

Leadership
fuels Excellence.
practice Perfects it.

Annual Report 2017-2018





Our Story

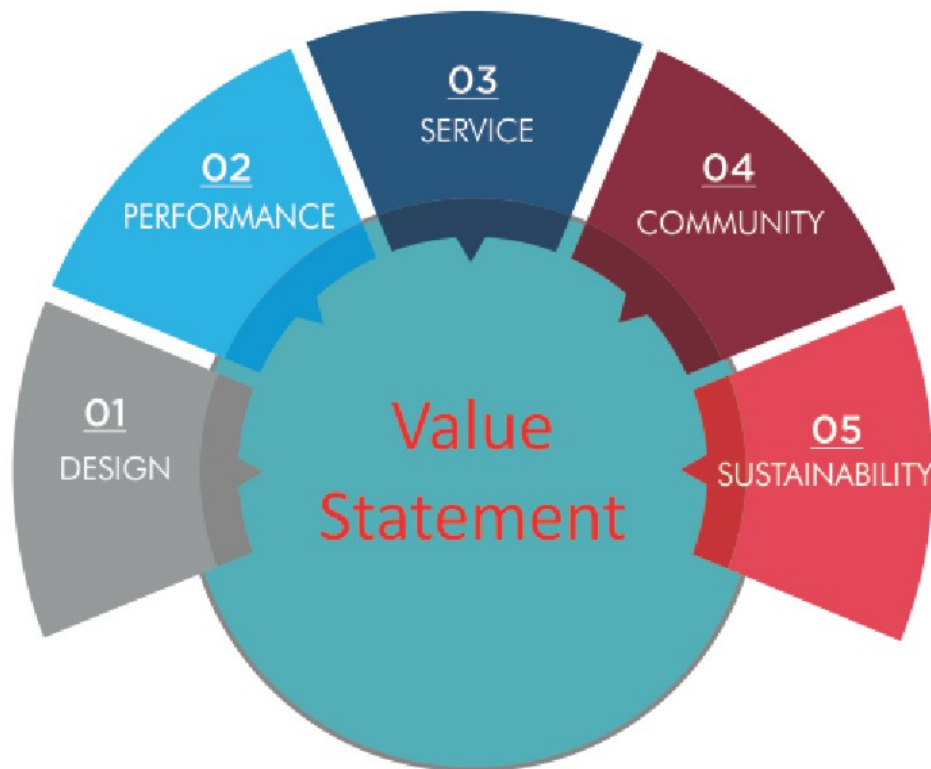
27 Years spent pursuing the ethos, 'What the spirit commits, perseverance completes' is what has shaped Stylam Industries Limited. Incepted in the year 1991 under the name of Golden Laminates Private Ltd, we started our success story by manufacturing decorative laminated sheets for both residential as well as industrial applications. Today, under the brand name STYLAM we have been combining industrious efforts, wide experience and innovative product customization to consistently deliver quality and satisfaction to our clients. Dealing in post forming, anti static, anti fungal and anti bacterial and chemical resistant laminates, Stylam is a name trusted for unmatched laminates that suit ever budget. We are reputed to be a global entity with a Pan India presence and a thriving export market in more than 60 Countries. Our major customers are in Europe, Far East, Middle East, Russia & North America and we continue to maintain robust YOY growth.

A man in a dark suit, white shirt, and purple tie is holding a white card. The card contains the text of the company's mission statement. The background is a blurred office setting.

Mission Statement

Our mission is to produce and continually develop quality products with highest possible standards. We will always strive to service our customer with the utmost integrity, and to their complete satisfaction. It is our goal to ensure our mission by continuous self improvement, growth in our operations and employees; while maintaining profitability to the benefit of our customers, employees, and community.

VALUES THAT DEFINE US AND OUR SUCCESSES!



■ Design

We offer the widest selection of patterns and finishes available to match the breadth of your imagination and make your design unique.

■ Performance

We use premium materials with high-quality standards to keep your designs pristine even in the most strenuous environments.

■ Service

We have a large footprint with Asia's largest manufacturing facilities located at Panchkula, India & distribution centers all across globe to ensure timely delivery.

