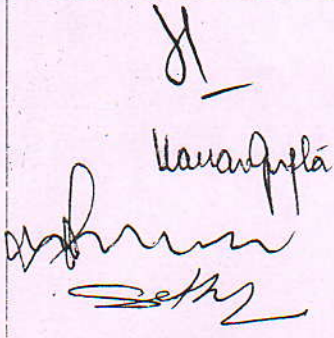


# STYLAM INDUSTRIES LIMITED

Regd office : SCO-14, Sector-7C, Madhya Marg, Chandigarh. Ph.0172-5021555, 5021666 CIN NO. L20211CH1991PLCO11732  
Govt. of India Recognised Star Export House



## FORM A

1.	Name of the company	Stylam Industries Limited
2.	Annual financial statements for the year ended	March 31 <sup>st</sup> , 2015
3.	Type of Audit observation	NA
4.	Frequency of observation	NA
5.	To be signed by- <input type="checkbox"/> CEO/Managing Director  <input type="checkbox"/> CFO  <input type="checkbox"/> Auditor of the company  <input type="checkbox"/> Audit Committee Chairman	

**STYLAM INDUSTRIES LIMITED**  
**REGISTERED OFFICE: SCO 14, SECTOR 7-C, MADHYA MARG,**  
**CHANDIGARH-160019.**

**COMPANY INFORMATION**

**Board of Directors**

Mr. Jagdish Gupta, Managing Director  
Mr. Satish Gupta, Whole Time Director  
Mr. Mahavir Singh, Director  
Mr. Satpal Garg, Director  
Mr. Ravinder Krishan, Director  
Ms. Usha Gupta, Director  
Mr. Manav Gupta, Whole time Director & CFO  
Mr. Manit Gupta, Additional Director  
Ms. Sonia Aggarwal, Additional Director in Independent capacity

**Company Secretary**

CS. Sonia Arora

**Statutory Auditors**

M/s Sunil k Sood &  
Co. Chartered  
Accountants  
#143, Sector-7,  
Panchkula-134109.

**Bankers**

State Bank of Patiala  
SCO 103-107, Commercial  
Branch, Sector 8-C,  
Chandigarh  
ING Vysya Bank Ltd.  
Sector 8-C,  
Chandigarh

**Registered Office**

SCO 14, Sector 7- C, Madhya Marg,  
Phase-I Chandigarh -160019 (INDIA)  
(Haryana) Tele - + 91-172-5021555, 5021666  
Fax - +91-172-2795213, 5021495

**Works**

192-193, Industrial Area,  
Panchkula -134 108  
Tele - +91-172- 2565387,  
Fax - +91-172-2565033

**Registrar and Transfer Agents (RTA)**

Link Intime Private Limited  
A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area  
Phase – II, Near Batra Banquet ,  
New Delhi – 110 028  
Phone -011- 4141059229961281-283, Fax 011-  
29961284  
Email: delhi@linkintime.co.in

**ISIN Details:** INE239C01012

**Stock Code :**

Bombay Stock Exchange Limited	526951
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**C O N T E N T S**

Notice  
Director's Report  
Annexure to Directors Report  
Management Discussion & Analysis  
Report  
Corporate Governance Report  
Auditors Certificate on Corporate  
Governance  
CEO/CFO Certification  
Auditors Report  
Balance Sheet  
Profit and Loss Account  
Cash Flow Statement  
Notes on Financial Statement  
Proxy Form & Attendance Slip

**NOTICE OF 24<sup>th</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of Stylam Industries Limited will be held on Wednesday 30<sup>th</sup> Day of September, 2015 at Chandigarh Club Limited, Sector-1, Chandigarh at 09:30 a.m. to transact the following Business:

**ORDINARY BUSINESS**

- a. To consider and adopt the Profit & Loss Account for the year ended March 31, 2015 and the Balance Sheet as at date together with Reports of the Directors and Auditors thereon.
- b. To appoint a Director in place of Mr. Manav Gupta (DIN- 03091842) who retires by rotation and being eligible offers himself for re-appointment.
- c. To ratify the appointment of M/s Sunil K Sood, Chartered Accountants (Registration no. 7564) as Statutory Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee of the Company in accordance with the section 139, 141 & 142 of the Companies Act, 2013."

**SPECIAL BUSINESS**

1. **REGULARIZATION OF ADDITIONAL DIRECTOR, MR. MANIT GUPTA**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 Mr. Mani Gupta, holding DIN 00889258, who was appointed as an Additional Director with effect from February 7, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and as per Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

2. **REGULARISATION OF ADDITIONAL DIRECTOR IN INDEPENDENT CAPACITY, MS. SONIA AGGARWAL**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms Sonai Aggarwal (holding DIN-0215880), Additional Director of the Company, who vacates office at the conclusion of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2020."

3. **INCREASE IN BORROWING POWER IN TERMS OF SECTION 180 ( 1 ) ( C ) OF THE COMPANIES ACT 2013**

**To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution**

**“RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs.35 crore.”

4. **INCREASE IN MANAGERIAL REMUNERATION OF MANAGING DIRECTOR**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, the monthly remuneration of Sh. Jagdish Gupta, Managing Director is proposed to be increased from Rs.4,00,000/- p.m. to Rs.4,50,000/- p.m. with effect from 1<sup>st</sup> October,2015 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. **INCREASE IN MANAGERIAL REMUNERATION OF WHOLE TIME DIRECTOR**

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 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, the monthly remuneration of Sh. Satish Gupta Whole Time Director is proposed to be increased from Rs.4,00,000/- p.m. to Rs.4,50,000/- p.m with effect from 1<sup>st</sup> October,2015 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.”

Place: Chandigarh  
Date: 2nd September, 2015  
Secretary

By Order of the Board,  
For Stylam Industries Limited  
Sd/-  
Sonia Arora  
Company

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 instrument of Proxy, in order to be effective, should be deposited at the registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
2. A Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting is annexed.
3. Information relating to the Directors proposed to be appointed and those retiring by rotation and seeking re-appointment at this Meeting, as required under Clause 49 (VIII)(E) of the Listing Agreement with the Stock Exchanges, is annexed to this Notice
4. Members holding shares in physical form are requested to notify their change of address, if any, to the Company /Registrar and Transfer Agent (RTA). In case, shares are held in electronic form, the change of address, if any, may have to be communicated to their respective DPs.

Registrar and Transfer Agent (RTA): The contact details of Registrar and Transfer Agent are as under:

Mr. Sunil Mishra  
Link Intime India Private Limited  
A-44, Community Centre, Phase-I  
Near PVR, Naraina Industrial Area  
New Delhi – 110 028  
Ph: 011-41410592-93-94, Fax: 011-41410591

The shareholders may contact for matters relating to dematerialization of shares to RTA directly.

5. Notice of the Annual General Meeting will be sent to those shareholders/ beneficial owners received from M/s Link Intime India Pvt. Ltd. (RTA) of the Company as on 28<sup>th</sup> August, 2015.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 26<sup>th</sup> September, 2015 to Saturday, 30<sup>th</sup> September, 2014 (Both days inclusive).
7. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.
8. Members are requested to send their queries, if any on accounts and operations of the Company, if any, may please be sent to the Company Secretary of the Company, seven days in advance of the Meeting so that the information may be readily available at the Meeting.
9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent/the Company.

**10. The instructions for shareholders voting electronically are as under:**



- (i) The voting period begins on 26<sup>th</sup> September, 2015 (9:00 a.m.) and ends on 29<sup>th</sup> September (5:00 p.m.) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25<sup>th</sup> September,2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shri Sanjiv Kumar Goel, Practicing Company Secretaries, Chandigarh, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (v) Click on Shareholders.
- (vi) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip/Address Label indicated in the PAN field.</p>
Dividend Bank Details  <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (x) After entering these details appropriately, click on “SUBMIT” tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote i.e. Stylam Industries Limited.
- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 24<sup>th</sup> September, 2015 may follow the same instructions as mentioned above for e-Voting.
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (xxi) The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter, unblock the votes cast through remote e-voting in the presence of atleast 2 witnesses not in employment of the Company and make, not later than 3 days from the conclusion of the meeting, a Consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.

Details of directors seeking appointment/re-appointment at the forthcoming Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Manit Gupta	Sonia Aggarwal	Manav Gupta
Date of Birth	14/08/1988	08/02/1973	28/01/1989
Date of Appointment	February 7 <sup>th</sup> ,2015	March 7 <sup>th</sup> ,2015	February 18 <sup>th</sup> ,2012
Expertise in specific Functional areas	Business Development	Business Development	Business Development
Qualification	Post Graduate	Graduate	Post Graduate
No. of shares held in the Company	412198	0	0
Directorship held in other Public companies	NA	NA	NA
Position held in mandatory Committees of other Companies	NA	NA	NA



**ANNEXURE TO NOTICE****Explanatory Statement Pursuant to Section 102(1) of Companies Act, 2013**

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos. 1 & 2 of the accompanying Notice dated 02<sup>nd</sup> September, 2015.

**Item No.1:**

Mr. Mani Gupta was appointed as an Additional Director on the Board of the Company w.e.f. February 7, 2015 pursuant to the provisions of Section 161 of the Companies Act, 2013, he holds office upto the date of ensuing Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Mani Gupta for the office of the Director under the provisions of Section 160 of the Companies Act, 2013. Mr. Mani Gupta an eminent Professional and bring rich and varied experience to the Board. None of the Directors of the Company, except Mr. Mani Gupta, are in any way concerned or interested in this resolution.

**Item No.2:**

Ms Sonia Aggarwal (holding DIN-02158820), Additional Director of the Company, who vacates office at the conclusion of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2020.

Ms. Sonia Aggarwal an eminent Professional and bring rich and varied experience to the Board. None of the Directors of the Company, except Ms. Sonia Aggarwal, are in any way concerned or interested in this resolution.

**Item No. 3 &4**

Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Whole Time Director are the promoter Directors of the Company. 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 Board has proposed to increase their monthly remuneration of Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Whole Time Director to be increased to Rs.4,50,000/- p.m. w.e.f. October 1<sup>st</sup>, 2015.

The remuneration payable to them commensurate with responsibilities conferred on them.

The remuneration has been approved by Remuneration Committee as per Schedule V of the Companies Act, 2013.

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

**By Order of the Board,**  
For Stylam Industries

Limited

Sd/-

**Sonia Arora**  
**Company**

Place: Chandigarh  
Date: 2<sup>nd</sup> September, 2015  
**Secretary**

**I. GENERAL INFORMATION**

1. The company is in the manufacture of Luxury grade decorative laminated sheets for both home and industrial 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 to our commitment to quality.

**II. OTHER INFORMATION**

- (1) The Company is aiming for 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.

## **DIRECTORS' REPORT**

Your Directors are pleased to present the 24th Annual Report together with audited accounts for the year ended March 31, 2015.

### ***ECONOMIC OVERVIEW***

As per the latest GDP growth estimates, Indian economy grew by 7.4% in FY15 compared to 6.9% in FY14, mostly driven by improved economic fundamentals and revision of GDP methodology calculation. Even inflation showed signs of moderation, a welcome sign - wholesale price and consumer price inflation declined to 4.2% and 7.4% respectively, compared with last year's 6.3% and 10.1%. Reduced inflation, falling crude oil prices, stable Rupee, improved purchasing power and consumer spending, higher capital inflows supported by the government policy reforms have already put India on an accelerating growth track and improved the business outlook.

The Government envisages GDP growth to accelerate to 8% in FY16 driven by strengthening macroeconomic fundamentals and implementation of policy reforms recently announced. Reforms like e-auctions of coal mines and telecom, FDI hike in insurance, speedier regulatory approvals etc. will be critical growth enablers to de-bottleneck stalled projects, improve the investment outlook and the ease of doing business in the country. Reforms currently underway such as GST implementation, Amendment on Land Acquisition Bill, Labour Reforms, etc., are expected to provide the requisite thrust for growth in the medium-term.

### ***HIGHLIGHTS OF PERFORMANCE***

During the year under review, against the backdrop of challenging business environment, the company has recorded moderate performance both in income and its profit. The income touched Rs. 214.45 crore which is 16% more than last year and recorded profit of Rs.13.90 crore which is up by 39% as over the previous year. The company had coupled with high level of modernization, concentrated efforts of both Management and dedicated employees; the whole hearted supports of Banks, suppliers and customers attained these levels of performance. The earnings per equity share (of face value of Rs.10/-) for the year increased to Rs.12.84 from Rs.9.33 for the previous year.

During the year 2014-15, the company has recorded revenue from exports, including export incentive entitlement, of Rs. 167.82 crore, which represents 78.25% of total revenue. The company has showcased its products in major exhibitions in strategically important markets.

During the year, the company has also progressed well in domestic business with an increase of 36% in revenues over the previous year.

