigarh - 160019 (INDIA)  
 Tele: - +91-172-5021555, 5021666  
 Fax: - +91-172 -2795213, 5021495

#### e) Listing of Equity Shares on Stock Exchanges

The Company's shares are listed at Bombay Stock Exchange. The listing fees have been paid to the BSE for the Year 2011-12.

#### f) Stock Market Data

- **Stock Code:** The Stock Code for the Company's shares is as follows: -

The Stock Exchange, Mumbai: Code : 526951

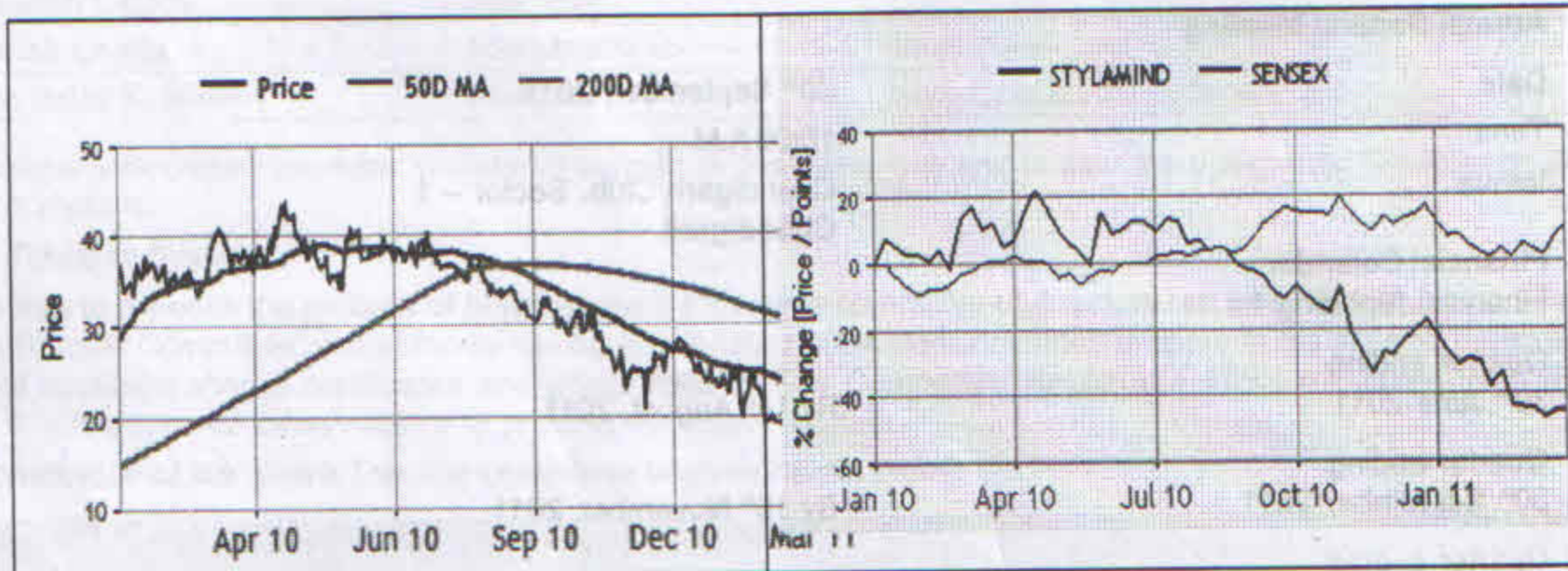
The ISIN Nos. for the Company's Shares in Demat Mode - INE239C01012

Monthly Share Price Movement during 2010-11 at BSE			
Months	High (Rs.)	Low (Rs.)	Monthly Volume
Apr-10	44.70	34.00	15904445
May-10	41.80	28.50	2843704
June-10	44.50	36.50	17070476
July-10	45.75	35.00	18258945
Aug-10	40.95	33.15	8373539
Sep-10	34.90	30.00	2438881
Oct-10	34.00	28.00	3303427
Nov-10	33.35	20.00	7076499
Dec-10	33.90	20.50	9103693
Jan-11	32.90	24.00	1003967
Feb-11	26.95	20.75	1327864
Mar-11	21.90	17.60	996124
<b>TOTAL</b>			<b>87701564</b>



Price Movement

Index Comparison



(Source: [www.bseindia.com](http://www.bseindia.com))

g) Registrar and Share Transfer Agent

Transfer Agent for physical transfers and Demat shares:

Link Intime India Private Limited  
 A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area  
 Phase - II, Near Batra Banquet Hall,  
 New Delhi - 110 028  
 Ph: 011-41410592-93-94, 25897309  
 Fax: 011-41410591

h) Distribution of Equity Shareholding as on 31<sup>st</sup> March 2011

Category	No. of Shares Held	%age of Shareholding
Promoters	3,967,467	54.23
Private Corporate Bodies	890,406	12.17
Indian Public	2,428,917	33.20
NRI's / OCBs	29,410	0.40
<b>Total</b>	<b>7,316,200</b>	<b>100.00</b>

i) Distribution of Shareholding as on 31st March 2011

Distribution Schedule as on 31.03.2011					
Category	No. of Shareholders	% age	Amount	% age	
Upto 2,500	1164	51.50	1529580	2.09	
2,501 - 5,000	600	26.55	2489820	3.40	
5,001 - 10,000	223	9.87	1800070	2.46	
10,001 - 20,000	102	4.51	1562990	2.14	
20,001 - 30,000	42	1.86	1082570	1.48	
30,001 - 40,000	19	0.84	662530	0.91	
40,001 - 50,000	23	1.02	1097020	1.50	
50,001 - 1,00,000	32	1.42	2467160	3.37	
1,00,001 & Above	55	2.43	60470260	82.65	
<b>Total</b>	<b>2260</b>	<b>100</b>	<b>73162000</b>	<b>100</b>	



**STYLAM INDUSTRIES LIMITED**

**j) Dematerialization of Shares**

The shares of the Company are available for trading in the Depository system of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31<sup>st</sup> March 2011, 61,70,608 equity shares of the Company, forming 84.34% of the share capital of the Company, stand dematerialized.

**k) Outstanding GDRs/ADRs/Warrants or any convertible instruments.**

The Company does not have any outstanding instruments of the captioned subject.