■ Community

Stylam is dedicated to giving back to the communities in which we reside by supporting local and national non-profit organizations with both funding and product.

■ Sustainability

We are committed to preserving our environment and enhancing the quality of life in the communities we serve.



Evolution of Stylam

1991 – Golden Laminates started operations as Private Limited Company, it turned out as Public Limited firm in 1992.

1995 – Listed in (Bombay Stock Exchange) BSE within four years of Inception.

1996 - Recognized as an 'Export House' by the Government of India.

2001 – Expanded as Global Entity with Pan India presence & thriving Export market.

2010 – Company name changed to Stylam Industries Limited.

2012 – First ever Indian manufacturing Company to Introduce HPL Exterior Cladding with brand name 'Fascia'.

2013 – Introduces its premium sub brand 'VIOLAM'

2013 – Fascia HPL Exterior Cladding expanded distribution network Pan India & soon became Top Selling Brand across Nation.

2016 – Expanded its horizons into IT business & invested in a building in the Panchkula Technology Park.



A DREAM TO LEAD...A WILL TO ACHIEVE!

2017 – Stylam raised Rs. 51 crore through preferential routes from Lighthouse Funds.

2017 – Stylam Industries Limited expanded its operations and started its Asia's Largest Manufacturing Plant located at Manaktabra, Panchkula spread across 36 Acres.

2017 – Stylam Launched range of Restroom Cubicles & Lockers & became India's First manufacturer with 4320 x 1860 mm Panel Size with brand 'Cuboid'

2017 – Stylam Industries Limited introduced range of Specialty Laminates with MR+ High Gloss, Mirror, Magnetic Lam and Anti Finger Laminates.

2018 – Introducing and adding new product line of Acrylic Solid Surfaces (India's First Manufacturer); commercial production of the same is expected to commence in 2019 and the product will be sold under the brand name '*Granex*'.

And many more coming soon as Stylam keep focusing on its R&D work to develop technologically advanced products & bring a turnaround into Global Market.



TOGETHER WE WIN

USP of STYLAM

- Asia's biggest Infrastructure & manufacturing plant of Laminates.
- Largest capacity of hydraulic press in India having 24 daylight openings in following size 1220 x 2440 mm, 1300 x 2850 mm, 1300 x 3050 mm, 1860 x 3660 mm & 1860 x 4320.
- Largest Laminate producing group in India with a production capacity of over 11 million laminates.
- First Ever in India Hot Coating process machine for HPL to produce top quality High Gloss & Anti Finger Print laminates in wide ranges.
- Credibility of more than 25+ years in Industry.
- Having Global presence in more than 60+ Countries.
- Over 1200+ Design, 80+ Textures & Finishes.
- Having range of High Pressure Laminates, Cubicles board, HPL Exterior Cladding, Acrylic Solid Surfaces.
- State of art technology & manufacturing of acrylic solid surfaces.
- We have multiple finishes available in High Gloss, Metallic, Anti-bacterial, Chalkboard, FR, electrostatic, magnetic, mirror, translucent, chemical retardant laminates.
- Having Pan India Channel partner network.
- Stylam Laminates Uniform and superior sanding ensure best bonding with substrates.

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Introducing Stylam



Stylam started life, in 1991, primarily as a Laminate manufacturer with the name of Golden Laminates Ltd; subsequently, it changed its name to Stylam Industries Ltd in 2010.

Over 27 years later, our manufacturing capabilities have been increased to 36 acre and include our factories in Manaktabra and Panchkula.

Likewise our product range has grown considerably and is constantly reviewed and improved to meet our Clients, Architects and Contractors requirements.

Manufacturing from Largest in India state of the art productions facilities, has enabled Total Laminate Production the flexibility to cover the whole of the India & 60+ Countries. The Company manufactures world class range of High Pressure Laminates (Building Material) for Furniture, Exterior Cladding, Cubicles and interior furnishing.



Expanding Horizons

With the latest Introduction of Hot Coating processing technology for HPL which will produce Anti Finger Print Laminates & MR+ High Gloss Laminate and India's First Solid Surface Acrylic plant, we are committed to give quality & strive to be the very best in the business.