### ***FINANCIAL RESULTS***

	Rs in Lacs	
	2014-15	2013-14
Profit before finance cost, depreciation and amortization expenses and tax expenses	2303.80	1993.61
Less: a) Finance Cost	492.98	668.14
b) Depreciation and amortization expenses	419.92	326.38
Profit before tax	1390.90	999.09
Provision for taxation	451.62	316.50
Profit for the year	939.28	682.59
Add: Balance brought forward from previous year	2733.62	2051.03
Balance carried to Balance sheet	3672.90	2733.62

### ***DIVIDEND***

In view of the expansion and investment strategies of the Company, your directors do not recommend any dividend for the year under review.

### ***SHARE CAPITAL***

The paid up Equity Share Capital as on 31st March, 2015 was Rs. 731.62 lacs. There has not been any change in the Equity Share Capital of the Company during the Financial Year ended 31st March, 2015. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options.

#### *DEPOSITS*

During the year under review, the Company did not accept any deposits from the public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### *PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT*

Pursuant to Section 186 of the Companies Act, 2013, company has not directly or indirectly

- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,
- b) given any guarantee or provide security in connection with a loan to any other body corporate or person and
- c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate, exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

#### *MATERIAL CHANGES AND COMMITMENTS*

There has been no material changes which have occurred subsequent to the close of the financial year of the Company to which the Balance Sheet relates and the date of the report.

#### *STATUTORY AUDITORS AND THEIR REPORT*

M/s Sunil K Sood & Co., Chartered Accountants, (Registration No7564) had been appointed as Statutory Auditors of the Company, for a period of three years at the Annual General Meeting held on September 30, 2014, and shall hold office for a period of three years. However, as per first provision of Section 139(1) of the Companies Act, 2013, the appointment of auditors has to be ratified by the members at every annual general meeting.

The company has received a letter from the auditors confirming that they are eligible for re-appointment as auditors of the Company under Section 139 of the Companies Act, 2013 and meet the criteria for appointment specified in Section 141 of the Companies Act, 2013.

Board of Directors of the Company proposes to ratify the appointment of M/s Sunil K Sood & Co, Chartered Accountants, as Statutory Auditors of the company for FY16.

The comments on statement of accounts referred to in the report of the auditors are self explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### *SECRETARIAL AUDITORS AND THEIR REPORT*

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sanjiv Goel & Co., Practicing Company Secretaries, to undertake Secretarial Audit of the Company. The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2015 is annexed herewith as "Annexure-I". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### *COST AUDITORS*

The Company was not required to appoint Cost Auditor for the financial year ending March 31, 2015.

#### *INTERNAL AUDITORS*

The Board of Directors has appointed Mr. Akhil Raman & Associates, Chartered Accountants, as Internal Auditor of the Company to carry out internal audit of Branches, offices and manufacturing units of the Company.

#### *CORPORATE GOVERNANCE*

Transparency is the cornerstone of the Company's philosophy and all requirements of Corporate Governance are adhered to both in letter and spirit.

All the Committees of the Board of Directors meet at regular intervals as required in terms of Clause 49 of the Listing Agreement. Your Board of Directors has taken all necessary steps to ensure compliance with all statutory and listing requirements. The Directors and key managerial personnel of your Company have complied with the approved 'Code of Ethics for Board of Directors and Senior Executives' of the Company.

The Report on Corporate Governance as required under the Listing Agreement forms part Annual Report. The Auditors' Certificate on compliance with Corporate Governance requirements is also attached to this Report.

#### *CEO AND CFO CERTIFICATION*

Pursuant to Clause 49 of the Listing Agreement, the CEO and CFO certification is attached with the annual report. The Managing Director and CEO and the Chief Financial Officer also provide quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

#### *BUSINESS EXCELLENCE AND QUALITY INITIATIVES*

The company continues to be guided by the philosophy of business excellence to achieve sustainable growth. Customer-focused culture towards building long-term customers relationships is the key agenda of the Management.

The company follows the principles of total quality management. The company continues to be certified under ISO 9001: 2000 certifications for complete range of laminates manufactured.

#### *OCCUPATIONAL, HEALTHY, SAFETY & ENVIRONMENT*

Company has effectively deployed the occupational health, safety and environment management policies, in line with core value of being recognised as a responsible corporate citizen.

#### *CORPORATE SOCIAL RESPONSIBILITY*

The Company through its Corporate Social Responsibility Committee had formulated a CSR policy as required under Section 135 of the Companies Act, 2013.

The following is the composition of the Corporate Social Responsibility Committee. a) Mr. Jagdish Gupta - Chairman b) Mr. Satish Gupta- Member c) Mr. Satpal Garg - Member

#### *Scope of CSR Activities*

Company understands the importance of Corporate Social Responsibility (CSR) activities that bring a meaningful and lasting improvement in the life of youth and marginalized section of the society, more particularly of backward region. It has been a commitment of Company to the society.

#### *CSR Policy Implementation*

The Company shall undertake CSR project/ programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy. The CSR Policy of the Company will be uploaded on the website of the Company.

#### *Reason for not spending on CSR Activities*

Being the initial year, the Company was in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact.

The company was intended to own a village for embedding wider economic, social and environmental development by providing better health facilities, educational facilities and food etc for weaker section of the society. The company couldn't obtain the necessary approval from the agency. The company will comply with the provisions of Section 135 of the Companies Act, 2013 for FY15 as well as FY16 in this year.

#### *INTERNAL CONTROL*

Your Company has proper and adequate system of internal controls. The external audit firm has been appointed as internal auditors to conduct regular audits that are performed as per the annual Audit Plan. The Internal Audit team conducts its audits which are carried out at factory, branches and corporate offices with the objective to evaluate and continuously improve the effectiveness of internal controls and governance processes. Additional areas, if any, identified during the year are taken up as special assignments. The audit findings are reviewed by the Audit Committee of Directors and corrective action, as deemed necessary, is taken. Company also has laid down procedures and authority levels with suitable checks and balances encompassing the entire operations of the Company.

#### *OUTLOOK*

The Company's outlook remains favourable on account that inspite of the depressed economic conditions during past two years, the prospects for the medium to long term looks promising.

During the last year, a stable Government at the Centre has assumed office and it is expected that major policy reforms would be undertaken with all seriousness. It is expected that interest rates would be softened thereby giving a much needed impetus to manufacturing which would consequently increase consumption. This would lead to an all round buoyancy especially for the industry and infrastructural sectors.

The government has planned game-changing reforms in indirect tax through the introduction of GST, which is likely to be introduced with effect from 1st April, 2016. Introduction of GST was a much awaited reform and is expected to provide numerous benefits to both business and consumers. With the introduction of GST, supply chain inefficiencies will be reduced, Inter-state trade will become easy and the market will be integrated at the national level.

The government with proactive initiatives like Make in India, Smart Cities and Swachh Bharat Abhiyan, among others will drive the industrial momentum.

#### *EXPANSION*

During the year under review, company has commenced production at their set-up at Panchkula, Haryana, the production of the interior grade laminates (in latest textures), for premium and standard grades, marketed under the brand name of 'Violam' and 'Wakalam' respectively.

The company has developed HPL exterior grade premium flooring product, under the brand name of 'Walkon'. The company is the first to manufacture this product in India.

Beside this, the company has enhanced production of Exterior Cladding which is marketed under the brand 'Fascia'.

To put all the inventiveness measures under one roof, this includes development of new designs, finding of new vendors, to study product dynamics and to explore market for export and domestic business; at their separate location at Panchkula Technology Park, Haryana. The construction of building having built-up areas of 20697.200 sq. mtrs is almost complete. The company has planned to lease out portion of constructed building to other players for commercial office space and for service sector businesses. The building will be operational before the close of this financial year.

Considering the buoyant demand of product and study of long term outlook of the infrastructure, particular Tier-I and Tier-II cities, which is backed by favorable demographics, entry of foreign players and increasing urbanization in India; The company, at its Board Meeting held on 8<sup>th</sup> April, 2015, approved a proposal for expansion of capacity, thereafter the company has proposed to set-up compact laminates manufacturing unit at Vill. Mankabra, Raipur Rani, Distt. Panchkula, Haryana, with an approximate cost outlay of Rs.45 crore.

#### *VIGIL MECHANISM/ WHISTLE BLOWER POLICY*

In accordance with the provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, every listed Company is required to have a Vigil Mechanism for



the Directors and employees to report their genuine concerns and grievances. Your Company has a Whistle Blower Policy in place and the same is also available on company's website.

#### *EXTRACT OF THE ANNUAL REPORT*

The extract of the Annual Return in Form No. MGT – 9 (Attached as “Annexure –II”) forms part of the Board's report.

#### *BOARD EVALUATION*

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### *POLICY ON NOMINATION AND REMUNERATION*

The contents of Nomination and Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 (IV) of the Listing Agreements are provided in the Corporate Governance Report.

#### *MEETINGS*

During the year under review 8 Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The details of constitution of the Board and its Committees are given in the Corporate Governance Report.

#### *COMPLIANCE WITH CODE OF ETHICS FOR BOARD OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL*

All Directors and Senior Management Personnel have affirmed Compliance with the Code of Ethics for Board of Directors and Senior Executives. A Declaration to that effect is attached with the Corporate Governance Report.

#### *LISTING*

The equity shares continue to be listed on BSE Limited (BSE). The company has paid annual listing fee for the financial year 2015-16.

#### *CREDIT RATING*

CARE has carried out a credit rating assessment of the company for both short term and long term exposures in compliance with BASEL II norms implemented by RBI. The rating of the company has improved to one notch point to 'Triple B' for long- term bank facilities at 'CARE BBB' and assigned 'A 3+' rating on the short term bank facilities at 'CARE A3'.

#### *INSURANCE*

The company's properties, including building, plant, machineries etc and stocks are adequately insured against risks.

#### *PARTICULATRS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES*

All related party transactions that were entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval is also

obtained from the Audit Committee for the related party transactions which are of repetitive nature which can be foreseen and accordingly the required disclosures are made to the Audit Committee on quarterly basis in terms of the approval of the Committee.

The policy on materiality of related party transactions and also on dealing with related party transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the company.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC – 2 is not applicable to the Company

#### *FRAUD REPORTING*

During the year under review, no fraud was reported by the Auditors of the Company to the Audit Committee or the Board of directors.

#### *DISCLOSURES UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013*

During the year under review, no case was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

#### *DETAIL OF SINGIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OT TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE*

There are no significant material orders passed by the Regulators/Courts which would impact the Going Concern status of the Company and its future Operations.

#### *CONSERVATION OF ENERGY AND TECHNOLOGY ABSORBTION AND FOREIGN EXCHANGE EARNINS AND OUTGO*

Information pursuant to Clause (m) of Sub-Section (3) of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure I".

#### *PARTICULARS OF EMPLOYEES*

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is 'Not Applicable' as no employee is in receipt of remuneration in excess of the limits prescribed under this Section.

#### *DIRECTOR'S RESPONSIBILITY STATEMENT*

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. That in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the Directors have prepared the annual accounts on a going concern basis; and
- e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### *ACKNOWLEDGMENT*

The Board wishes to take this opportunity to thank its employees for their dedicated service and firm commitment to give the goals of the company.

The Board also wishes to place on record its sincere appreciation for the wholehearted support from shareholders, customers, vendors, bankers, and all other business associates for their support and cooperation during the year.

Place: Chandigarh  
Date: 2<sup>nd</sup> September, 2015

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

## *ANNEXURE TO DIRECTORS' REPORT*

Information as per Clause (m) of Sub-Section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015.

### *A. Particulars of conservation of energy*

The company continued its focused energy conservation efforts through up-gradation of process technology, effective production scheduling and various energy saving initiatives.

Energy Audit of the complete plant was conducted to look further scope of Energy Conservation. The Audit of Steam and Condensate system is also conducted in the year under review.

Total energy consumption and energy consumption per unit of production as per Form A (Rule 2) is not provided as the company is not covered under the list of specified industries.

### *B Technology Absorption*

#### *a) Research and Development (R&D)*

The R&D activities of the company are categorized under the following area of focus:

- Developing new products & designs for emerging applications;
- Improvement in manufacturing process;
- Effective production scheduling;
- Reduction in input pilferage.

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

- Penetration into newer market;
- Enhanced reliability of the product;
- Cost reduction;
- Import substitution;
- Foreign exchange earnings.

#### *c) Future Plan of Action*

- To continue with the R&D for new products and better processes

#### *b) Technology absorption, adaption and innovation a)*

##### *Steps adopted*

- Setting –up strict quality norms so as to ensure the goods dispatched from factory is as per the requirement of the customer and is free from all defects;
- Participated in the exhibition at national and international level.