**l) Plant Locations**

**Stylam Industries Limited**  
192-93, Industrial Area, Phase - I,  
Panchkula - 134 108 (Haryana)  
Tele: - +91-172- 2565387, 2563907  
Fax: - +91-172 - 2565033

**m) Investors Correspondence**

**Harkiran Kaur**  
Company Secretary  
SCO 14, Sector 7-C, Madhya Marg,  
Chandigarh - 160019 (INDIA)  
Tele: - +91-172-5021555, 5021666  
Fax: - +91-172 -2795213, 5021495  
Email: info@stylam.com

For and on behalf of the Board  
**-Sd-  
Jagdish Gupta**  
Managing Director

**-Sd-  
Satish Gupta**  
Executive Director

Place: Chandigarh  
Dated: 13<sup>th</sup> August, 2011

**MANAGING DIRECTOR'S DECLARATION WITH RESPECT TO CODE OF CONDUCT**

I, Jagdish Gupta, Managing Director of Stylam Industries Limited hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance of the Company's code of conduct for the financial year ended on 31<sup>st</sup> March, 2011.

For Stylam Industries Limited  
**-Sd/-  
Jagdish Gupta**  
Managing Director

Place : Chandigarh  
Dated : 13<sup>th</sup> August, 2011



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of  
Stylam Industries Limited,

We have examined the Compliance of conditions of Corporate Governance by Stylam Industries Limited for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

On the basis of our review and according to the information and explanations given to us by the Company, We certify that, in our opinion and to the best of our knowledge, the Company has complied with the mandatory requirements as contained in the Listing Agreement with the Stock Exchanges.

As per information provided no investor, grievances are pending for a period exceeding one month except where dispute or for want of completion of legal formalities.

The compliance of conditions of Corporate Governance is the responsibility of the Management; our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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.

Dated : 23-05-2011  
Place : Panchkula

For Sunil K. Sood & Co.  
Chartered Accountants  
Sd/-  
Sunil K. Sood  
Proprietor  
M. No. 81778



STYLAM INDUSTRIES LIMITED

**AUDITORS REPORT**

TO  
THE MEMBERS OF  
M/s. STYLAM INDUSTRIES LIMITED  
CHANDIGARH

1. We have audited the attached Balance Sheet of **M/s. STYLAM INDUSTRIES LIMITED** as at 31<sup>st</sup> March, 2011 and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement 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.
2. We have conducted our audit in accordance with 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 test basis, evidence supporting the amount and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by 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 and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. 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 those books and papers.
  - iii. The Balance Sheet and the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - iv. In our Opinion and to the best of our information and according to the explanation given to us, 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.
  - v. On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, We report that **none of the director is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.**
  - vi. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon 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 principles generally accepted in India, in the case of ;
    - (a) the Balance Sheet, of the State of the affairs of the Company as at 31<sup>st</sup> March 2011;
    - (b) the Profit & Loss Account, of the Profit of the Company for the year ended 31<sup>st</sup> March,2011; and
    - (c) the cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Sunil K. Sood & Co.  
Chartered Accountants  
Sd/-

Sunil K. Sood  
Proprietor  
M. No. 81778

Dated : 23-05-2011  
Place : Panchkula



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of Auditor's Report of even date to the members of M/s Stylam Industries Limited on the financial statements for the year ended 31<sup>st</sup> March, 2011)

In terms of information and explanations given to us and the books and records examined by us in the normal course of audit, we report that:

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) A major portion of the assets has been physically verified by the Management during the period. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
  - (c) The Company has not disposed off a substantial part of its fixed assets during the year.
- (ii) In respect of its inventories:
  - (a) The inventory has been physically verified by the management in a phased manner during the year. In our opinion, the frequency of verification of inventory is reasonable. Inventory in Transit have been verified by the management with reference to the confirmations received from them and / or subsequent receipt of goods.
  - (b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification of inventory as compared to the book records were not material.
- (iii)
  - (a) The Company has granted loans to companies, firms or other Parties covered in the register maintained under Section 301 of the Companies Act, 1956 and the year end balance of such advances is Rs. 34.49 Lacs.
  - (b) The Company has not taken Unsecured Loans from companies & other parties covered in the register maintained under section 301 of the companies Act 1956. There is no party covered in the register maintained under section 301 of the Companies Act 1956, from whom the Company has taken deposits.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not purchased any item of special nature whose suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories of fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v)
  - (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the Transaction that have been so entered into the registered maintained under Section 301 of the Companies Act, 1956.
  - (b) In our opinion, having regard to our comments in Paragraph (iv) above and according to the information and explanation given to us, no transactions have been made pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Company Act 1956.
- (vi) The Company has not accepted any deposits from the public during the financial year, the provision of section 58 A and 58 AA of the Companies act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the 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 prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, for any product of the Company.
- (ix) According to the information and explanations given to us and records of the company examined by us, in our opinion the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' state insurance, Income Tax, Wealth Tax, Sales Tax, Customs duty, Excise



STYLAM INDUSTRIES LIMITED

duty, Service tax, Cess and other material statutory dues applicable with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were in arrears, as at 31<sup>st</sup> March 2011 for a period of more than six months from the date they became payable.

- (x) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 2(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a Chit fund or a Nidhi Mutual benefit/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures & other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment. No long term funds have been used to finance short-term assets other than temporary deployment in investments pending application.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debenture during the year nor there is any outstanding as on 31<sup>st</sup> March 2011 and hence we have no-comments to offer in respect of Clause 4(xix) of the Companies (Auditor's Report) Order, 2003.
- (xx) During the year covered by our audit report, the Company has not raised any money by way of public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

Dated: 23-05-2011  
Place: Panchkula

For Sunil K. Sood & Co.  
Chartered Accountants  
Sd/-  
Sunil K. Sood  
Proprietor  
M. No. 81778



**STYLAM INDUSTRIES LIMITED**

**BALANCE SHEET AS AT 31st March 2011**

Particulars	SCHEDULE	As At 31.03.2011 RS.	As At 31.03.2010 RS.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
- Share Capital	"A"	73,162,000	73,162,000
- Reserves & Surplus	"B"	<u>134,511,771</u>	<u>119,663,180</u>
		207,673,771	192,825,180
<b>LOAN FUNDS</b>			
- Secured Loans	"C"	329,110,882	156,388,322
- UnSecured Loans		<u>-</u>	<u>-</u>
		329,110,882	156,388,322
<b>Total</b>		<b>536,784,653</b>	<b>349,213,502</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS "D"</b>			
- Gross Block		436,878,448	287,122,690
- Depreciation		<u>174,865,624</u>	<u>163,739,006</u>
- Net Book Value		262,012,824	123,383,684
Capital Work-In Progress		-	27,726,527
<b>INVESTMENTS "E"</b>		-	1,549,516
<b>CURRENT ASSETS, LOANS &amp; ADVANCES "F"</b>			
- Inventories		161,272,737	118,772,042
- Sundry Debtors		118,365,290	64,791,984
- Cash & Bank Balances		10,897,950	7,800,804
- Other Current Assets		68,833,451	22,143,381
- Loans & Advances		<u>55,272,287</u>	<u>64,777,668</u>
		414,641,714	278,285,879
<b>Less: CURRENT LIABILITIES AND PROVISIONS "G"</b>		<u>128,862,302</u>	<u>75,271,494</u>
<b>NET CURRENT ASSETS</b>		285,779,412	203,014,384
<b>DEFERRED TAX ASSETS /(LIABILITIES) "H"</b>		(11,007,584)	(6,460,609)
<b>Total</b>		<b>536,784,653</b>	<b>349,213,502</b>
<b>Significant Accounting Policies and Notes on Accounts</b>		<b>"R"</b>	
Schedules referred to above form an integral part of this Balance Sheet		<b>AUDITOR'S REPORT</b>	
		In terms of our attached report of even date	
	Sd/- <b>JAGDISH GUPTA</b> Managing Director	Sd/- <b>SATISH GUPTA</b> Executive Director	<b>FOR SUNIL K. SOOD &amp; CO.</b> CHARTERED ACCOUNTANTS
<b>PLACE : Chandigarh</b> <b>DATED: 23.05.2011</b>	Sd/- <b>VIJAY BHATIA</b> A.G.M. (F & A)	Sd/- <b>HARKIRAN KAUR</b> Company Secretary	Sd/- <b>SUNIL K. SOOD</b> Proprietor <b>Membership No. 81778</b>