Caution regarding Forward-Looking Statements

This Annual Report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performances or achievements could thus differ materially from those projected in any such forward-looking statements.



MANAGEMENT DISCUSSIONS AND ANALYSIS

The financial year 2017-18 was a transformative year with the introduction of the Goods and Services Tax (GST) and RERA, an important development that has created a single national market and will benefit both consumers as well as the industry. While trade conditions remained volatile during early implementation, they have since stabilised and there is a gradual improvement in overall demand.

Global Economy

The financial year 2017-18 has been favourable for the global economy with broad-based and synchronised growth across most -countries. While the developed economies of the USA and Europe witnessed further consolidation, pushing the global GDP growth rate to 3.7%, the emerging economies exhibited resilience, benefiting from global trade and the rebound in commodity prices. China remained buoyant despite tightening of liquidity and slowdown in the booming property as well as global inflation stayed within control and at relatively modest levels, though some key central banks, including the US Fed, tightened policy rates to sustain robustness in investments and induce industrial activity and international trade.

Crude oil prices increased in 2017, the prices at the beginning of the year was about \$54 per barrel and closing the year at more than US\$60 per barrel.

US Economy: The [US economy is growing](#), inflation has finally hit the US Federal Reserve's 2% target and unemployment is quite low – and [at an all-time low](#) for African-Americans and Hispanics. For the first time in memory, there are more job openings listed by US companies than there are unemployed people. Such conditions usually foreshadow rising real (inflation-adjusted) wages, which would indicate that American workers, many of whom were left behind in the anemic post-crisis recovery, might finally reap benefits from the strong economy.

Eurozone Economy: Growth is expected to have shifted to a more moderate pace after hitting 10- year high in 2017, chiefly due to softer exports and rising inflation. The upstick in inflation was due to a jump in energy prices, on the back of high global oil prices. Rising inflation is likely starting to weigh on household spending.

Asia pacific: Growth in the East Asia and Pacific (EAP) region strengthened marginally to 6.4 percent in 2017, 0.2 percentage point higher than expected, largely reflecting a significant improvement in the external environment. Regional growth is projected to gradually slow to 6.2 percent in 2018, and to 6.1 percent on average in 2019- 20, broadly in line with previous forecasts, with the structural slowdown in China outweighing a modest further cyclical pickup in the rest of the region. Risks to the forecast have become more balanced, especially because of the potential for further upside surprises to growth in advanced economies, but are still tilted on the downside. Downside risks include rising geopolitical tensions, an abrupt tightening of global financing conditions, increased global protectionism, and steeper-than-expected slowdowns in major economies, including China. Highly leveraged economies and countries with high or rapidly rising fiscal deficits are particularly vulnerable to financial and real disruptions.

Outlook

Global growth for 2018 and 2019 is projected at 3.9 percent, as forecast in the April 2018 World Economic Outlook (WEO). The baseline forecast assumes gradually tightening but still favorable financial conditions, with localized pressures based on differences in fundamentals.

In the United States, near-term momentum in the economy is expected to strengthen with growth projected at 2.9 percent in 2018 and 2.7 percent in 2019. Substantial fiscal stimulus together with already-robust private final demand will lift output further above potential and lower the unemployment rate below levels last registered 50 years ago, creating additional inflationary pressures. Imports are set to pick up with stronger domestic demand, increasing the US current account deficit and widening excess global imbalances.

Growth in the euro area economy is projected to slow gradually from 2.4 percent in 2017 to 2.2 percent in 2018 and to 1.9 percent in 2019. Forecasts for 2018 growth have been revised down for Germany and France after activity softened more than expected in the first quarter, and in Italy, where wider sovereign spreads and tighter financial conditions in the wake of recent political uncertainty are expected to weigh on domestic demand.

Emerging market and developing economies have experienced powerful crosswinds in recent months: rising oil prices, higher yields in the United States, dollar appreciation, trade tensions, and geopolitical conflict. The outlook for regions and individual economies thus varies depending on how these global forces interact with domestic idiosyncratic factors. Financial conditions remain generally supportive of growth, though there has been differentiation across countries based on economic fundamentals

Emerging and Developing Asia is expected to maintain its robust performance, growing at 6.5 percent in 2018–19. Growth in China is projected to moderate from 6.9 percent in 2017 to 6.6 percent in 2018 and 6.4 percent in 2019, as regulatory tightening of the financial sector takes hold and external demand softens. India's growth rate is expected to rise from 6.7 percent in 2017 to 7.3 percent in 2018 and 7.5 percent in 2019, as drags from the currency exchange initiative and the introduction of the goods and services tax fade.