#### *e) Benefits of the steps adopted*

- Improvement in product quality;
- Establishment of 'STYLAM' Brand;
- Development of new market.

f) Particulars of Imported Technology in the last 5 years: Nil, the company keeps itself updated on the latest technology available.

### *C Foreign Exchange Earnings and Outgo*

The company participates in the exhibition organized at the international levels and continued its initiatives to increase exports by developing new products and expanding to new markets. The thrust for exploring new market for export will continue in future.

Total Foreign Currency Earning and Outgo

Rs. in Lakhs

<i>Earning on account of</i>	<i>2014-15</i>
<i>FOB value of Export</i>	15727.60
Revenue	36.18
<i>Total</i>	15763.78
<i>Outgo on account of</i>	
Raw Material	7661.92
Components & Spare Parts	156.46
Other Expenditures	571.34
<i>Total</i>	8389.72

**ACKNOWLEDGEMENT**

The Board thanks all the employees for their sincere efforts, active involvement and devoted services rendered.

The Board also thanks the shareholders of the Company for the confidence reposed in the Management of the Company.

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

By Order of the Board,

For Stylam Industries Limited

Sd/-

Jagdish Gupta

Managing Director

Place: Chandigarh

Date: 2<sup>nd</sup> September , 2015

## AUDITORS' CERTIFICATE

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 on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SUNIL K. SOOD & Co.**

Chartered Accountant

Firm's Regd. No. 7564

Date: 2<sup>nd</sup> September , 2015

Place: Panchkula

**CA SUNIL KUMAR SOOD**

Proprietor

M. No. 81778



## **CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)**

The Board of Directors  
Stylam Industries Limited,  
S.C.O.14, Sector- 7-C,  
Chandigarh

We Jagdish Gupta, Managing Director & CEO and Manav Gupta- Whole-time Director & CFO of Stylam Industries Limited certify to the Board in terms of the requirement of Clause 49 IX of the Listing Agreement with the Stock Exchanges, that we have reviewed the financial statement and cash flow statement of the Company for the financial year ended March 31, 2015.

1. To the best of our knowledge, we certify that:

- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading;
- b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations; and
- c) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;

2. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, and further state that there were no deficiencies in the design or operation of such internal controls.

3. We do further certify that there has been:

- a) no significant changes in internal controls during the year;
- b) no significant changes in accounting policies during the year; and
- c) no instances of fraud, of which we are aware during the period.

Place: Chandigarh  
Date: 2<sup>nd</sup> September, 2015

Jagdish Gupta  
Managing Director & CEO

Manav Gupta  
Whole-time Director & CFO

## **ANNUAL DECLARATION UNDER CLAUSE 49(II)(E) OF THE LISTING AGREEMENT WITH STOCK EXCHANGES**

### **DECLARATION**

As required under Clause 49 (II)(E) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have complied with Code of Conduct and Ethics of the Company for the year ended March 31, 2015.

Place: Chandigarh  
Date: 2<sup>nd</sup> September, 2015

Manav Gupta  
Whole-time Director & CFO

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## **REMUNERATION POLICY**

### **1.0 INTRODUCTION**

1.1 Remuneration at Stylam Industries Limited (“the Company”) is based on the principles of performance, equitableness and competitiveness. This Remuneration Policy has been designed to reflect these principles and to attract, motivate and retain quality manpower for driving the Company successfully.

1.2 This Remuneration Policy is based on the requirements of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement (effective from October 1, 2014) and approved by the Board of Directors of the Company at its meeting held on February 24, 2015.

1.3 This Remuneration Policy applies to the Board of Directors, Key Management Personnel (KMPs) and Senior Management Personnel of the Company.

1.4 This Remuneration Policy shall be effective from February 24, 2015.

### **2.0 OBJECTIVES**

2.1 The objectives of this Remuneration Policy are:

- (a) Formulation of the criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors;
- (b) Aligning the remuneration of Directors, KMPs and Senior Management Personnel with the Company’s financial position, remuneration paid by its industry peers etc.;
- (c) Performance evaluation of the Board, its Committees and Directors including Independent Directors;
- (d) Ensuring Board diversity;
- (e) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
- (f) Directors’ induction and continued training

### **3.0 DEFINITIONS**

3.1 “Act” means the Companies Act, 2013.

3.2 “Board” means Board of Directors of the Company.

3.3 “Director” means Director as defined under Section 2(34) of the Companies Act, 2013.

3.4 “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

3.5 “Company” means Stylam Industries Limited.

3.6 “Independent Director” means a director referred to in Section 149(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

3.7 “Key Managerial Personnel”, means :

- the Chief Executive Officer or the Managing Director or the Manager;
- the Company Secretary;
- the Whole-Time Director;
- the Chief Financial Officer; and
- such other officer as may be prescribed under the Companies Act, 2013.

3.8 “Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

### **4.0 GUIDING PRINCIPLES**

4.1 The Company shall follow the following guiding principles in order to attract, motivate and retain

talent in the Company:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to Directors, KMPs and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## 5.0 GENERAL

This Policy is divided in five parts:

- Part-A covers criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors.
- Part-B covers Induction and Training of Directors.
- Part-C covers Performance Evaluation of Board, its Committees and Directors including Independent Directors.
- Part-D covers Remuneration of Directors, KMPs and Senior Management Personnel.
- Part-E covers Board Diversity

### 6.0 PART-A

*Criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors*

1. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and recommend to the Board his/her appointment.
2. A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment as a Director. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position and are in accordance with the provisions of the Act and Clause 49 of the Listing Agreement.
3. The Committee shall ensure that a person proposed to be appointed as an Independent Director satisfies the criteria laid down under the Act read with Clause 49 of the Listing Agreement.
4. The appointment and tenure of Directors, Independent Directors and KMPs shall be in accordance with the provisions of the Act read with Clause 49 of the Listing Agreement.

### 7.0 PART-B

*Induction and Training of Directors*

1. On appointment, Directors shall receive a Letter of Appointment setting out in detail, the terms of appointment, duties, roles and responsibilities. Each newly appointed Director will be taken through a formal induction programme.
2. The induction process should be designed to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc.
3. It shall be ensured that the Directors are updated as and when required of their roles, responsibilities and liabilities.
4. The Company may organise site visits for Directors from time to time.

### 8.0 PART-C

*Performance Evaluation of Board, its Committees and Directors*

The evaluation of the performance of the Board, its Committees and Directors shall be carried out on an annual basis. The performance of the Board and Committees thereof shall be evaluated against their terms of reference. Evaluation of the performance of Directors shall include consideration of their skills, performance and contribution to the Board, Company strategy and Board Committees, their

availability and attendance at Board and Committee Meetings.

#### **9.0 PART-D**

##### ***Remuneration of Directors, KMPs and Senior Management Personnel***

1. The remuneration of the Executive Directors, KMPs and Senior Management Personnel should be based on Company's financial position, industrial trends, remuneration paid by peer companies. The remuneration should be reasonable and sufficient to attract retain and motivate the aforesaid persons.
2. Remuneration to Executive Directors shall be paid by way of salary, based on recommendation of the Committee and approval of the Board and Shareholders. The overall managerial remuneration shall be within the ceilings stipulated under Section 197 read with Schedule V of the Act.
3. The Non-executive directors shall be paid remuneration by way of sitting fee for attending the meetings of the Board and Committees thereof.
4. The KMPs shall be paid remuneration approved by the Board of Directors. The Senior Management Personnel shall be paid remuneration in line with the Company's internal HR policy.
5. Increments in the existing remuneration of Executive Directors and KMPs shall be approved by the Committee within the limits prescribed under the Act. Increments in the remuneration of Senior Management Personnel shall be as per Company's HR policy.

#### **10.0 PART-E**

##### ***Board Diversity***

Board appointments will be based on merit and candidates will be considered on the basis of their skills, knowledge, experience and background, gender and other distinguishing qualities, having due regard to the effectiveness of the Board. It will be ensured that the Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors should have a mix of finance, legal, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, investment and other professions.

#### **11.0 APPLICABILITY OF THE REMUNERATION POLICY**

This Remuneration Policy shall apply to all future appointments of Directors, KMPs and Senior Management Personnel.

#### **12.0 AMENDMENT**

Any modification / amendment in this Remuneration Policy may be carried out by the Board on the recommendation of the Nomination and Remuneration Committee. This policy will be subject to change as per amendment in the Companies Act, 2013, the Listing Agreement, or any other applicable Rules, Regulations and Guidelines.

#### **13.0 DISSEMINATION**

The key features of this Remuneration Policy shall be published in the Annual Report and uploaded on the website of the Company in accordance with the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement.

## SECRETARIAL AUDIT REPORT

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015**

To,

The Members,  
Stylam Industries Limited  
S.C.O. 14, Sector 7 C,  
Chandigarh -160019

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Stylam Industries Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on my verification of the Stylam Industries Limited's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance -mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers minute books, forms and returns filed and other records maintained by Stylam Industries Limited for the financial year ended on March 31, 2015 according to the provisions of

- i) The companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye Laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

(a)The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

(b)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2011;

(c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2011;

(d)The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e)The company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited,

- vi) I have relied on the representation made by the company and its officers for systems and mechanism put in place by the company for compliances under the applicable Act, Laws and Regulations to the Company.

2. I have also examined compliance with applicable clauses of the followings:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreement entered into by the company with Bombay Stock Exchange Limited.  
During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, suits, rules, regulations and guidelines.

Place: Chandigarh  
Date: 24/08/2015

Sanjiv Kumar Goel  
FCS No.2107  
C P No. 1248



**FORM NO. MGT 9**  
(Particulars to be filled by the Company in pursuance of the provisions of the Companies Act, 2013 & Administration ) Rules, 2014.  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31/03/2015

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L20211CH1991PLC011732
ii	Registration Date	28-Oct-91
iii	Name of the Company	STYLAM INDUSTRIES LIMITED
iv	Category of the Company	Public Company
v	<b>Address of the Registered office &amp; contact details</b>	
	Address :	SCO-14,SECTOR-7C,CHANDIGARH-160019
	Town / City :	CHANDIGARH
	State :	CHANDIGARH - 160019
	Country Name :	India
	Telephone (with STD Code) :	0
	Fax Number :	0
	Email Address :	cs@stylam.com
	Website, if any:	WWW.STYLAM.COM
vi	Whether listed company	YES
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	LINKINTIME
	Address :	44, COMMUNITY CENTRE, PHASE-1, NEAR PVR, NA
	Town / City :	NEW DELHI
	State :	NEW DELHI
	Pin Code:	110028
	Telephone :	911141410592
	Fax Number :	911141410591
	Email Address :	sunil.mishra@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

**MANUFACTURING OF HPL LAMINATES**

All the business activities contributing 10 % or more of the total turnover

Sl. No.	Name and Description of main products / services	NIC Code (2008)of the Product / service	% to total turnover of the company
1	LAMINATES	1701	100
2			0
3		0	0

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

No. of Companies for which information is being filled	NA
--	----

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	0	0	0	0	0
2	0	0	0	0	0

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	4304056	0	4304056	58.83%	4304056	0	4304056	58.83%	0%
b) Central Govt	0	0	0	0%	0	0	0	0%	0%
c) State Govt(s)	0	0	0	0%	0	0	0	0%	0%
d) Bodies Corp.	0	0	0	0%	0	0	0	0%	0%
e) Banks / FI	0	0	0	0%	0	0	0	0%	0%
f) Any other	0	0	0	0%	0	0	0	0%	0%
<b>(2) Foreign</b>									
a) NRI - Individual/	0	0	0	0%	0	0	0	0%	0%
b) Other - Individual/	0	0	0	0%	0	0	0	0%	0%
c) Bodies Corp.	0	0	0	0%	0	0	0	0%	0%
d) Banks / FI	0	0	0	0%	0	0	0	0%	0%
e) Any Others	0	0	0	0%	0	0	0	0%	0%
<b>Total shareholding of</b>	<b>4304056</b>	<b>0</b>	<b>4304056</b>	<b>58.83%</b>	<b>4304056</b>	<b>0</b>	<b>4304056</b>	<b>58.83%</b>	<b>0%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0%	0	0	0	0%	0%
b) Banks / FI	0	0	0	0%	0	0	0	0%	0%
c) Central Govt	0	0	0	0%	0	0	0	0%	0%
d) State Govt(s)	0	0	0	0%	0	0	0	0%	0%
e) Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
f) Insurance Companies	0	0	0	0%	0	0	0	0%	0%
g) FIs	0	0	0	0%	0	0	0	0%	0%
h) Foreign Venture	0	0	0	0%	0	0	0	0%	0%
i) Others (specify)	0	0	0	0%	0	0	0	0%	0%
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	363983	60600	464024	5.80%	403424	60600	464024	6.34%	-0.54%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders	837901	349907	1187808	13.04%	837901	349907	1187808	16.24%	-3.20%
ii) Individual shareholders	793708	390900	1184608	21.29%	793708	390900	1184608	16.19%	5.10%
c) Others (specify)	175704	0	175704	1.03%	175704	0	175704	2.40%	-1.37%
<b>Sub-total (B)(2):-</b>	<b>2210737</b>	<b>801407</b>	<b>3012144</b>	<b>41.17%</b>	<b>2210737</b>	<b>801407</b>	<b>3012144</b>	<b>41.17%</b>	<b>0.00%</b>
<b>Total Public Shareholding</b>	<b>2184137</b>	<b>828007</b>	<b>3012144</b>	<b>41.17%</b>	<b>2210737</b>	<b>801407</b>	<b>3012144</b>	<b>41.17%</b>	<b>0.00%</b>
<b>C. Shares held by</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>Grand Total (A+B+C)</b>	<b>6488193</b>	<b>828007</b>	<b>7316200</b>	<b>100%</b>	<b>6514793</b>	<b>801407</b>	<b>7316200</b>	<b>100%</b>	<b>0%</b>

ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	JAGDISH GUPTA	985450	1347%	0%	985450	1347%	50%	0%
2	SATISH GUPTA	868963	1188%		868963	1188%	50%	
3	USHA GUPTA	712875	974%		712875	974%		
4	PUSHPA GUPTA	550970	753%		550970	753%		
5	MANIT GUPTA	412198	563%		412198	563%		
6	RATTAN DEVI	385700	527%		385700	527%		
7	NIDHI GUPTA	184100	252%		184100	252%		
8	DIPTI GUPTA	170700	233%		170700	233%		
9	SARU GUPTA	33100	45%		33100	45%		
	<b>TOTAL</b>	<b>4304056</b>	<b>5883%</b>	<b>0%</b>	<b>4304056</b>	<b>5883%</b>	<b>100%</b>	<b>0%</b>

iii Change in Promoters' Shareholding ( please specify, if there is no change)

NA

Sl. No. I - Mr. _____		Shareholding at the beginning of		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		0	0%	0	0%
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
0	Allotment	0	0%	0	0%
0	Bonus	0	0%	0	0%
0	Sweat	0	0%	0	0%
0	Other	0	0%	0	0%
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
0	Transfer	0	0%	0	0%
0	Other	0	0%	0	0%
At the End of the year		0	0%	0	0%

iv **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SI NO.	FOR EACH OF THE TOP 10 SHAREHOLDERS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PORINJU V VELIYATH				
	At the beginning of the year	0		0	
	Changes During the Year	0		75000	1.025122331
	At the End of the year (or on the date of separation, if separated during	0		75000	1.025122331
2	Mr. SANGEETHA S				
	At the beginning of the year	80340		62872	0.859353216
	Changes During the Year	17468			
	At the End of the year (or on the date of separation, if separated during	62872		62872	0.859353216
3	BP EQUITIES PVT. LTD.				
	At the beginning of the year	0			
	Changes During the Year			55000	0.751756376
	At the End of the year (or on the date of separation, if separated during the year)			55000	0.751756376
4	DEVIKA ANAND				
	At the beginning of the year	0			
	Changes During the Year			50959	0.696522785
	At the End of the year (or on the date of separation, if separated during the year)			50959	0.696522785
5	JUHI ANIL GOEL				
	At the beginning of the year	0			
	Changes During the Year			55000	0.751756376
	At the End of the year (or on the date of separation, if separated during the year)			55000	0.751756376
6	RAJASTHAN GLOBAL SECURITIES LIMITED				
	At the beginning of the year	0			
	Changes During the Year			49109	0.671236434
	At the End of the year (or on the date of separation, if separated during the year)			49109	0.671236434
7	DHEERAJ KUMAR LOHIA				
	At the beginning of the year	0			
	Changes During the Year			45593	0.623178699
	At the End of the year (or on the date of separation, if separated during the year)			45593	0.623178699
8	A.M. FINANCIAL SERVICES LTD.				
	At the beginning of the year	45200			
	Changes During the Year	0			
	At the End of the year (or on the date of separation, if separated during	45200		45200	0.617807058
9	RAJ KUMAR LOHIA				
	At the beginning of the year	0			
	Changes During the Year			44850	0.613023154
	At the End of the year (or on the date of separation, if separated during the year)			44850	0.613023154
10	KISHAN GOPAL MOHTA				
	At the beginning of the year	0			
	Changes During the Year			35000	0.478390421
	At the End of the year (or on the date of separation, if separated during the year)			35000	0.478390421

v **Shareholding of Directors and Key Managerial Personnel:**

SI No.	For each of the Directors & key Managerial Personnel				Shareholding at the beginning of		Cumulative Shareholding	
					No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	JAGDISH GUPTA				985450	13.47		
	At the beginning of the year				0			
	Changes During the Year							
	At the End of the year (or on the date of separation, if separated during the year)						985450	13.47
2	SATISH GUPTA				868963	11.88		
	At the beginning of the year							
	Changes During the Year							
	At the End of the year (or on the date of separation, if separated during the year)						868963	11.88
3	USHA GUPTA				712875	9.74		
	At the beginning of the year							
	Changes During the Year							
	At the End of the year (or on the date of separation, if separated during the year)						712875	9.74
4	PUSHPA GUPTA				550970	7.53		
	At the beginning of the year							
	Changes During the Year							
	At the End of the year (or on the date of separation, if separated during the year)						550970	7.53
5	MANIT GUPTA				412198	5.63		
	At the beginning of the year							
	Changes During the Year							
	At the End of the year (or on the date of separation, if separated during the year)						412198	5.63
6	RATTAN DEVI				385700	5.27		
	At the beginning of the year							
	Changes During the Year							
	At the End of the year (or on the date of separation, if separated during the year)						385700	5.27
7	NIDHI GUPTA				184100	2.52		
	At the beginning of the year							
	Changes During the Year							
	At the End of the year (or on the date of separation, if separated during the year)						184100	2.52
8	DIPTI GUPTA				170700	2.33		
	At the beginning of the year							
	Changes During the Year							
	At the End of the year (or on the date of separation, if separated during the year)						170700	2.33
9	SARU GUPTA				33100	0.45		
	At the beginning of the year							
	Changes During the Year							
	At the End of the year (or on the date of separation, if separated during the year)						33100	0.45

**VI INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	985450	13.469424	0	985450
ii) Interest due but not paid	868963	11.877245	0	868963
iii) Interest accrued but not due	712875	9.74378776	0	712875
<b>Total (i+ii+iii)</b>	<b>2567288</b>	<b>35.0904568</b>	<b>0</b>	<b>2567288</b>

## VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		JAGDIS H GUPTA	SATISH GUPTA	MANAV GUPTA	USHA GUPTA	
1	Gross salary	4500000	4500000	1800000	720000	11520000
	(a) Salary as per provisions	4500000	4500000	1800000	720000	11520000
	(b) Value of perquisites u/s	0	0	0	0	0
	(c) Profits in lieu of salary	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	- as % of profit	0	0	0	0	0
	- others, specify	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	4500000	4500000	1800000	720000	11520000
	Ceiling as per the Act	0	0	0	0	0

Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		A	B	C	D	
1	<b>Independent Directors</b>					
	Fee for attending board	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
2	<b>Other Non-Executive</b>					
	Fee for attending board	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	4500000	4500000	1800000	10800000
	Overall Ceiling as per the Act	0	0	0	0	0

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT/

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	0	282000	1800000	2082000
	(a) Salary as per provisions contained in	0	282000	1800000	2082000
	(b) Value of perquisites u/s 17(2)	0	0	0	0
	(c) Profits in lieu of salary under section	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	282000	1800000	2082000

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	0	-	-	-	-
Punishment	0	-	-	-	-
Compounding	0	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	0	-	-	-	-
Punishment	0	-	-	-	-
Compounding	0	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	0	-	-	-	-
Punishment	0	-	-	-	-
Compounding	0	-	-	-	-

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Business Overview**

Your company is in the business of laminates i.e. Decorative Laminates, Metallic Laminates, Compact Laminates, Exterior Laminates, HCL etc.

**Stylam decorative laminates** are suitable for a wide range of applications in both your home furniture and professional environment like wooden claddings/lining of walls and columns, lift linings, doors, shelves, vanity units, table tops, work-tops, office partitions, counters, cubicles, store fittings, desks, storage units etc.

**Stylam decorative laminates** are available in wide range of colours in Solids and Woodgrains designs and in many evergreen and new texture finishes and are available in 5 different sizes to cater to your varying needs.

**Stylam Metallic (metal foil) laminates** provides a modern decorative and innovative appeal to your interiors.

**Stylam Metallic laminates** have bright and reflective surface aspects which render the ambience a modern and sleek look. These laminates are ideal for use in the hospitality, interior design, gaming, entertainment, retail, signage display and furniture industries.

**Stylam Compact laminates** are formulated with inner core of celluloid fibres impregnated with special thermosetting resins. These resins and the special heat and pressure cycles impart properties of a solid , load bearing hard laminate, which is resistant to wide range of atmospheric and chemical agents for use in internal and external atmospheric conditions. High values of Flexural strength and tensile strength ensures that these laminates are suitable for saw cutting, drilling, machining and punching as per requirement.

**Stylam** provides an exclusive range of supreme and contemporary colors, designs and textures to choose from our products add on to give an absolute luxurious and aesthetic look to your homes and commercial spaces.

Over the past 23 years, the company has created multiple drivers of growth by developing a portfolio of world-class products. The company's philosophy is to attain transparency and accountability in its relationship with all its stakeholders, ensuring a high degree of regulatory compliance.

### **Industry Structure and Developments**

The major end-use segments constitute are New Residential Construction, Residential Replacement, and Commercial Sector i.e. Furniture and interior infrastructure. With tremendous growth in real estate sector and rise in the disposable income of the country's middle class, there is an anticipated exponential growth in the demand for interior infrastructure products. The projected growth of the company is based on the push-and-pull effects of supply and demand determinants like the economic trends in India, growth of infrastructure and housing. The domestic laminates industry is highly fragmented with majority of sector comprising unorganized players though there has been increasing shift in consumer preference from unbranded to branded goods. Competition from both organised as well as unorganised players leads to pricing pressure for the players in the industry. In the Export segment however, demand has been stable on account of shift from the wood based panel products to engineered panels like MDF and particle board. India is one of the largest exporters of the laminates in the world. Players with established track record of delivering quality products in the export markets, including STYLAM have been consistently able to register growth in turnover over the years despite the global slowdown though the prospects of the company will be primarily driver by the demand from the real estate sector and its ability to manage currency fluctuations.

## **Opportunities and Threats**

### ***Opportunities***

- High potential and growing demand from both domestic as well as international market
- Future expected growth in the Real Estate market  
Increase in Per Capita Income of a common person

### **Threats**

- Fragmented Industry
- Competitive Industry: transitioning from highly unorganized to organized sector
- Price Sensitive Market
- Competition from China

## **Risks & Concerns:**

### **Risk Identification & Risk Measurement**

Corporate policies and activities performed by the company reflect variety of risks has occurred or can occur i.e. Credit risk market risk, sales risk, raw material risk, regulatory risk, product liability and liquidity risk.

### **Risk Management & Risk Control**

There is integrated risk management framework i.e. risk management policy for product and currency and Company has implemented various procedures to review risk & to mitigate risk.

Management has also involved in the risk assessment and minimization procedures. The board periodically discusses the significant business risks identified by the management and the mitigation process being taken up.

**CORPORATE GOVERNANCE REPORT**

The Corporate Governance Report for the Year 2014-15, 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 four (4) executive directors and four (4) independent directors.

The constitution of the Board is given below:

Name of Director	Promoter/ Executive / Non-Executive / Independent	No. of other Directorships in Public Limited Companies	Membership of other Board Committees
Jagdish Gupta	Promoter/ Executive	2	3
Satish Gupta	Promoter/ Executive	2	---
Mahavir Singh	Non-Executive / Independent	6	3
Satpal Garg	Non-Executive/ Independent	---	---
Ravinder Krishan	Non-Executive/ Independent	---	3
Manav Gupta	Promoter/ Executive	---	---
Usha Gupta	Executive Director		
Manit Gupta	Executive Director	---	---
Sonia Aggarwal	Non-Executive/ Independent	---	---

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

During the financial year the Board of Directors met 8 (Eight) times during the financial year, on the following dates:

20-05-14	07-11-14
12-08-14	07-02-15
02-09-14	07-03-15
29-09-14	
28-10-14	

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



Name of Directors	No. of Board Meetings		Annual Meeting	General
	Held	Attended		
Jagdish Gupta	8	8	Yes	
Satish Gupta	8	8	Yes	
Mahavir Singh	8	6	Yes	
Satpal Garg	8	8	Yes	
Ravinder Krishan	8	6	Yes	
Manav Gupta	8	8	Yes	
Usha Gupta	8	4	-	
Manit Gupta	8	1	-	
Sonia Aggarwal	8	0	-	

- Usha Gupta was appointed as a Women Director w.e.f. October 1<sup>st</sup>, 2015
- Manit Gupta was appointed as Additional Director w.e.f. 07<sup>th</sup> February, 2015
- Sonia Aggarwal was appointed as Additional Director in Independent Capacity w.e.f. 07<sup>th</sup> March, 2015

### AUDIT COMMITTEE

The Audit Committee comprises of optimum combination of executive and non-executive directors. There are 3 members, out of which 2 are Independent and 1 Promoter Director as on 31<sup>st</sup> March, 2015. The terms of reference of the Committee are same as are described in Clause 49 of the Listing Agreement.