STYLAM INDUSTRIES LIMITED

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st March, 2011**

Particulars	SCHEDULE	As At 31.03.2011 RS.	As At 31.03.2010 RS.
<b>INCOME</b>			
Net Sales (Excluding Excise Duty)	"I"	831,514,150	639,941,439
Other Incomes	"J"	<u>38,580,315</u>	<u>7,260,510</u>
		870,094,465	647,201,949
<b>EXPENDITURE</b>			
Purchase - Trading Goods		15,641,306	5,005,160
Materials Consumed	"K"	554,579,805	426,618,586
Manufacturing Expenses	"L"	78,018,080	52,412,563
Personnel Expenses	"M"	32,210,344	19,291,061
Administrative Expenses	"N"	9,945,429	8,026,601
Financial Expenses	"O"	14,108,398	12,589,520
Selling & Distribution Expenses	"P"	<u>96,399,654</u>	<u>65,635,141</u>
		800,903,015	589,578,632
Profit before Depreciation		69,191,450	57,623,317
Depreciation		15,978,257	13,877,985
<b>Net Profit before Tax</b>		<b>53,213,194</b>	<b>43,745,332</b>
Provision for Income Tax -			
: Previous year		418,022	
: Current year		<u>10,605,656</u>	11,023,678
Provision for Deferred Tax		4,546,976	(2,417,246)
Prior Period Adjustment	"Q"		81,655
			(926,523)
<b>Profit during the year after Tax</b>		<b>37,560,885</b>	<b>30,011,881</b>
Interim Dividend FY 2009-10		-	5,487,150
Final Dividend FY 2009-10		5,487,150	-
Dividend Distribution Tax		911,347	941,867
<b>Amount transferred to General Reserve</b>		<b>31,162,388</b>	<b>23,582,864</b>

**Significant Accounting Policies and Notes on Accounts**  
Schedules referred to above form an integral part of this Balance Sheet

Sd/-  
**JAGDISH GUPTA**  
Managing Director

Sd/-  
**SATISH GUPTA**  
Executive Director

Sd/-  
**VIJAY BHATIA**  
A.G.M. (F & A)

Sd/-  
**HARKIRAN KAUR**  
Company Secretary

**PLACE : Chandigarh**  
**DATED: 23.05.2011**

**AUDITOR'S REPORT**  
In terms of our attached report of even date  
**FOR SUNIL K. SOOD & CO.**  
CHARTERED ACCOUNTANTS  
**SUNIL K. SOOD**  
Proprietor  
Membership No. 81778



STYLAM INDUSTRIES LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE "A"

SHARE CAPITAL

Particulars	As At 31.03.2011 RS.	As At 31.03.2010 RS.
Authorised Share Capital 8050000 Equity Shares of Rs. 10/- each.	80,500,000	80,500,000
Issued, Subscribed & Paid up 7316200 Equity Shares of Rs. 10/- each ( Previous Year 7316200 Equity Shares of Rs. 10 each )	73,162,000	73,162,000
<b>TOTAL</b>	<b>73,162,000</b>	<b>73,162,000</b>

SCHEDULE "B"  
RESERVES & SURPLUS

	As At 31.03.2011 RS.	As At 31.03.2010 RS.
<b>Capital Reserves</b>		
Capital Subsidy	2,668,000	2,668,000
<b>General Reserve</b>		
As per Last Balance Sheet	116,995,180	96,727,945
Add: Profits during the year	31,162,388	23,582,864
	148,157,568	120,310,809
Less: Income Tax paid for earlier years written off	16,313,797	
Less: Excess Depreciation Charged during Previous Years		3,315,629
	131,843,771	116,995,180
<b>TOTAL</b>	<b>134,511,771</b>	<b>119,663,180</b>

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE "C"

SECURED LOAN

Particulars	As At 31.03.2011 RS.	As At 31.03.2010 Rs.
<b>TERM LOAN</b>		
State Bank Of Patiala * Sector 8, Chandigarh FCNR(B)	43,660,393	31,577,000
State Bank Of Patiala * Sector 8, Chandigarh		2,499,861
State Bank Of Patiala (Corporate Loan) * Sector 8, Chandigarh		4,221,865
State Bank Of Patiala (Corporate Loan) * Sector 8, Chandigarh		4,051,030



**STYLAM INDUSTRIES LIMITED**

State Bank Of Patiala (Corporate Loan) * Sector 8, Chandigarh	-	2,036,738
State Bank Of Patiala (Corporate Loan) * Sector 8, Chandigarh	14,757,355	-

**WORKING CAPITAL \***

- State Bank of Patiala C/C Limit at Sector 8, Chandigarh	49,105,688	14,018,096	
- State Bank of Patiala-PCFC	108,634,586	75,853,299	
- State Bank of Patiala EPC Limit at Sector 8, Chandigarh	10,788,043	8,319,872	
Buyers Credit from HSBC	-	9,029,948	
Buyers Credit from Citibank	63,527,802	-	
Citi Bank PCFC A/c	<u>29,039,785</u>	-	
	261,095,904	-	107,221,215
- HDFC Bank, Sector 35, Chandigarh** <b>Against Vehicles ***</b>	1,793,499		940,188
- from ICICI Bank	7,803,731		3,840,426

<b>TOTAL</b>	<b>329,110,882</b>	<b>156,388,322</b>
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**Notes:**

- \* Secured against first and exclusive charge on all fixed assets of the Company and hypothecation of Raw Materials, Work-in-Process, Finished Goods and Book Debts alongwith personal gurantee of directors
- \*\* Secured against hypothecation of Fixed Deposits
- \*\*\* Secured against hypothecation of Vehicles