Indian Economy

FY 2017-18 has been a watershed year in the domestic economy with the Government of India effecting a unified tax regime, Goods and Service Tax (GST), from July 2017. The implementation of GST will create a single marketplace, enabling supply chain efficiencies over the long term.

However, the first year of its implementation, as anticipated, witnessed disruptions in supply chain, working capital constraints and greater compliance responsibility, especially for small and medium enterprises. Consumer sentiments were subdued for most of the financial year. While the economy witnessed a revival in activity in the second half, the overall annual growth stood at 6.5% for FY 2017-18, lower than 7.1% for FY 2016-17.

The manufacturing sector's performance, suffering from the GST induced de-stocking, was volatile. Capital investment remained weak owing to modest capacity utilisation hindering the confidence to sanction fresh outlays. An increase in the stressed assets of the banking sector further impacted the industrial sector with cost of credit going up significantly. Rise in crude prices and shortfall in Government revenues led to widening fiscal deficit with the Central Government missing the deficit target for FY 2017-18. Although all these pressures worsened the macroeconomic conditions, there were some noteworthy positives which offer hope for revival in economic growth. The Government firmly pushed ahead its reform agenda with substantial movement on GST, the Indian Bankruptcy Code and implementation of Real Estate Regulations (RERA), among others.

Taking note of these developments, Moody's raised India's rating from the lowest investment grade of Baa3 to Baa2 and changed the outlook from stable to positive in November 2017. This was India's first rating upgrade in 14 years.

Outlook

The financial year 2018-19 could well be the period that witnesses a strong and sustained economic upsurge. Improvement in growth conditions in the second half of FY 2017-18 indicates normalisation of the supply chain, which was disrupted on account of demonetisation and GST implementation. The massive bank re-capitalisation programme coupled with the progress seen on resolving the initial set of insolvency cases is expected to augment the banking sector's capability to lend credit to the industry. This will boost the capex revival cycle in the industry as well.

Early indications of a normal monsoon for three years in a row are likely to aid not only the agriculture sector but also the rural economy. The Union Budget for FY 2018-19 has substantially increased the minimum support prices for farm procurement. Additionally, the farm loan waivers rolled out in various states and the Central Government's push towards rural infrastructure spends are expected to significantly improve rural consumption. At the same time, the Centre's efforts to streamline GST rates and minimise the compliance burden are likely to facilitate recovery, especially for small and medium enterprises.

However, rising prices of commodities, especially crude oil, could potentially act as a deterrent, rising inflation levels. This could increase the cost of credit, impacting the anticipated revival of consumption. Moreover, concerns around job creation, income growth and setbacks that could be faced by nascent growth drivers, stand to hurt the overall business confidence.

On the international front, rise in the crude oil prices will augur well for the economies in the Middle East and thereby, on the Company's operations in the region, particularly given the slowdown experienced during the last few years. Political stability in some of the Company's key markets such as Sri Lanka, Ethiopia and Egypt will also have a positive bearing. Meanwhile, trade frictions are beginning to materialise, with the USA and China locked in a retaliatory trade war. India, being an integral part of the global trade network, will have to remain wary of the ramifications.

Industry Insight

Laminate Industry

Laminate is defined as a decorative material that is man-made and applied onto the surface of a substrate. Though often referred to as high-pressure laminate or HPL, the technical name of laminate is "thermosetting high-pressure decorative plastic laminate". Superior attributes of decorative laminate over other alternatives that are driving widespread adoption across the world include its availability in innumerable designs, ease of installation, flexibility, long lasting, costing much lesser than conventional products, low-maintenance, high impact resistance and heat resistance, superior performance and quality, versatility, consistency, and its high value for investment with today's expertly manufactured, customized laminates, and high quality home decor options enhancing and protecting customer investment. Macro trends benefiting growth prospects for decorative laminates include demographic evolution in emerging countries; urbanization growing at the rate of over 65 million per year; and growing global concern towards sustainable development and promotion of green products. The Laminate industry's size is estimated at Rs.7,000 core with unorganised sector controls around 30% of the market, with the organised sector accounting for the balance.