### MEETINGS AND ATTENDANCE

During the year, 4 Audit Committee meetings were held on 20.5.2014, 12.08.2014, 07.11.2014, 07.02.2015.

The Attendance of Members at meetings was as under :

Sr. No.	Name	Position	No. of Meetings held during the	No. of Meetings attended
1.	Ravinder krishan	Member	4	4
2.	Satpal Garg	Chairman	4	4
3	Jagdish Gupta	Member	4	4

The Company Secretary acts as the secretary to the committee.

### 4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Board reconstituted and redesignated the 'Investor Grievance Committee' as Shareholders/Investors Grievance Committee as per Clause 49 of listing agreement to specifically look into the redressal of shareholder and investors complaints.

During the year, no grievances have been received from investors.

As on date following are the members of the committee.

Sr.No.	Name	Category	Position
1.	Ravinder	Non-Executive and Independent Director	Chairman
2.	Satpal Garg	Non- Executive and Independent Director	Member
3.	Jagdish Gupta	Executive and Promoter Director	Member

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

## 5. NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee of Directors was reconstituted as the Nomination and Remuneration in accordance with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Composition of the Committee is as under:

Name	Designation	Non-executive/ Independent
Satpal Garg	Chairman	Non-Executive/ Independent
Ravinder Krishan	Member	Non-Executive/ Independent
Mr. Jagdish Gupta	Member	Executive/ Promoter

The terms of reference of the Nomination and Remuneration Committee inter alia includes the following:

- I. To identify persons who are qualified to become directors and who may be appointed in the Senior Management and to lay down the criteria thereof;
- II. To recommend to the Board appointment of Directors and Senior Management and their removal;
- III. To evaluate the individual director's performance;
- IV. Formulate the criteria for determining the qualification, positive attribute and independence of the directors;
- V. Recommend to the Board policy relating to remuneration for directors, key managerial personnel and other employees; and
- VI. Devising a policy on Board diversity

Further, in accordance with the amendments made in the Listing Agreement with effect from October 1, 2014, the Company at its Meeting of the Board of Directors held on February 24, 2015 duly adopted a Remuneration Policy containing a broad framework within which the Nomination and Remuneration Committee have to operate which inter alia is divided into five parts:

- Part-A covers criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors;
- Part-B covers Induction and Training of Directors;
- Part-C covers Performance Evaluation of Board, its Committees and Directors including Independent Directors;
- Part-D covers Remuneration of Directors, KMPs and Senior Management Personnel; and
- Part-E covers Board Diversity

### Annual Performance Evaluation

The Annual Performance Evaluation of the Executive and Non-executive Directors of the Company has been made in accordance with the Remuneration Policy of the Company which is annexed with the Directors' Report

## 6.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 committee is given herein below.

Sr.No.	Name	Category	Position
1.	Ravinder Krishan	Non-Executive and Independent Director	Chairman
2.	Satpal Garg*	Non- Executive and Independent Director	Member
3.	Jagdish Gupta	Executive and Promoter Director	Member

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 complaint pending as on 31<sup>st</sup> March 2015.

## 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. 25.6 of Notes on Financial Statement. There has been no instance of non-compliance by the Company on any matter related to capital markets.

## 10.SHAREHOLDERS' INFORMATION

### a. Name and Designation of Compliance Officer

Ms. Sonia Arora, Compliance Officer  
Email id : cs@stylam.com  
Contact No. : 0172- 5021496

### b. Details of Complaints Received and redressed during 1st April, 2014 to 31st March, 2015 : NIL

### c. Physical Share Transfer Details for the period from 1st April, 2014 to 31st March, 2015

Transactions	Physical
Number of Transfers	23
Number of Shares Transferred	7403
No. of Pending Share Transfers	0

### d. Investors' Grievances :

The Registrars and Transfer Agents, under supervision of the Company look after investors' grievances. At each Meeting of Investors' Grievance Committee, all matters pertaining to investors including their grievances and redressal are reported.

**e.Information on General Body Meetings :**

The last 3 Annual General Meetings of the Company were held as under:

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special Resolution Passed.
21st AGM	31 <sup>st</sup> July, 2012	10:00 A.M.	Chandigarh Club, Sector-1, Chandigar	1
22nd AGM	28 <sup>th</sup> September, 2013	10:00 A.M.	Chandigarh Club, Sector-1, Chandigar	2
23rd AGM	30 <sup>th</sup> September, 2014	10:00 A.M.	Chandigarh Club, Sector-1, Chandigar	9

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.

**f. Means of Communication :**

- (i) Half-Yearly Report is not being sent to each household of shareholders as half yearly results are intimated to Stock Exchanges.
- (ii) The Quarterly Results are usually published in Financial Express in English in National daily and in the newspaper of vernacular language i.e Jansatta- Chandigarh daily Edition.
- (iii) Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors.
- (iv) Management Discussion and Analysis forms part of the Annual Report.

**g. Annual General Meeting :**

- Date & Time: 30<sup>th</sup> September, 2015 at 10:00 A.M.
- Venue : Chandigarh Club, Sector – 1, Chandigarh -160019

**h. Tentative Financial Calendar for 2015-16 :**

First Quarterly results	:	By August 15, 2015
Second Quarterly results	:	By November 15, 2015
Third Quarterly results	:	By February 15, 2016
Annual result for the year ending on March 31, 2016	:	By May 30, 2016
Annual General Meeting for the year ending on March 31, 2016	:	By September 30, 2016

**i. Book Closure**

Saturday the 26<sup>TH</sup> September, 2015 to, the Wednesday 30<sup>th</sup> Day of September, 2015 (both days inclusive).

**j. Dividend Payment Date:**

Not applicable as the Board has not recommended any dividend for the financial year ending 31<sup>st</sup> March, 2015.

**k. Listing on Stock Exchanges :**

Shares of the Company are listed on the Bombay Stock Exchange Limited. Scrip Code : 526951  
 Address : 25<sup>th</sup> Floor, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001  
 The Company has paid Annual Listing Fees for the year 2014-15 to the above Stock Exchange.

**l. Market Price 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

Company : [Stylam Industries Limited](#) 526951

Period: 01-Apr-2014 to 31-Mar-2015

All Prices in ₹

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr 14	20.85	24.10	20.00	21.35	2,11,900	1,539	46,55,806	31,391	14.81	4.10	0.50
May 14	21.40	34.25	17.60	27.25	3,17,721	2,046	79,82,937	85,388	26.88	16.65	5.85
Jun 14	29.25	38.05	28.95	32.70	5,97,831	3,964	2,01,77,986	1,87,843	31.42	9.10	3.45
Jul 14	34.00	38.85	29.15	34.10	3,30,902	1,451	1,12,56,553	70,680	21.36	9.70	0.10
Aug 14	35.00	44.00	31.70	39.95	5,29,566	2,422	2,06,94,948	3,58,814	67.76	12.30	4.95
Sep 14	43.00	77.85	39.30	77.85	30,56,018	17,124	17,77,54,392	22,25,719	72.83	38.55	34.85
Oct 14	81.70	103.60	77.45	82.65	14,02,726	12,019	12,54,14,490	8,93,021	63.66	26.15	0.95
Nov 14	85.00	95.60	73.15	81.30	5,82,047	6,565	5,00,52,771	4,32,513	74.31	22.45	-3.70
Dec 14	86.90	86.90	60.10	72.85	4,41,513	4,663	3,08,79,050	3,64,798	82.62	26.80	14.05
Jan 15	72.30	96.90	72.15	86.95	6,63,920	7,724	5,67,49,246	5,38,856	81.16	24.75	14.65
Feb 15	87.10	103.25	81.00	84.75	5,64,678	6,594	5,20,09,995	3,88,924	68.88	22.25	-2.35
Mar 15	86.90	141.60	85.10	114.60	12,28,623	20,299	14,12,79,091	8,68,704	70.71	56.50	27.70

\* Spread  
H-L : High-Low  
C-O : Close-Open

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

#### m. Registrars and Transfer Agents

Mr. Sunil Mishra

Link Intime India Private Limited

A-44, Community Centre, Phase-I

Near PVR, Naraina Industrial Area

New Delhi – 110 028

Ph: 011-41410592-93-94, Fax: 011-41410591

**n. Delegation of Share Transfer Formalities**

The Board has delegated the power to approve share transfer in physical form under the signatures of any director or Company Secretary and confirmation of shares in demat mode to depositories / depositories participants by M/s Link Intime India Private Limited, Registrar & Share Transfer Agent (RTA) of the Company.

There are no transfers pending as on 31<sup>st</sup> March, 2015.

**o.E-mail ID for redressal of Investor Grievances**

As per Listing Agreement Clause 47(f), Company has a separate E-mail ID for redressal of Investor Complaints and Grievances. The E-mail ID for redressal of Investor Grievances is cs@stylam.com

**p.Shareholding Pattern as on 31st March, 2015 :**

Category	No. of Shares Held	%age of Shareholding
Promoters	43,04,056	58.83
Private Corporate Bodies	4,64,024	6.34
Indian Public	2,372,416	32.43
NRI's / OCBs	62,286	0.85
HUF	100186	1.37
Clearing Members	13232	0.18
TOTAL	7,31,6200	100.00

**q. Distribution of shareholding as on 31st March, 2015 :**

Distribution Schedule as on 31.03.2014				
No. of Shares	No. of Shareholders	% age	No. of Shares Held	% age
Upto 2500	1784	59.289%	194721	2.662%
2501 to 5000	650	21.602%	266372	3.641%
5001 to 10000	272	9.040%	220745	3.103%
10001 to 20000	110	1.748%	175998	2.406%
20001 to 30000	52	0.8034%	132198	1.807%
30001 to 40000	28	1.087%	101634	1.389%
40001 to 50000	26	1.039%	125752	1.719%
50001 to 100000	27	2.504%	207226	2.832%
100000 & Above	60	1.994%	5885254	80.441%
TOT		100%	7316200	100%

**r. Dematerialisation of Shares and Liquidity :**

Shares of the Company are available for dematerialization on Central Depository Securities Limited (CDSL) & National Securities Depository Limited (NSDL). As on 31st March, 2015, 55,85,286 Equity Shares stand dematerialized in NSDL representing 76.3% and 9,29,507 shares representing 12.70% stand dematerialized in CDSL A/c

**s. Plant Locations :**

The Company has its manufacturing Plant at the following address:

Stylam Industries Limited  
#92-93, Industrial Area, Phase – I,  
Panchkula – 134 108 (Haryana)  
Tele: - +91-172- 2565387,  
2563907  
Fax: - +91-172 – 2565033

**t. Address for correspondence :**

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agents of the Company:

<b>Stylam Industries Limited</b> SCO 14, Sector 7C, Madhya Marg, Chandigarh -160019 Tele: 0172-5021555, 5021490 Email : cs@stylam.com	Mr. Sunil Mishra 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
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The above Report has been placed before the Board at its meeting held on 2<sup>nd</sup> September, 2015 and the same was approved.

**For and on behalf of the Board**

Sd-	Sd-
Jagdish Gupta	Satish Gupta

Managing Director	Executive Director
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Place: Chandigarh

Dated: 2<sup>nd</sup> September, 2015

**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, 2015.

For Stylam Industries Limited

Place: Chandigarh

Date: 2<sup>ND</sup> September, 2015

**Managing Director**

Sd/-  
**Jagdish Gupta**



**Corporate Governance Certificate**

To the Members of Stylam Industries  
Limited

We have examined the compliance of conditions of Corporate Governance by Stylam Industries Limited, for the period of 12 months ended on 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We 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.