**SCHEDULE "D"  
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST OF ASSET AS ON 01.04.2010	ADDITIONS (ADJUSTMENTS)	TOTAL AS ON 31.03.2011	RATE OF DEP. (%)	AS ON 01.04.2010 TOTAL	During The Year	During The Year DEP W/BACK ON SALE OF ASSETS	TOTAL AS ON 31.03.2011	W.D.V AS ON 31.03.2011	W.D.V AS ON 31.03.2010
Land & Site Development	5,586,260	15,327,500	20,913,760	0.00%	-	-	-	-	20,913,760	5,586,260
Plot	32,682,861	26,707,986	59,390,847	0.00%	-	-	-	-	59,390,847	32,682,861
Building	26,126,792	8,086,665	34,213,457	3.34%	14,417,269	872,637	-	15,289,906	18,923,551	11,709,523
Furniture & Fixture	1,900,699	1,342,987	3,243,686	6.33%	1,269,503	138,612	-	1,408,115	1,835,571	631,196
Plant & Machinery										
- Machinery	108,735,217	46,914,123 (5,629,988)	150,019,352	10.34%	86,359,121	4,675,463 (3,579,769)	-	87,454,815	62,564,537	22,376,096
- Equipment	3,518,394	209,108	3,727,502	10.34%	3,043,405	97,204	-	3,140,609	586,893	474,989
- Dies, Tools & Moulds	85,367,460	47,761,922	133,129,382	10.34%	49,229,700	7,907,920	-	57,137,620	75,991,762	36,137,760
- Weighing Scale	160,332	-	160,332	10.34%	26,336	16,578	-	42,914	117,418	133,996
- Electric Installation	2,816,663	945,180 (916,885)	2,844,958	10.34%	2,228,302	107,257 (871,041)	-	1,464,518	1,380,441	588,361
- D.G.Set	2,080,000	-	2,080,000	10.34%	905,095	215,072	-	1,120,167	959,833	1,174,905
- Air Conditioner	464,982	291,234	756,216	10.34%	51,526	48,079	-	99,605	656,611	413,456
- Vehicles	15,585,107	8,664,473 (634,359)	23,615,221	9.50%	4,650,695	1,723,474	(400,829)	5,973,340	17,641,881	10,934,412
- Computer	2,097,923	685,814	2,783,737	16.21%	1,558,054	175,962	-	1,734,016	1,049,721	539,869
<b>TOTAL</b>	<b>287,122,690</b>	<b>156,936,992 (7,181,232)</b>	<b>436,878,448</b>		<b>163,739,006</b>	<b>15,978,257 (4,851,639)</b>		<b>174,865,624</b>	<b>262,012,826</b>	<b>123,383,684</b>
Figures for Previous year	276,525,481	10,597,209	287,122,690		146,891,708	17,193,614	(346,316)	163,739,006	123,383,684	129,633,773



STYLAM INDUSTRIES LIMITED

**OTHER CURRENT ASSETS:**

- Material - in - Transit	34,872,054		6,482,149	
- Export Incentives Recoverable	12,062,347		6,335,739	
- Excise Duties Recoverable	9,357,869		9,288,833	
- Advance Tax	12,500,000		-	
- TDS Recoverable	41,180	68,833,451	36,660	22,143,381

**LOANS & ADVANCES:**

(Advances recoverable in cash or kind or value to be received)

Income Tax Refundable	3,133		3,133	
FBT Refundable	104,838	107,971	104,838	107,971

**SCHEDULE "F" - contd.**

**Sundry Advances**

- Capital Goods	1,586,126		6,297,651	
- Supplies/Expenses	15,116,276		8,955,831	
- Staff	269,967		287,287	
- Advance to Directors	-	16,972,369	188,448	15,729,217

Golden Netsoft Pvt Ltd	-		6,873,578	
Zeal Exim Private Limited	950,000		950,000	
Advance Money with Amravati Infrastructure Developers Limited for capital assets	23,593,165		22,500,000	
Advance to HSIIDC, PKL	2,925,789		-	
Advance Against Land at Ramgarh	5,780,000		-	
Teji Brar Financial Services Limited	2,498,733		500,000	
Sundry Security Deposits	785,049		752,075	
VAT Recoverable	1,131,073		3,864,283	
Income Tax Paid under Appeal	-		13,208,455	
Prepaid Insurance	528,137		277,764	
Misc Recoverables	-	38,191,947	14,324	48,940,479

**TOTAL**

414,641,714

278,285,878

**SCHEDULES FORMING PART OF BALANCE SHEET**

**SCHEDULE "G"**

**CURRENT LIABILITIES & PROVISIONS**

Particulars

As At 31.03.2011  
RS.

As At 31.03.2010  
RS.

Sundry Creditors				
- For Supplies/Expenses	107,281,238		55,445,490	
- For Capital Goods	98,000	107,379,238	2,414,301	57,859,791
Expenses Payable		6,430,475		6,401,517
Advances from customers		1,781,126		4,403,859
Other Liabilities		1,224,179		205,663
Provisions		11,455,503		5,626,945
Interim Dividend 2009-10 payable		270,915		773,720
Final Dividend FY-2009-10 Payable		320,867		-

**TOTAL**

128,862,302

75,271,495



STYLAM INDUSTRIES LIMITED

<b>SCHEDULE "H"</b>			
<b>DEFERRED TAX LIABILITIES/ ASSETS</b>			
Particulars	<b>As At 31.03.2011</b>		<b>As At 31.03.2010</b>
	<b>RS.</b>		<b>RS.</b>
Deferred Tax Liability	(11,007,584)		(6,460,608)
<b>TOTAL</b>	<b>(11,007,584)</b>		<b>(6,460,608)</b>
<b>SCHEDULES FORMING PART OF PROFIT &amp; LOSS ACCOUNT</b>			
<b>SCHEDULE "I"</b>			
<b>SALES</b>			
Particulars	<b>As At 31.03.2011</b>		<b>As At 31.03.2010</b>
	<b>RS.</b>		<b>RS.</b>
<b>SALES-DOMESTIC</b>			
Laminates Domestic	211,384,602		157,947,998
Less: Excise Duty	<u>17,508,329</u>		<u>11,134,551</u>
	193,876,273		146,813,447
Sale - Trading Goods	<u>15,003,171</u>		<u>4,491,277</u>
		208,879,444	151,304,725
<b>SALES-EXPORTS</b>			
Sale - Trading Goods - Exports	1,418,104		-
Laminates Export	600,191,438		479,659,358
Less: Excise Duty	<u>14,386,216</u>		<u>11,950,390</u>
	585,805,222	587,223,326	467,708,968
Export Incentives		35,411,380	20,927,746
<b>TOTAL</b>	<b>831,514,150</b>		<b>639,941,439</b>
<b>SCHEDULE "J"</b>			
<b>OTHER INCOMES</b>			
Particulars	<b>As At 31.03.2011</b>		<b>As At 31.03.2010</b>
	<b>RS.</b>		<b>RS.</b>
Interest	117,442		353,535
Sales Tax Incentive	-		1,807,992
Misc. Income	1,537,556		1,732,871
Profit / (Loss) on Investment	28,391,730		-
Exchange Fluctuations	7,429,955		4,131,901
Profit / (Loss) on Sale of Assets	1,103,633		(765,790)
<b>TOTAL</b>	<b>38,580,315</b>		<b>7,260,510</b>
<b>SCHEDULES FORMING PART OF PROFIT &amp; LOSS ACCOUNT</b>			
<b>SCHEDULE "K"</b>			
<b>MATERIALS CONSUMED</b>			
Particulars	<b>As At 31.03.2011</b>		<b>As At 31.03.2010</b>
	<b>RS.</b>		<b>RS.</b>
<b>RAW MATERIALS CONSUMED</b>			
- Opening stock	91,856,794		53,036,252
- Add: Purchases during Year	<u>596,153,294</u>		<u>479,225,412</u>
	688,010,088		532,261,664