Industry trends

In Q1 FY 2017-18, the industry experienced de-stocking following the GST rollout. In the succeeding three quarters, the industry gradually returned to normalcy. While the long held correlation between growth in industry and in GDP lost ground in the recent three to four years, the industry continues to be in a reasonable growth phase. The housing construction sector has suffered due to multiple reasons namely, lack of investor interest after stagnating real estate prices and diminished cash component subsequent to GST and demonetisation.

On the positive side, significant government policies directed at widening the market. The Pradhan Mantri Awas Yojana expects to build over 2 crore affordable homes by 2022 for low-income groups, driven by a subsidy grant for ownership and mortgage financing. The Smart City programme could widen opportunities for products, strengthening off-take.

Forward looking Statement

The future for the industry remains positive. Future growth in the market will be driven by the digital revolution gaining momentum in decorative laminates. Digital techniques, which extend a high degree of freedom, and flexibility to experiment with potential prototypes, along with high levels of creative flexibility offered by digital technologies promises to raise the bar for high-pressure laminates, and revolutionize the way manufacturers design products. Growing penetration of laminate flooring supported by their benefits of durability, easy-to-clean, enhanced resistance against fading and stains, offering realism of wood and other expensive floors at a more affordable price, easy installation on almost all grade levels, superior resistance against impact and scratches, and smooth replacement procedure represent another important growth driver. Wide range of design, colors, and textures of laminates are providing an optimum solution for consumers looking for decorative, yet affordable and durable alternative for accomplishing the high-end look of real wood, stone, or ceramic tiles. Positive outlook for the global construction industry coupled with improving lifestyles of people around the world creating interest in remodeling of home interiors are also expected to invigorate demand for decorative laminates in the coming years.

The global market for Decorative Laminates is projected to exceed US\$47 billion by 2024, driven by growing demand for High-pressure laminates (HPLs) as the most durable, ubiquitous, and functional man-made surface materials, and rise in new construction and renovation activity globally.

Asia-Pacific represents the largest and the fastest growing market worldwide with a projected CAGR of 6.1% over the analysis period. Booming construction activity and subsequent rise in number of new constructions in both residential and commercial space, particularly in regional powerhouses such as China and India, are expected to generate substantial market opportunities for decorative laminates in the region. Other growth drivers include transition of India and China from primarily rural-based societies to modernized, urban-based global economies; exponential increase in urbanization; expanding middle class and their increased lifestyle spending on furniture, home accessories and furnishings.

In the year under review, our business on comparable basis grew by 15%, EBDITA margins on comparable basis was sustained at a level of 14.5%, Net profit up by 2.10%. There is significant improvement in Debt-equity which stood at level of 0.87:1 from 2.40:1 in year 2016-17. The strong track record for cash generation was sustained.

Our Strategy

Capacity Expansion

During the year the expanded capacity for unit in Manaktabra has become operational. After this expansion the capacity has enhanced to 11Mn sheets per annum. The Manaktabra facility is equipped with state-of-art infrastructure with modern plant and equipment. The company enters into array of Rest-room cubicles & locker system. The company has foray into market segment which so far was untapped because of production constraint. This expansion will supports the existing customer base also where the company will focus on timely delivery of the product.

Going forward

Proposed Expansion

To provide enhance finishing of the product with innovative lacquer coating system, the company has proposed to install Hot Coating Line with cost estimate outlay of Rs.20crore. The machineries for the project are to be import from Europe. The production line will be operation from financial year 2019-20.

With this technology, the company will be able to provide high glossy laminates. Glossy laminates are elegant among many high gloss material available today for Furniture industry, Lacquer are gaining more popularity, not only because of its uniform elegant look but rather more important scratch and heat resistance capabilities, durability. It requires high level of precision in order to achieve mirror like finish and high level of gloss. Lacquer is tough. It lasts without flaking or chipping.