**Practising Company Secretaries**

**Sanjiv Kumar Goel**

Partner

Fellow Membership No. : 2107

CP NO. : 1248

Place: Chandigarh

Date : 02.09.2015

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF STYLAM INDUSTRIES LIMITED

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s STYLAM INDUSTRIES LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us)
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

**For SUNIL K. SOOD & Co.**  
Chartered Accountants  
Firm's Regd. No.:7564

Place: Panchkula  
Dated: 25-05-2015

**CA SUNIL KUMAR SOOD**  
Proprietor  
M. No. 81778

## Stylam Industries Limited

### Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Stylam Industries Limited, (the Company') for the year Ended on 31<sup>st</sup> March 2015. We report that:

S.No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes, company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	A substantial portion of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on physical verification.
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	The management has conducted physical verification of inventory at reasonable intervals during the year
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	In our opinion and according to the information and explanations given to us, 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) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and no material discrepancies were noticed by the management on physical verification.
(iii)	(iii) whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013
	(a) whether receipt of the principal amount and interest are also regular; and	Not applicable
	(b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	Not applicable
(iv)	Is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system.	In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of

		our audit, we have not observed any continuing failure to correct major weaknesses in internal control system			
(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?		The Company has not accepted any deposits from the public		
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;		According to information and explanations given to us, maintenance of cost records has not been specified under sub-section (1) of section 148 of the Companies Act to the company.		
(vii)	(a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.		The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues with appropriate authorities. According to information and explanations given to us, no undisputed amount payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and other statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable.		
	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.		According to information and explanations given to us, the disputed Statutory dues aggregating to Rs15.70 lacs towards Income tax are pending before appropriate authorities *		
		Nature of Dues	Amount (Rs.in Lacs)	Period to which the amount relates	Forum where dispute is pending
		Income Tax Dues	Rs. 10.25	AY 2010-11	Appellate Tribunal
		Income Tax Dues	Rs. 2.05	AY 2011-12	CIT (Appeals)
		Income Tax Dues	Rs. 3.40	AY 2012-13	CIT (Appeals)
	(c) whether the amount required to be transferred to investor education and protection fund in		According to information and explanations given to us, no amount is required to be		

	accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	transferred to investor education and protection fund
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year
(ix)	whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	Based on our audit procedures and as per the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institution or bank.
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	According the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	In our opinion and according to information and explanations given to us, the term loans have been applied for the purposes for which they were raised
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	Based upon the audit procedures performed for the purpose of reporting the true and fair view of financial statements and as per information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year

**For SUNIL K. SOOD & Co.**  
Chartered Accountants  
Firm's Regd. No.:7564

Place: Panchkula  
Dated: 25-05-2015

**CA SUNIL KUMAR SOOD**  
Proprietor  
M. No. 81778



**STYLAM INDUSTRIES LIMITED**

CIN-L20211CH1991PLC011732

**BALANCE SHEET AS AT 31st MARCH, 2015****(Figures in Rs.)**

	<b>Note No.</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Funds			
Share Capital	1	73,162,000	73,162,000
Reserves and Surplus	2	367,290,952	273,362,435
<b>Sub-total - Shareholders' Funds</b>		<b>440,452,952</b>	<b>346,524,435</b>
<b>Share Application Money Pending Allotment</b>			
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	378,334,574	294,330,462
Deferred Tax Liabilities (Net)	4	16,105,051	14,926,470
<b>Sub-total - Non-Current Liabilities</b>		<b>394,439,625</b>	<b>309,256,932</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	5	415,107,230	400,044,624
Trade Payables	6	130,944,373	143,036,768
Other Current Liabilities	7	86,520,901	103,878,629
Short Term Provisions	8	26,919,252	9,950,679
<b>Sub-total - Current Liabilities</b>		<b>659,491,756</b>	<b>656,910,700</b>
<b>TOTAL</b>		<b>1,494,384,332</b>	<b>1,312,692,067</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>	9		
Tangible Assets		486,411,785	506,974,994
Capital Work-In-Progress		307,331,931	203,639,915
Long Term Loans and Advances		-	-
<b>Sub-total - Non-Current Assets</b>		<b>793,743,717</b>	<b>710,614,909</b>
<b>Current Assets</b>			
Inventories	10	254,501,867	246,354,375
Trade Receivables	11	335,661,852	262,842,002
Cash and Cash Equivalents	12	19,329,023	35,643,091
Short Term Loans and Advances	13	87,517,649	52,936,785
Other Current Assets	14	3,630,225	4,300,906
<b>Sub-total - Current Assets</b>		<b>700,640,615</b>	<b>602,077,160</b>
<b>TOTAL</b>		<b>1,494,384,332</b>	<b>1,312,692,067</b>
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements</b>			
1 to 25			
As per Report of even date attached			
<b>FOR SUNIL K. SOOD &amp; CO.</b>			
CHARTERED ACCOUNTANTS			
<b>CA SUNIL KUMAR SOOD</b>	<b>JAGDISH GUPTA</b>	<b>SATISH GUPTA</b>	
PROPRIETOR	MANAGING DIRECTOR	EXECUTIVE DIRECTOR	
Membership No.81778			
DATE : 25.05.2015	<b>MANAV GUPTA</b>	<b>SANJEEV VAID</b>	<b>SONIA ARORA</b>
PLACE : Chandigarh	WHOLE-TIME DIRECTOR-CFO	AGM-F&A	COMPANY SECRETARY
			Membership No.25863



**STYLAM INDUSTRIES LIMITED**

CIN-L20211CH1991PLC011732

**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31st MARCH 2015****(Figures in Rs.)**

	Note No.	Year ended 31st March 2015	Year ended 31st March 2014
<b>Income from operations</b>			
Net Revenue	15	2,138,094,895	1,849,260,328
Other Income	16	6,491,635	19,808,886
<b>Total Income from operations (Net)</b>		<b>2,144,586,529</b>	<b>1,869,069,214</b>
<b>Total Expenditure</b>			
Cost of Materials Consumed	17	1,272,758,587	1,130,135,533
Purchase of Stock-in-Trade	18	39,829,217	49,674,503
(Increase)/Decrease in Finished goods,	19	(12,447,039)	(18,287,027)
Employee Benefits Expense	20	132,154,927	110,411,884
Finance costs	21	49,298,387	66,814,872
Depreciation and Amortization	22	41,992,929	32,637,845
Other Expenses	23	481,909,457	397,772,195
<b>Total Expenditure</b>		<b>2,005,496,465</b>	<b>1,769,159,805</b>
Profit from ordinary activities		139,090,064	99,909,410
Profit from ordinary activities before tax (after exceptional items)		139,090,064	99,909,410
Tax expenses			
Current Tax		43,982,967	28,107,248
Income Tax of Earlier years		-	662,055
Deferred Tax		1,178,581	2,880,944
<b>Profit/ (Loss) for the period</b>		<b>93,928,516</b>	<b>68,259,163</b>
Earnings per Equity Share:			
<b>Basic and Diluted</b>	24	<b>12.84</b>	<b>9.33</b>
<b>Significant Accounting Policies</b>	25		
<b>Notes on Financial Statements</b>	1 to 25		

As per Report of even date attached

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

**CA SUNIL KUMAR SOOD**  
 PROPRIETOR  
 Membership No.81778

**JAGDISH GUPTA**  
 MANAGING DIRECTOR

**SATISH GUPTA**  
 EXECUTIVE DIRECTOR

 DATE : 25.05.2015  
 PLACE : Chandigarh

**MANAV GUPTA**  
 WHOLE-TIME DIRECTOR-CFO

**SANJEEV VAID**  
 AGM-F&A

**SONIA ARORA**  
 COMPANY SECRETARY  
 Membership No.25863

**STYLAM INDUSTRIES LIMITED**  
**SCO.14, SECTOR-7-C CHANDIGARH 160027, CIN-L20211CH1991PLC011732**

**Cash Flow Statement for the year ended 31-03-2015**

Particulars	Figures at end of current period		Figures at end of previous	
<b>A. Cash flow from operating activities</b>				
<b>Net Profit / (Loss) before extraordinary items and tax</b>	139,090,064	139,090,064	99,909,410	99,909,410
<b>Adjustments for:</b>				
Depreciation and amortisation	41,992,929	89,450,112	32,637,845	88,676,680
Extraordinary Items	-		-	
(Profit) / loss on sale / write off of assets	(7,703)		(9,625,155)	
Finance costs	49,298,387		66,814,872	
Interest income	(1,833,502)		(1,150,881)	
<b>Operating profit / (loss) before working capital changes</b>		<b>228,540,176</b>		<b>188,586,090</b>
<b>Changes in working capital:</b>				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(72,819,850)	(114,877,524)	(57,917,862)	30,931,025
Inventories	(8,147,491)		64,646,909	
Short-term loans and advances	(34,580,864)		25,246,765	
Other current assets	670,682		(1,044,786)	
Other non-current assets	-		-	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Trade payables	(12,092,395)	(26,304,569)	63,602,567	8,062,024
Other current liabilities	(17,357,728)		(45,519,438)	
Short-term provisions	3,145,554		(10,021,105)	
Long-term provisions	-		-	
<b>Cash flow from extraordinary items</b>		<b>87,358,083</b>		<b>227,579,139</b>
<b>Cash generated from operations</b>		<b>87,358,083</b>		<b>227,579,139</b>
<b>Net income tax (paid) / refunds</b>		<b>(30,159,948)</b>		<b>(28,769,302)</b>
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>57,198,135</b>		<b>198,809,836</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(125,146,534)	(123,280,532)	(242,694,777)	(207,530,241)
Proceeds from sale of fixed assets	32,500		240,000	
Long-term loans and advances	-		33,773,655	
Interest received	1,833,502		1,150,881	
Dividend received	-		-	
<b>Cash flow from extraordinary items</b>		<b>-</b>		<b>-</b>
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(123,280,532)</b>		<b>(207,530,241)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	-	49,768,328	-	32,058,816
Proceeds from long-term borrowings	84,004,111		60,599,623	
Proceeds from other short-term borrowings	15,062,605		38,274,065	
Finance cost	(49,298,387)		(66,814,872)	
<b>Cash flow from extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>49,768,328</b>		<b>32,058,816</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+C-B)</b>		<b>(16,314,069)</b>		<b>23,338,411</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>35,643,091</b>		<b>12,304,678</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>19,329,024</b>		<b>35,643,091</b>

See accompanying notes forming part of the financial statements

As per our report of even date attached

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

**For and on behalf of the Board**

**SUNIL K SOOD**  
**PROPRIETOR**  
 Membership No. 81778

**JAGDISH GUPTA**  
**MANAGING DIRECTOR**

**SATISH GUPTA**  
**EXECUTIVE DIRECTOR**

DATE : 25.05.2015  
 PLACE : Chandigarh

**MANAV GUPTA**  
**WHOLE-TIME DIRECTOR-CFO**

**SANJEEV VAID**  
**AGM-F&A**

**SONIA ARORA**  
**COMPANY SECRETARY**  
 Membership No.25863

**Notes on Financial Statements for the Year ended 31st March, 2015**

CIN-L20211CH1991PLC011732

The previous year figures have been regrouped / reclassified wherever necessary to confirm to the current year presentation

1. Share Capital Particulars	As at	( Figures in Rs.) As on
	31st March 2015	31st March-14
Authorised Share Capital 80,50,000 Equity shares of Rs.10	80,500,000	80,500,000
Issued, Subscribed, Paid-up Share Capital 73,61,200 Equity shares of Rs.10 each fully paid	73,162,000	73,162,000
Total	73,162,000	73,162,000

The detail of the equity shares held by each shareholder holding more than 5% is as below:-

S No.	Name of the shareholder	As at 31st March 2015		As on 31st March-14	
		Number of shares	% of shareholding	Number of shares	% of shareholding
1	Jagdish Gupta	985450	13.47%	985450	13.47%
2	Satish Gupta	868963	11.88%	868963	11.88%
3	Manit Gupta	412198	5.63%	412198	5.63%
4	Usha Gupta	712875	9.74%	712875	9.74%
5	Pushpa Gupta	550970	7.53%	550970	7.53%
6	Rattan Devi	385700	5.27%	385700	5.27%

2. Reserves and surplus	As at		( Figures in Rs.) As on	
	31st March 2015		31st March-14	
a. Capital Reserve As per last Balance Sheet		2,836,000		2,836,000
b. General Reserve As per last Balance Sheet	270,526,435		202,267,272	
Add: Transferred from Profit and Loss	93,928,516	364,454,952	68,259,163	270,526,435
Total		367,290,952		273,362,435

3. Long Term Borrowings	As at		( Figures in Rs.) As on	
	31st March 2015		31st March-14	
Secured Loans (Ref Note No. 3.1)		258,093,115		206,839,003
Unsecured Loans ( Ref Note No. 3.2)		120,241,459		87,491,459
Total		378,334,574		294,330,462
3.1 Secured Term Loan From Banks				
a. Foreign Currency Loan		47,290,470		-
b. Rupee Loan		736,532		201,163,903
From Financial Institution				
a. Rupee Loans		208,079,230		-
Vehicle Loans		1,986,883		5,675,100
Total		258,093,115		206,839,003

## Notes on Financial Statements for the Year ended 31st March, 2015

Term Loan from Financial Institution is secured by mortgage and first charge on immovable and movable property, both present and future, at Plot No.19, Sector-22, Information Technology Park, Panchkula, and second charge on the fixed assets at Plot No.192-193, Industrial Area, Phase-I, Panchkula

All other term Loans are secured by mortgage & charge on the immovable and movable properties of the company, both present and future, at Plot No.192-193, Industrial Area, Phase-I, Panchkula and second charge on the current assets of the company.