**STYLAM INDUSTRIES LIMITED**

- Less: Closing stock	117,117,662	570,892,426	91,856,794	440,404,870
<b>(Increase)/Decrease in Stocks</b>				
Stock at Close				
- WIP	1,200,000		1,225,000	
- Finished Goods	38,034,692		22,546,918	
Add: Excise Duty on Finished Goods for Domestic Market	849,847		1,049,726	
	<u>40,084,539</u>		<u>24,821,644</u>	
Opening Stock				
- WIP	1,225,000		1,100,000	
- Finished Goods	23,596,644		10,478,264	
Less: Excise Duty on Finished Goods for Domestic Market	1,049,726		542,904	
	<u>23,771,918</u>		<u>11,035,360</u>	
- (Increase)/Decrease in stock		(16,312,621)		(13,786,284)

**TOTAL**

**554,579,805**

**426,618,586**

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

**SCHEDULE "L"**

**MANUFACTURING EXPENSES**

Particulars	As At 31.03.2011 RS.	As At 31.03.2010 RS.
<b>Workers Expenses</b>		
- Wages & allowances	13,041,661	9,570,244
Power & Water	10,992,246	7,121,390
<b>Oil &amp; Fuel Consumed</b>		
Opening Stock	220,899	1,027,920
Add : Purchases during year	29,576,623	16,472,382
	29,797,522	17,500,302
Less: Closing stock	981,329	220,899
<b>Consumable Stores Consumed</b>	28,816,193	17,279,403
Opening Stock	275,541	424,725
Add : Purchases during year	20,531,674	14,882,119
	20,807,215	15,306,844
Less: Closing stock	525,205	275,541
Excise Duty on Finished Goods	20,282,010	15,031,303
Repairs & Maintenance - Machinery	849,847	1,049,726
Loading & unloading	3,262,188	1,847,048
Weighment Charges	686,943	444,974
	86,992	68,475
<b>Total</b>	<b>78,018,080</b>	<b>52,412,563</b>

**SCHEDULE "M"**

**PERSONNEL EXPENSES**

Particulars	As At 31.03.2011 RS.	As At 31.03.2010 RS.
Directors Remuneration	4,725,000	2,220,000
Salary & Allowances		
a) Salary	11,471,490	6,321,202
b) Allowances		
- House rent allowance	3,041,014	1,969,378
- Conveyance allowance	2,346,133	1,536,191
- Vehicle Maintt. Allowance	2,263,800	1,427,028



STYLAM INDUSTRIES LIMITED

-Subsistence Allowance	2,293,637		1,318,285	
- Medical Allowance	1,769,038		1,002,038	
- Welfare Fund	25,245		20,950	
-Leave encashment	468,017		291,893	
-Bonus	826,752		447,038	
-Gratuity	267,670		328,628	
-Ex-gratia	6,333	24,779,128	498,100	15,160,731
Employer's contribution to				
-Provident Fund	730,878		608,852	
-E.S.I.	609,891	1,340,769	362,526	971,378
Staff welfare		1,310,893		874,949
Staff Recruitment & Training		54,554		64,003
<b>TOTAL</b>		<b>32,210,344</b>		<b>19,291,061</b>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

**SCHEDULE "N"**

**ADMINISTRATIVE EXPENSES**

Particulars	As At 31.03.2011		As At 31.03.2010	
	RS.		RS.	
Rent		499,600		396,000
Other Administrative Expenses		4,185,127		3,979,664
Insurance		140,521		150,969
Auditor's Remuneration		109,056		101,843
Vehicles Running & Maintenance		1,046,615		802,119
Repairs & Maintenance				
- Building	42,989		486,116	
- General	563,558	606,547	384,689	870,805
Travelling & Conveyance				
- Directors	575,738		544,687	
- Staff & Others	1,941,922	2,517,660	758,444	1,303,131
General charges		840,302		422,070
<b>Total</b>		<b>9,945,429</b>		<b>8,026,601</b>

**SCHEDULE "O"**  
**FINANCIAL EXPENSES**

Particulars	As At 31.03.2011		As At 31.03.2010	
	RS.		RS.	
Bank charges		4,769,332		3,143,324
Bank Interest		9,339,066		9,446,195
<b>Total</b>		<b>14,108,398</b>		<b>12,589,520</b>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

**SCHEDULE "P"**

**SELLING AND DISTRIBUTION EXPENSES**

Particulars	As At 31.03.2011		As At 31.03.2010	
	RS.		RS.	
Packing Material Consumed:-				
Opening Stock	1,597,164		912,695	
Add : Purchases during year	33,577,182		20,015,297	
	35,174,346		20,927,992	
Less : Closing stock	2,564,002	32,610,344	1,597,164	19,330,829



**STYLAM INDUSTRIES LIMITED**

Freight & Forwarding	39,591	354,187
Commission, Rebate & Discount	16,659,074	12,667,021
Research, Development & Testing Charges	1,752,860	899,194
Advertisement & Publicity Expenses	2,898,281	3,177,804
Business Promotion Expenses	10,093,580	2,444,736
Canter Running & Maintenance Expenses	-	13,240
Marketing Expenses	4,655,654	3,951,223
Export Expenses	27,690,270	22,796,907
<b>Total</b>	<b>96,399,654</b>	<b>65,635,141</b>

**SCHEDULE "Q"**  
**Prior Period Adjustment**

Particulars	As At 31.03.2011 RS.	As At 31.03.2010 RS.
Prior Period Income	-	(1,001,500)
Prior Period Expenses	81,655	74,977
<b>Total</b>	<b>81,655</b>	<b>(926,523)</b>

**NOTES ON ACCOUNTS**

Schedule forming part of Balance Sheet and Profit & Loss Account

**Schedule - R**

**Accounting Policies and Notes on Accounts**

**A. ACCOUNTING POLICIES**

**1. Basis of Accounting:**

The financial statements are prepared under historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAPs), and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956.

**2. Fixed Assets:**

2.1 Fixed Assets are stated at cost of acquisition/construction net of applicable CENVAT credit. The cost includes. Purchase price and all other attributable costs of bringing the assets to its working condition for its intended Use.

2.2. The cost of acquisition of imported machinery have been adjusted for exchange fluctuations arising due to difference in exchange rate.

2.3. The Company has capitalized the financing cost for the entire tenure of finance taken for setting up the initial project.

**3. Depreciation:**

3.1 Depreciation on fixed assets is provided pro-rata to the period of use, using the straight-line method based at the rates specified in Schedule XIV to the Companies Act, 1956. No depreciation is charged on fixed assets where cumulative depreciation as on the beginning of year is either equivalent or more than the cost of assets. Individual assets purchased during the year and costing less than Rs.5,000/- are depreciated in full in the year of purchase.

3.2 Depreciation has been provided on Triple shift working basis.

3.3 Depreciation on additions made during the year has been provided on pro-rata basis.

**4. Basis of Valuation of Inventories:**

**RAW MATERIAL**

At lower of cost or net realizable value

**WORK IN PROGRESS**

At lower of estimated cost or net realizable value



**FINISHED GOODS**  
At lower of cost or net realizable value

**CONSUMABLE, STORES, OIL & FUEL**  
At lower of cost or net realizable value

**5. RECOGNITION OF INCOME AND EXPENDITURE :**

- 5.1 The revenue from sale of goods is recognized at the time of sale of goods.
- 5.2 Expenditure is recognized on accrual basis. However, certain income / expenses which are indeterminable are accounted for as and when settled / finalized.

**6. RETIREMENT & OTHER BENEFITS**

6.1 Retirement Benefits  
The Gratuity and Leave Encashment is provided on yearly basis. The contribution to Provident Fund is made on monthly basis at prescribed rates.

6.2 Other Benefits  
The Contribution to E.S.I. Fund is made on monthly basis at prescribed rates. The provision for the payment of Bonus is made as per the applicable rules.

**7. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies for import and export of Raw materials, Capital goods and Finished goods are recorded at the rates prevailing on the date of transactions. Exchange gain or loss on conversion of liabilities incurred to acquire capital assets is adjusted to the cost of such assets. Exchange gain or losses on transactions of revenue nature are recognized in the Profit and Loss account.

**8. TAXES ON INCOME**

Income tax comprises of current tax and deferred tax. The deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date.

**9. EARNING PER SHARE :**

Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the number of equity shares outstanding at the year-end.

**10. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

Events occurring after the date of Balance Sheet are considered up to the date of finalization of accounts

**11. CONTINGENT LIABILITIES**

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as Contingent Liabilities and same are disclosed in Notes on Accounts.

**B. NOTES ON ACCOUNTS**

1. Contingent Liabilities and Commitments:	(Rs. Lacs) 31.03.2011	(Rs.- Lacs) 31.3.2010
(a) Capital Contract Pending Execution	NIL	NIL
(b) Contingent Liabilities		
- Letter of Credit (Import)	816.68	400.06
- Export Bills negotiated under Letter of Credit	74.48	
(c) Disputed demand raised by Income Tax Department against which Company has gone on Appeal	NIL	155.26



**STYLAM INDUSTRIES LIMITED**

2. Earlier years income tax paid under appeal amounting to Rs.1,63,13,797/- has been written off during the current financial year and debited to General Reserve account.
3. In the opinion of the Board of Directors, Current Assets and Loans & Advances are approximately of the value stated in the balance sheet, realized in the ordinary course of business and to the best of their knowledge; provisions for all known liabilities have been made.
4. Certain balances appearing under Current Assets, Loans & Advances and Current Liabilities are subject to their confirmation.
5. Prior Period Adjustments includes Rs.43,835/- paid towards Bonus for FY 2009-10 and Rs.37,820/- Paid towards Excise duty for FY 2007-08.
6. The Other Income includes profit from sale of investment in its subsidiary company i.e. M/s Golden Netsoft Pvt. Ltd. at a gross price of Rs.2,86,00,000/-, thus yielding a net margin of Rs.2,83,40,000/- and profit of Rs.11,03,633/- on sale of assets (Old Plant & Machinery and car).
7. The exact liabilities of Excise, Sales Tax and Income Tax are indeterminate pending finalization of respective Assessments.

**8. Related Party Transactions:**

Name of the related parties with whom transaction were carried out during the year and description of transactions:

**Entities over which control is exercised**

M/s Amravati Infrastructure Developers Limited  
M/s Evershine Recreation Private Limited

**Sister Concern:**

M/s Golden Chem-Tech Ltd.  
M/s Teji Brar Financial Services Ltd

**Key Management Personnel & their relatives:**

1. Mr. Jagdish Gupta (Managing Director)  
Mrs. Usha Gupta (Wife)
2. Mr. Satish Gupta (Executive Director)  
Mrs. Pushpa Gupta (Wife)
3. Mrs. Rattan Devi (Mother of Managing Director & Executive Director)

ii) Disclosure of Related Party Transactions:

S.No.	Nature of transaction	Sister Concern	Subsidiary	Entities over which Control is Exercised	Key Management Personnel (KMP)	(In Lacs)	
						Relative of KMP	Total
1.	Payment of Salaries	NIL	NIL	NIL	47.25 (22.20)	10.70 (4.80)	57.95 (27.00)
2.	Purchase/Sale of Material	146.12 (50.05)	NIL (NIL)	NIL	NIL NIL	NIL NIL	146.12 (50.05)
3.	Advance taken	NIL (NIL)	NIL (NIL)	140.00 (NIL)	(NIL) (NIL)	(NIL) (NIL)	140.00 (NIL)
4.	Advance given	19.99 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	19.99 (NIL)

Note: Figure in brackets represents corresponding amounts of previous years

**9. Segment reporting:**

Information about Business Segments (Information provided in respect of revenue items for the year-ended 31.03.2011 and in respect of assets/liabilities as at 31.03.2011)