Term loans are further secured by personnel guarantee of the promoter/directors of the company.

Finance of vehicles are secured by hypothecation of particular vehicle.

3.2	Unsecured Loans			( Figures in Rs.)
	Particulars		As at 31st March 2015	As on 31st March-14
	From Directors		120,241,459	87,491,459
	Total		120,241,459	87,491,459

4.	Deferred Tax Liability (Net)			( Figures in Rs.)
	Deferred Tax Liability		As at 31st March 2015	As on 31st March-14
	At the commencement	14,926,470		12,045,526
	Add: Provision during the year	1,178,581	16,105,051	14,926,470
			16,105,051	14,926,470

5.	Short Term Borrowings			( Figures in Rs.)
			As at 31st March 2015	As on 31st March-14
	Secured Loans (Ref Note No. 5.1 )		411,764,791	396,702,185
	Unsecured Loans ( Ref Note No. 5.2)		3,342,439	3,342,439
	Total		415,107,230	400,044,624

5.1	Secured Loans payable on demand			As at 31st March 2015	As on 31st March-14
	From Banks				
a.	Working Capital Rupee Loans				
	Rupee Loans				
	Cash Credit	44,997,139		44,155,400	
	Foreign Currency Loans				
	Packing Credit	308,878,309		287,645,967	
	Buyers Credit	57,889,343		64,900,818	
			411,764,791		396,702,185
	Total		411,764,791		396,702,185

All working Capital Loans are secured by first charge by way of hypothecation of current assets of the company and its branches and second charge over movable and immovable properties of the company at Industrial Area, Panchkula and second charge on movable & immovable property at Plot No.19, Sector-22, Information Technology Park, Panchkula.

5.2	Unsecured short term loans			As at 31st March 2015	As on 31st March-14
	From Others			3,342,439	3,342,439
				3,342,439	3,342,439

**Notes on Financial Statements for the Year ended 31st March, 2015**
**6. Trade Payables**

	As at 31st March 2015	As on 31st March-14
Trade Payables	120,288,610	101,631,998
Due to others	10,655,763	8,514,943
<b>Total Trade Payables</b>	<b>130,944,373</b>	<b>143,036,768</b>

**7. Other Current Liabilities**

	As at 31st March 2015	( Figures in Rs.) As on 31st March-14
Current maturities of the long term debts	23,865,375	38,550,396
Interest accrued and due on borrowings	2,831,330	2,653,742
Advance received from customers	15,013,173	7,895,945
Cheque Issued But not Presented	5,788,531	22,341,632
Unclaimed dividend	583,012	583,012
Creditors for Capital Goods	3,412,652	5,208,822
Expenses payable	22,331,636	23,954,467
Statutory dues	3,440,752	2,186,174
Security Deposit	9,254,439	504,439
<b>Total Other current liabilities</b>	<b>86,520,901</b>	<b>103,878,629</b>

**8. Short term provisions**

Particulars	As at 31st March 2015	( Figures in Rs.) As on 31st March-14
Excise Duty on Finished Goods	6,249,019	4,771,236
Provision for Gratuity	3,440,474	2,452,789
Provision for Bonus	1,612,921	1,171,126
Provision for Leave Encashment	1,793,819	1,555,528
Provision for Income Tax (Net of Advance Tax)	13,823,019	-
<b>Total short term provisions</b>	<b>26,919,252</b>	<b>9,950,679</b>

**10. Inventories**

Inventories are valued at cost or net realizable value whichever is less.

	As at 31st March 2015	( Figures in Rs.) As on 31st March-14
Raw Materials	139,949,911	111,917,486
Raw Materials in transit	8,894,470	35,659,359
Work-in-progress	3,358,035	5,420,554
Finished goods	100,342,674	90,604,352
Stores and spares	1,956,777	2,752,624
<b>Total</b>	<b>254,501,867</b>	<b>246,354,375</b>

**11. Trade Receivables**

	As at 31st March 2015	( Figures in Rs.) As on 31st March-14
Unsecured and considered good *		
Exceeding six months	25,942,782	14,860,502
Within six months	309,719,070	247,981,500
<b>Total</b>	<b>335,661,852</b>	<b>262,842,002</b>

\* Trade Receivables balances are subject to confirmation

**12. Cash and cash equivalents**

( Figures in Rs.)

**Notes on Financial Statements for the Year ended 31st March, 2015**

	As at 31st March 2015	As on 31st March-14
Balance with schedule banks		
In Current accounts	2,631,267	2,333,641
In Deposit accounts	15,250,707	32,306,533
In Unclaimed Dividend accounts	583,012	583,012
Cheques in Hand	794,114	396,154
Cash in hand	69,922	23,751
Total Cash and cash equivalents	19,329,023	35,643,091
13. Short term loans and advances		( Figures in Rs.)
(Unsecured and considered good)	As at 31st March 2015	As on 31st March-14
Balance with Custom, Central Excise Authorities	27,630,643	38,428,651
Deposits		
-with Statutory authorities	120,000	70,000
-with others	2,374,324	1,750,462
Prepaid expenses	669,192	761,955
Advance to suppliers	13,009,650	10,750,200
Capital Advances	14,805,749	-
Staff advances	625,892	882,939
Other receivable *	28,282,200	292,578
Total Cash and cash equivalents	87,517,649	52,936,785
* Includes Rs278.00 Lacs disbursable against Term Loan from HSIIDC in 2014-15		
14. Other current assets		( Figures in Rs.)
	As at 31st March 2015	As on 31st March-14
Interest accrued but not due	533,592	545,825
Income tax paid under appeal	831,230	831,230
Income tax refundable	2,187,390	2,187,390
Vat Recoverable	78,013	736,462
Total	3,630,225	4,300,906
15. Revenue from Operations		( Figures in Rs.)
	FY 2014-15	FY 2013-14
a. Sale of Products		
Gross Sale of Products		
-Domestic	516,047,255	377,795,483
-Exports	1,639,367,084	1,550,729,599
Total Revenue from sale of products	2,155,414,339	1,928,525,082
b. Other Operating revenues		
-Export Incentives	24,395,026	21,114,897
-Exchange Gain/(Loss)	35,651,515	(25,274,140)
Total Gross Income	2,215,460,880	1,924,365,839
c. Less: Excise Duty		
-Domestic	56,198,522	40,452,679
-Export	21,167,463	34,652,833
Total Excise Duty	77,365,985	75,105,512
Net Revenue from Operations	2,138,094,895	1,849,260,328

**Notes on Financial Statements for the Year ended 31st March, 2015**

## 16. Other Income

( Figures in Rs.)

	FY 2014-15	FY 2013-14
Misc Income *	6,483,932	10,183,731
Profit on Sale of Fixed Assets	7,703	9,625,155
Total Other Income	6,491,635	19,808,886
* Ref Note No.25.9		

## 17. Cost of Materials Consumed

( Figures in Rs.)

	Amount	FY 2014-15 % of Consumption	Amount	FY 2013-14 % of Consumption
Imported	758,479,904	59.59%	636,455,184	56.32%
Indigenous	514,278,683	40.41%	493,680,350	43.68%
Total	1,272,758,587	100.00%	1,130,135,533	100.00%

## 17.1 Particulars of Material Consumed

		FY 2013-14
Paper & Others	768,136,100	692,329,081
Chemicals	504,622,487	437,806,453
Total	1,272,758,587	1,130,135,533

## 18. Purchase of Stock-in-Trade

		FY 2013-14
Purchase	39,829,217	49,674,503

## 19. (Increase)/Decrease in Finished Goods, Stock-in-progress and Stock-in-trade

( Figures in Rs.)

			FY 2013-14
Inventories ( At close)		-	
Finished Goods/ Stock-in-Trade	100,342,674	90,604,352	
Stock-in-progress	3,358,035	5,420,554	
		103,700,709	96,024,906
Inventories ( At commencement)			
Finished Goods/ Stock-in-Trade	90,604,352	69,910,405	
Less: Excise Duty	4,771,236	5,122,175	
Stock-in-progress	5,420,554	12,949,649	77,737,879
Total		(12,447,039)	(18,287,027)

## 20. Employee Benefits Expense

( Figures in Rs.)

		FY 2013-14
Salary and Wages	120,065,652	101,866,697
Contribution to Provident and Other funds	2,978,908	2,470,180
Staff Welfare	1,843,210	1,854,614
Other Employee Benefits	7,267,157	4,220,393
Total	132,154,927	110,411,884

## 21. Finance Costs

( Figures in Rs.)

FY 2014-15

FY 2013-14

**Notes on Financial Statements for the Year ended 31st March, 2015**

Interest expenses	35,678,241	44,743,097
Other borrowing costs	10,527,143	11,148,030
Net Loss on foreign currency transactions and translations	3,093,004	10,923,744
<b>Total Finance Cost</b>	<b>49,298,387</b>	<b>66,814,872</b>
22. Depreciation and amortizations expense	-	( Figures in Rs.) FY 2013-14
Depreciation and Amortisation	41,992,929	32,637,845
<b>Total</b>	<b>41,992,929</b>	<b>32,637,845</b>
23. Other Expenses	-	( Figures in Rs.) FY 2013-14
a. Manufacturing Expenses		
Stores & Packing Materials*	159,624,189	124,562,465
Excise Duty	6,249,019	4,771,236
Electric Power, Fuel and Water	105,127,997	86,223,901
Repair to Building	3,378,683	3,946,964
Repair to Machinery	5,553,471	4,519,002
* Ref Note No.25.1	279,933,359	224,023,568
b. Selling and Distribution Expenses		
Distribution Expenses	83,361,354	64,319,686
Business Promotion Expenses	20,399,156	18,732,174
Commission, Rebate & Discount	52,530,660	50,234,580
Certification Expenses	1,428,712	1,003,163
	157,719,882	134,289,604
c. Establishment Expenses		
Rent	7,941,825	6,863,520
Insurance	3,102,885	2,707,314
Payment to Auditors	172,682	137,682
Other Repairs	3,862,464	2,426,429
Professional fees	1,589,533	912,293
Rates & Taxes	969,273	752,757
Travelling Expenses	18,236,214	15,429,502
Loss on Sale of Fixed Assets	-	566,015
Charity and Donation	104,100	87,050
Misc. Expenses *	8,277,240	9,576,462
	44,256,216	39,459,024
<b>Total</b>	<b>481,909,457</b>	<b>397,772,195</b>
* Ref Note No.25.10		
24. Earnings Per Share (EPS)	FY 2014-15	FY 2013-14
Net profit after tax as per Statement of Profit and Loss attributable to equity shareholders	93,928,516	68,259,163
Weighted Average number of equity shares used as denominator for calculating EPS	7,316,200	7,316,200
Basic and Diluted Earning Per Share	12.84	9.33
Face Value per Equity Share	10.00	10.00
25. Additional Information		



## Notes on Financial Statements for the Year ended 31st March, 2015

25.1	Value of Stores and Packing Materials Consumed	FY 2014-15	FY 2013-14
	Stores Consumed	77,882,333	59,898,988
	Packing Material Consumed	81,741,857	64,663,476
		<u>159,624,189</u>	<u>124,562,465</u>
25.2	Value of Imports calculated on C.I.F basis	FY 2014-15	FY 2013-14
	Raw Materials	766,192,667	553,936,025
	Components and spare parts	15,646,965	8,830,648
25.3	Payments to Auditors as	FY 2014-15	FY 2013-14
a.	As Auditor		
	Statutory Audit Fees	147,682	70,000
	Tax Audit Fees	25,000	25,000
	Total	<u>172,682</u>	<u>95,000</u>
25.4	Expenditure in foreign currency on:-	FY 2014-15	FY 2013-14
	Fair & Exhibition Charges	2,174,923	622,480
	Travelling	3,208,471	2,614,249
	Testing & Technical Fees	1,625,480	1,226,835
	Bank Charges	3,807,267	1,749,426
	Interest	11,045,116	11,886,682
	Commission on Exports	35,273,404	25,263,462
25.5	Earnings in Foreign Currency	FY 2014-15	FY 2013-14
	Export of Goods calculated on FOB Basis	1,575,282,340	1,483,482,097
25.7	Segment reporting: Company's operations predominantly comprise of only one segment i.e. Laminates.		
25.8	Contingent Liabilities and commitments to the extent not provided for		
	A. Contigent Liabilities		
	Guarantees given to Bank in respect of Bills Discounting facility - Rs. 157.16 Lacs (Previous Year Rs.232.02 Lacs)		
	Letter of credit established but material not received amounting to Rs 400.08 Lacs		
	B. Capital Commitments		
	i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)		
	Rs.715.00 lacs (Previous Year Rs 667.78 Lacs)		
	C. Disputed Demands		
	Disputed Demand of Statutory Dues in Appeal with Income Tax Authorities Rs 15.70 Lacs (Previous Year Rs.20.60 Lacs)		
25.9	Details of Miscellaneous Income	FY 2014-15	FY 2013-14
	Commission Received	140,953	45,701
	Development Cost of Designs	3,618,950	4,088,116
	Interest Received on FDR's	1,833,502	1,150,881
	Interest on Overdue	-	1,596,537
	Insurance Claim Received A/c	40,570	263,335
	Misc. Income	456,286	227,036
	Profit on SHIS Licence Purchased	393,671	2,812,125