STYLAM INDUSTRIES LIMITED

Particulars	(Rs. In Lacs)	
	Current Accounting Year ending 31.03.2011	Previous Accounting Year ending. 31.03.2010
1. Segment Revenue (Net sale/income from each segment should be disclosed under this head)		
a. Segment -A	8315.14	6399.41
b. Segment- B	-	-
c. Segment- C	-	-
d. Others	-	-
<b>Total</b>	<b>8315.14</b>	<b>6399.41</b>
Less: Inter segment revenue	-	-
Net sales/income from operations	8315.14	6399.41
2. Segment results (Profit) (+) /Loss (-) before tax and interest from each segment)		
a. Segment -A	673.21	563.35
b. Segment- B	-	-
c. Segment- C	-	-
d. Others	-	-
<b>Total</b>	<b>673.21</b>	<b>563.35</b>
Less:		
(i) Interest	141.08	125.90
ii) Other unallocable expenditure	156.52	137.33
Net off un-allocable income	-	-
<b>Total profit After Tax</b>	<b>375.61</b>	<b>300.12</b>
3. Capital employed (Segment assets- Segment Liabilities)		
a. Segment -A	2076.74	1928.25
b. Segment- B	-	-
c. Segment- C	-	-
d. Others	-	-
<b>Total</b>	<b>2076.74</b>	<b>1928.25</b>

Notes:

- Company's operations predominantly comprise of only one segment i.e. **Laminates**. The figures shown above relate to that segment only.
- Business segments have been identified on the basis of the nature of products/services, the risk & return profile of individual business, the organizational structure and the internal reporting system of the company.
- Reportable segments have been identified as per the quantitative criteria specified in "accounting standard 17 Segment reporting" issued by the institute of Chartered Accountants of India.

10. Earnings Per Share

Basic Earnings per share (EPS) is computed in accordance with Accounting Standard 20 – Earnings Per Share for the financial year 2010-11 is as under :-

Profit after tax as per Accounts	37,560,885 /-
Number of share issued	7316200
Basic EPS (Rupees)	5.13

11. Deferred Tax

- In Accordance with AS-22 "Accounting For Taxes on Income" issued by ICAI, the net Decrement in Deferred tax liability of Rs. 4,546,976 /- for the financial year 2010-11 has been transferred to P & L Account.
- Deferred tax is recognized on timing differences between the accounting income & taxable income for the year & quantified using the tax rates & laws enacted or substantively enacted as on the Balance Sheet date.



STYLAM INDUSTRIES LIMITED

11.3 Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11.4 Major components of Deferred tax Assets and deferred tax liabilities.

	As at 31.03.2011		As at 31.03.2010	
	Deferred tax assets	Deferred tax Liabilities	Deferred tax Assets	Deferred tax Liabilities
Difference Between Book value of Depreciable Assets as per books of accounts and written down value for tax purpose		110.07		64.60
Unabsorbed depreciation carried forward to be set off in subsequent years				
<b>Total</b>				
Net Deferred Tax Liabilities		<b>110.07</b>		<b>64.60</b>
		110.07		64.60

Increase/(Decrease)  
Debited to profit & loss Account  
Credited to Profit & Loss Account

45.47

24.17

12. Managerial Remuneration:

	31.03.2011	31.03.2010
Managing Director's Remuneration	23,75,000	11,40,000
Directors Remuneration	23,50,000	10,80,000
<b>Total Rs.</b>	<b>47,25,000</b>	<b>22,20,000</b>

The managerial remuneration paid has been duly approved by Board of Directors of the Company and is in conformity with the provisions of Schedule XIII of the Company Act. 1956.

13. Auditor's Remuneration:

	31.3.2011	31.3.2010
Statutory Audit	70000	65000
Tax Audit	25000	25,000
Other Services	10000	10,000
<b>Total Rs.</b>	<b>105,000</b>	<b>100,000</b>

14. Sundry Creditors:

On the basis of information available with the Company, there are no known small scale undertaking to whom the Company owes a sum exceeding Rs. 1 Lac which is outstanding for more than 30 days at the balance sheet date.

15. Additional information pursuant to the provisions of paragraph 3 & 4 of part II of Schedule VI of the Companies Act. 1956

	31.3.2011	31.3.2010
A. Licensed Capacity		
- Licensed Capacity	Not Applicable	
- Installed Capacity	48,00,000 Sheets	33,60,000 Sheets
- (Laminated Sheets)	(On Triple Shift)	(On Triple Shift)

Note: One Laminate Sheet at Base Level of 0.50 MM of thickness



**STYLAM INDUSTRIES LIMITED**

	Quantity	Value Rs.-Lacs	Quantity	Value Rs.-Lacs
<b>B. Actual Production (Nos.)</b>				
- Laminates	2467262	8168.81	23,41,293	6034.57
<b>C. Raw Material Consumed (Qty. in M.T.)</b>				
- Paper & other Raw Material	7679.20}	5708.92	6781.24}	4404.04
- Chemicals	10004.39}		5341.67}	
<b>D. Finished Goods (Nos.)</b>				
Opening Stock	94894	235.97	50412	104.78
Closing Stock	90057	388.85	94894	235.97
<b>E. Turnover</b>	2,472,099	8315.14	2,296,811	6399.41

Note: Turnover includes Export Incentives

**F. Value of imported/indigenous Raw Material/Store consumed and %age: (Rs.-Lacs)**

	Value	%age of Total Consumption	Value	%age of Value Consumption
<b>Raw Materials</b>				
- Imported	1537.76	26.94%	1572.00	35.69%
- Indigenous	4171.16	73.06%	2832.04	64.31%
<b>Stores &amp; Spares</b>				
- Imported	0	0.00%	6.24	4.15%
- Indigenous	202.82	100.00%	144.07	95.85%

**G.CIF Value of the Imports: (Rs. - Lacs)**

	31.3.2010	31.03.2011
- Raw Materials	1656.28	1470.90
- Stores & Spares	NIL	4.74
- Capital Goods	470.76	NIL

**H. Expenditure & Earnings in Foreign Currency: (Rs.- Lacs)**

	31.3.2011	31.3.2010
- F.O.B. Value of Exports	5769.24	4583.40
- Travelling	3.42	3.79
- Commission	155.61	107.34

16. Previous year figures are re-grouped/ re-arranged, wherever considered necessary.

17. Figures are rounded off to the nearest rupee.

AUDITOR'S REPORT  
In terms of our attached  
report of even date

Sd/-  
**JAGDISH GUPTA**  
Managing Director

Sd/-  
**SATISH GUPTA**  
Executive Director

**FOR SUNIL K. SOOD & CO.**  
CHARTERED ACCOUNTANTS

**PLACE : Chandigarh**  
**DATED: 23.05.2011**

Sd/-  
**VIJAY BHATIA**  
A.G.M. (F & A)