**Notes on Financial Statements for the Year ended 31st March, 2015**

Total	6,483,932	10,183,731
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## 25.10 Details of Miscellaneous Expenses

	FY 2014-15	FY 2013-14
Administration Expenses	7,433,535	9,084,459
Establishment Expenses	176,296	180,579
Selling & Distribution Expenses	667,409	311,425
Total	8,277,240	9,576,462

Auditor's Report

As per Report of even date attached

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

**CA SUNIL KUMAR SOOD**  
PROPRIETOR  
Membership No.81778

**JAGDISH GUPTA**  
MANAGING DIRECTOR

**SATISH GUPTA**  
EXECUTIVE DIRECTOR

DATE : 25.05.2015  
PLACE : Chandigarh

**MANAV GUPTA**  
WHOLE-TIME DIRECTOR-CFO

**SANJEEV VAID**  
AGM-F&A

**SONIA ARORA**  
COMPANY SECRETARY  
Membership No.25863

Notes on Financial Statements for the Year ended 31st March, 2015

25.6 Related Party Disclosures  
As per Accounting Standard 18, the disclosures of transactions with the related party are given below:  
i. Key Management Persone;

S.No.	Name of Related Party	Relationship
1	M/s Golden Chemtech Private Limited	Enterprises over which Key Managerial Personnel are able to exercise significant influence
2	M/s Amravati Infrastructure Developers Ltd	Enterprises over which Key Managerial Personnel are able to exercise significant influence
3	M/s Evershine Recreation Private Ltd	Enterprises over which Key Managerial Personnel are able to exercise significant influence
4	M/s Zeal Exim Private Limited	Enterprises over which Key Managerial Personnel are able to exercise significant influence
5	Mr.Jagdish Gupta (Managing Director)	Key Managerial Personnel & Their relatives
6	Mrs.Usha Gupta (Director)	Key Managerial Personnel & Their relatives
7	Mr.Manit Gupta (Director)	Key Managerial Personnel & Their relatives
8	Mr.Satish Gupta (Executive Director)	Key Managerial Personnel & Their relatives
9	Mrs.Pushpa Gupta (Wife of Executive Director)	Key Managerial Personnel & Their relatives
10	Mr.Manav Gupta (Director)	Key Managerial Personnel & Their relatives
11	Ms.Nidhi Gupta (Daughter of Managing Director)	Key Managerial Personnel & Their relatives
12	Ms.Dipti Gupta (Daughter of Executive Director)	Key Managerial Personnel & Their relatives

ii Transactions during the year with related parties :  
Sr. Nature of Transactions Subsidiaries Associates Key Managerial Personnal Entities over which Control is excercised ( Figures in Rs.) Total

Advance Taken	As at 31st March 2014	-	-	87,491,459	-	87,491,459
		-	-	(88,691,459)	-	(88,691,459)
	Taken during the year	-	-	43,850,000	-	43,850,000
		-	-	-	-	-
	Repaid during the year	-	-	11,100,000	-	11,100,000
		-	-	(1,200,000)	-	(1,200,000)
	As at 31st March 2015	-	-	120,241,459	-	120,241,459
		-	-	(87,491,459)	-	(87,491,459)

Advance Given	As at 31st March 2014	-	-	-	-	-
		-	-	-	-	-
	Taken during the year	-	-	-	-	-
		-	-	-	-	-
	Repaid during the year	-	-	-	-	-
		-	-	-	-	-
	As at 31st March 2015	-	-	-	-	-
		-	-	-	-	-

Purchase of Material	-	-	-	8,011,861	8,011,861
	-	-	-	(15,922,613)	(15,922,613)
Sale of Material	-	-	-	1,528,463	1,528,463
	-	-	-	(6,776,537)	(6,776,537)
Payment of salaries	-	-	14,590,000	-	14,590,000
	-	-	(12,480,000)	-	(12,480,000)
Payment of Interest	-	-	12,481,890	-	12,481,890
	-	-	(11,885,218)	-	(11,885,218)
Purchase of Showroom				-	-
				(24,143,000.00)	(24,143,000)
Purchase of Land			-	-	-
				(44,500,000)	(44,500,000)
Rent Paid				7,200,000	7,200,000
				(6,000,000)	(6,000,000)

Note: Figure in brackets represents corresponding amounts of previous years

	Name	Opening	Loan Taken	Interest Paid	Loan Repaid	Closing	Salary
Key M Advance Ta	Sh Jagdish Gupta	46,500,000	24,400,000	6,658,424	6,800,000	64,100,000	4,500,000
Key M Advance Ta	Smt Usha Gupta		15,000,000	360,616	-	15,000,000	1,440,000
Key M Advance Ta	Sh Satish Gupta	40,991,459	3,450,000	5,462,850	4,300,000	40,141,459	4,500,000
Key M Advance Ta	Smt Puspa Gupta	-	-	-	-	-	1,440,000
Key M Advance Ta	Sh Manav Gupta	-	1,000,000.00	-	-	1,000,000	1,800,000
Key M Advance Ta	Sh Manit Gupta	-	-	-	-	-	-
Key M Advance Ta	Ms.Nidhi Gupta	-	-	-	-	-	660,000
Key M Advance Ta	Ms.Dipti Gupta	-	-	-	-	-	250,000
	Advance Taken/Key Management	87,491,459	43,850,000	12,481,890	11,100,000	120,241,459	14,590,000
Entiti Advance Gi	Evershine Recreation	0				-	
	Name	Opening	Loan Given	Interest Paid	Loan Received	Closing	
Entiti Advance Gi	Amravati	-	-	-	-	-	
Entities over which	Golden Chemtech	-					
Entities over which	Zeal Exim	-	-	-	-	-	
		-	-	-	-	-	

9. Fixed Asset

( Figures in Rs.)

			Gross Fixed Assets				Depreciation				Net Block	
			As at 31st March 2014	Addition	Deletion/ Adjust.	As at 31st March 2015	As at 31st March 2014	For the year	Deduction/ Adjust.	As at 31st March 2015	As at 31st March 2015	As at 31st March 2014
	Tangible Assets :											
1.	Land Freehold Land		146,652,545	13,254,607	-	159,907,152	-	-	-	-	159,907,152	146,652,545
2.	Building											
a.	Factory Building		59,072,005	-	-	59,072,005	18,853,011	676,017	-	19,529,028	39,542,978	40,218,995
b.	Showroom Building		25,323,412	-	-	25,323,412	37,319	400,332	-	437,651	24,885,761	25,286,093
3.	Plant & Machinery		467,107,613	3,137,441	-	470,245,054	220,631,943	34,359,986	-	254,991,929	215,253,125	246,475,670
4.	Equipments											
a.	Factory Equipments		27,003,653	928,872	-	27,932,525	6,993,571	743,818	-	7,737,389	20,195,136	20,010,082
b.	Computer Equipments		4,416,262	2,858,893	(31,000)	7,244,155	2,684,036	560,876	(9,179)	3,235,733	4,008,422	1,732,226
5.	Furniture & Fixtures		8,682,134	259,705	-	8,941,839	2,467,522	819,524	-	3,287,047	5,654,792	6,214,612
6	Vehicles Motor Vehicles		31,997,416	1,015,000	(27,605)	32,984,811	11,612,643	4,432,377	(24,629)	16,020,391	16,964,419	20,384,772
	Total (A)		770,255,040	21,454,517	(58,605)	791,650,952	263,280,046	41,992,929	(33,808)	305,239,167	486,411,785	506,974,994
	Intangible Assets (B)		-	-	-	-	-	-	-	-	-	-
	Total (A+B)		770,255,040	21,454,517	(58,605)	791,650,952	263,280,046	41,992,929	(33,808)	305,239,167	486,411,785	506,974,994
	Previous Year Capital Work-in-progress	FAWIP	538,866,456	243,992,847	(2,574,024)	780,285,279	202,427,491	30,698,943	(1,639,597)	231,486,837	548,798,442	336,438,965
											307,331,931	203,369,915

**Form no. MGT-11**

**Proxy Form**

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

**CIN** : **L20211CH1991plc011732**  
**Name of the Company** : **Stylam Industries Limited**  
**Registered office** : **SCO-14, Sector-7-C, Chandigarh-160019**

I/ We, being the member (s) of ..... Shares of the above named company, hereby appoint

Name:

Address:

Email ID:

Signature:....., or failing him

Name:

Address:

Email ID:

Signature:....., or failing him

Name:

Address:

Email ID:

Signature:.....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the Company, to be held on Wednesday , the 30<sup>th</sup> day of September, 2015 at 09.30 A.M at Chandigarh Club Limited, Sector-1, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>S.NO.</b>	<b>RESOLUTIONS</b>
1	Consider the Profit & Loss Account for the year ended March 31, 2015 and the Balance Sheet as at date together with Reports of the Directors and Auditors thereon.
2	Re-appointment of Mr. Manav Gupta (DIN- 00115025) who retires by rotation and being eligible offers himself for re-appointment
3	Appointment of Auditors and fix their remuneration

Signed this ..... day of ....., 2015

Signature of Shareholder:

Signature of Proxy Holder (s)

Note: This form of proxy in order to be effective should be duly completed, stamped, dated and signed and deposited at the Registered Office STYLAM INDUSTRIES LIMITED not later than 48 hours before the time for holding the meeting.

# Stylam Industries Limited

Registered Office: SCO-14, Sector-7C, Chandigarh-160019

Tel: 0172-5021555,

E-mail: [cs@stylam.com](mailto:cs@stylam.com)

Website: [www.stylamcom](http://www.stylamcom)

CIN: L20211CH1991PLC011732

## Attendance Slip for 24<sup>TH</sup> Annual General Meeting

(to be handed over at the Registration Counter)

I/We hereby record my/our presence at the 24<sup>th</sup> Annual General Meeting of the company at Chandigarh Club Limited, Sector-1, Chandigarh on 30th day of September, 2015 at 09.30 A.M.

Signature of the Member/Proxy present

Note : The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. Hence, persons attending the Meeting are requested to bring their copies of the Annual Report with them.

PLEASE CUT HERE AND BRING THE ABOVE ATTANDACE SLIP AT THE MEETING.

-----  
Registered Office: SCO-14, Sector-7C, Chandigarh-160019

Tel : 0172-5021555; Fax: 0172-5021495

Website: [www.stylamindustries.com](http://www.stylamindustries.com)

CIN: L20211CH1991PLC011732

Dear Sir,

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35 B of the Listing Agreement, the company is pleased to provide remote e-voting facility to the members to cast their votes electronically on all the resolutions set forth in the Notice convening the 24<sup>TH</sup> Annual General Meeting to be held on Wednesday, 30<sup>th</sup> day of September, 2015 at 09.30 A.M The company has engaged the Central Depository Services Limited (CDSL) to provide the remote e-voting facility

Your electronic voting particulars are set out below:

**ELECTRONIC VOTING PARTICULARS**

<b>EVEN</b> <b>(Electronic Voting Event</b> <b>Number)</b>	<b>User ID</b>	<b>Password</b>
<b>150831105</b>		

The remote e-voting facility will be available during the voting period as indicate herein below:

<b>Commencement of remote e-voting period</b>	<b>End of remote e-voting period</b>
From 9 A.M IST on Saturday, 26 <sup>th</sup> September, 2015	Till 5.00 P.M IST on Monday, 28 <sup>th</sup> September, 2015

Notes:

1. Please read the instructions printed overleaf before exercising your vote.
2. These details and instructions form an integral part of the Notice for the 24<sup>th</sup> Annual General Meeting to be held on 30<sup>th</sup> day of September, 2015.
3. The voting rights of the members shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date of Thursday, 24<sup>th</sup> September, 2015, being the record date for the purpose of voting