Sd/-  
**HARKIRAN KAUR**  
Company Secretary

Sd/-  
**SUNIL K. SOOD**  
Proprietor  
Membership No. 81778



**CASH FLOW STATEMENT**

Sr. No.	Particulars	(Rs In Lacs) 2010-11	2009-10
<b>A</b>	<b>CASH FLOW FROM OPERATIVE ACTIVITIES :-</b>		
	Net Profit before tax and Extraordinary items	521.09	445.11
	Adjustments for:		
	- Depreciation	159.78	138.78
	- Interest	93.39	94.46
	<b>Operative Profit before Working Capital changes</b>	<b>774.27</b>	<b>678.35</b>
	Adjustments for:		
	- Inventories	(425.01)	(517.92)
	- Book Debts	(535.73)	(161.81)
	- Other Assets and Loan & Advances	(371.85)	(304.83)
	- Earlier Years Income Tax Adjustment	(163.14)	-
	- Trade Payables	535.91	409.76
	<b>Cash Generated from operations</b>	<b>(185.55)</b>	<b>103.55</b>
	Prior Period Expenses Paid	(0.82)	9.27
	Payment of Taxes	(110.24)	(170.69)
	<b>Net Cash from operating activities</b>	<b>(296.61)</b>	<b>(57.87)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:-</b>		
	Net Increase in Fixed Assets	(1,569.37)	(124.10)
	Increase in CWIP	277.27	(277.27)
	Increase in investments	15.50	(12.90)
	Cash from sale of assets	34.33	7.00
	<b>Net Cash from investment activities</b>	<b>(1242.27)</b>	<b>(407.27)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCE ACTIVITIES :-</b>		
	Long Term Borrowing (net)	179.96	193.62
	Working Capital Limit	1547.27	452.19
	Unsecured Loans	-	-
	Dividend paid (FY 2009-10)	(63.98)	(64.29)
	Interest Paid	(93.39)	(94.46)
	<b>Net Cash from financing activities</b>	<b>1569.86</b>	<b>487.06</b>
	Net Increase/decrease in Cash or Cash Equivalent	30.98	21.92
	<b>Opening Cash &amp; Bank Balances</b>	<b>78.00</b>	<b>56.08</b>
	<b>Closing Cash &amp; Bank Balances</b>	<b>108.98</b>	<b>78.00</b>

AUDITOR'S REPORT

In terms of our attached report of even date

**FOR SUNIL K. SOOD & CO.**  
CHARTERED ACCOUNTANTS

Sd/-  
**JAGDISH GUPTA**  
Managing Director

Sd/-  
**SATISH GUPTA**  
Executive Director

PLACE : Chandigarh  
DATED: 23.05.2011

Sd/-  
**VIJAY BHATIA**  
A.G.M. (F & A)

Sd/-  
**HARKIRAN KAUR**  
Company Secretary

Sd/-  
**SUNIL K. SOOD**  
Proprietor  
Membership No. 81778



PART - IV

BALANCE SHEET ABSTRACT AND COMPANY'S  
GENERAL BUSINESS PROFILE

1. Registration Details

Registration No.  State Code  (Refer Code List - 1)  
Balance Sheet Date     
Date Month Year

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue NIL  
Right Issue NIL  
Bonus Issue NIL  
Private Placement NIL

3. Position of Mobilisation and Development of funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="5"/>	Total Assets	<input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="5"/>
Source of Funds			
Paid up capital	<input type="checkbox"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="2"/>	Reserve & Surplus	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="2"/>
Secured Loans	<input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="1"/>	Unsecured Loans	<input type="checkbox"/> <input type="checkbox"/> NIL
Application of Funds			
Net Fixed Assets	<input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="3"/>	Investments	<input type="checkbox"/> <input type="checkbox"/> NIL
Net Current Assets	<input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="9"/>	Misc. Expenditure	<input type="checkbox"/> <input type="checkbox"/> NIL
Accumulated Losses	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> NIL	Deferred Tax(+)/Assets/Liab (-)	<input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="8"/>

4. Performance of Company (amount in Rs. Thousands)

Turnover	<input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="4"/>	Total Expenditure	<input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="1"/>
Profit before Tax	<input type="text" value="+"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="3"/>	Profit after Tax	<input type="text" value="+"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="1"/>

(Please tick appropriate Box + for Profit - for Loss)

Earning Per Share in Rs.   
Dividend Rate % NIL

5. Generic Names of the Three Principal Products / Services of Company ( as per monetary terms)

Item Code No.   
(ITC Code)

Product Description







**STYLAM INDUSTRIES LIMITED**

Registered Office

**S.C.O. 14, SECTOR 7-C, MADHYA MARG, CHANDIGARH - 160 019**

Folio No. ....

DPID No. ....

Client ID No. ....

No. of Shares held. ....

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company to be held at Chandigarh Club, Sector-1, Chandigarh on Wednesday, the 28th September 2011 at 10.00 A.M.

Name of the Share holder.....

(In Block Letters)

Signature of the Share holder .....

Name of the Proxy .....

(In Block Letters)

Signature of Proxy.....

**NOTE :**

You are requested to sign and hand over this slip at the entrance.

If you intend to appoint a proxy to attend the meeting instead of yourself, the Proxy form must be deposited at the Registered Office of the Company at S.C.O. -14, Sector - 7C, Madhya Marg, Chandigarh - 160019 not less than 48 hours before the time for holding the meeting.

If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.

**-----TEAR HERE-----**

**STYLAM INDUSTRIES LIMITED**

Registered Office

**S.C.O. 14, SECTOR 7-C, MADHYA MARG, CHANDIGARH - 160 019**

Folio No. ....

DPID No. ....

Client ID No. ....

No. of Shares held. ....

**FORM FOR PROXY**

I/We ..... of

..... in the district of ..... being a

member/members of the above named company hereby appoint Mr.....

in the district of ..... or failing him

Mr..... of ..... in the district of ..... as

my/our proxy to vote for me/us on my/our behalf at the 20th Annual General meeting of the company to be held on Wednesday, the 28th September 2011 and at any adjournment thereof.

Signed this..... day of ..... 2011

**NOTE :**

Please Affix  
One Rupee  
Revenue  
Stamp

The proxy form must be deposited at the Registered Office of the Company at SCO 14, Sector 7-C, Madhya Marg, Chandigarh not less than 48 hours before the time of holding the meeting



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TEAR HERE

## STYLAM INDUSTRIES LIMITED

Registered Office

SCO 14, SECTOR 7-C, MADHYA MARG, CHANDIGARH - 160 019

### FORM FOR PROXY

If undelivered please return to :

#### Stylam Industries Limited

SCO 14, Sector 7-C, Madhya Marg,  
Chandigarh 160019 (INDIA)  
Tele: - +91-172-5021555, 5021666  
Fax: - +91-172 -2795213, 5021495  
Website : [www.stylam.com](http://www.stylam.com)