Not on high end product, the company has focus on commercial segment for mass consumption both in domestic as well as international market. The company has planned to add one additional production line for this segment, with cost outlay of Rs.20crore. The production line will be operational in later this financial year.

Business Consolidation

The Company with a vision to consolidate all 'business verticals related with Building Material' under the flagship of Stylam had applied for scheme of amalgamation of Golden Chem-Tech Limited with Stylam Industries Limited. The SEBI has given its consent on the scheme. Golden Chem-Tech Limited has put up a manufacturing plant of Solid Acrylic Panels (known as artificial marble).

Acrylic Solid Surface is a non-porous and low-maintenance engineered composite material. It mimics the appearance of stone and other naturally occurring materials and can be joined invisibly. Typically manufactured in sheet form for fabrication into finished work tops, countertops and the like. Acrylic Solid Surface can also be heated and bent into three-dimensional shapes using a process called thermoforming, adding to the versatility of the product. Color and design flexibility are key factors when choosing engineered composites over natural stone.

Solid Acrylic Surfaces are used in

Kitchen/Bathroom: kitchen bench tops with integrated sink, vanity countertop, wall cladding, etc.

Hospitality/Catering: bars, tables, reception desks etc.

Shop Fitting: displays, counters, wall cladding etc.

Airports: barista stations, check-in counters, wall cladding etc.

Public buildings: displays, facades, meeting tables etc.

Hospitals: laboratory countertops, sinks, nursing stations etc.

Acrylic Solid Surfaces is rapidly becoming a popular material in residential applications adding value to the property. Hospitals in particular, prefer the use of Acrylic Solid Surface for sinks, showers, nursing stations and wall cladding, because its seamless properties eliminate gaps and joints that harbor harmful bacteria.

Property Held for Sale- IT/ BPO Building

The Company, had planned to diversify into IT/BPO Sector in the year 2012-13 and purchased land admeasuring 5573sq mtr in Panchkula Technology Park in Haryana (India), conceptual design of the building, named as 'Stylam Tower', was designed by well-known architect RSP Designs. However, with the expansion in the laminate business and the strategy going forward to concentrate on its core business related with 'Building Materials', the Company endeavors to sell-off the tower. The property has been quoted at market value and categorized as Investment Property in FY 2017-18. The proceeds when realized will be used for reduction of long term borrowings.

Management Committee

Board of Directors

Mr. Jagdish Gupta
Managing Director

Mr. Manav Gupta
Whole Time Director

Mr. Manit Gupta
Director

Mr. Sachin Bhatla
Additional Director

Mr. Satpal Garg
Independent Director

Mr. Mahavir Singh
Independent Director

Mr. Ravinder Krishan
Independent Director

Ms. Sonia Aggarwal
Independent Director

Mr. Sachin Kumar Bhartiya
Nominee Director

Key Managerial Personnel

CS Ashok Swami
Company Secretary

Sanjeev Vaid
CFO

Committees

Audit Committee

Mr. Satpal Garg
Mr. Jagdish Gupta
Mr. Ravinder Krishan

Nomination and Remuneration Committee

Mr. Satpal Garg
Mr. Ravinder Krishan
Mr. Jagdish Gupta

Shareholders' Grievance Committee

Mr. Ravinder Krishan
Mr. Satpal Garg
Mr. Jagdish Gupta

Share Transfer Committee

Mr. Ravinder Krishan
Mr. Satpal Garg
Mr. Jagdish Gupta

Corporate Social Responsibility Committee

Mr. Satpal Garg
Mr. Jagdish Gupta
Mr. Manit Gupta

Registered Office

SCO 14, Sector 7- C, Madhya Marg,
Chandigarh - 160019 (INDIA)
Tel - +91-172-5021555, 5021666
Website: www.stylam.com

Auditors

Statutory Auditors

M/s Mittal Goel & Associates
Chartered Accountants,
SCO 40-41, Sector-17A,
Chandigarh-160017

Cost Auditor

C.L.Bansal & Associates,
Cost Accountant,
CAM Plaza, SCO-7,
Chaura Bazar, Zirakpur- 140603

Secretarial Auditor

Sanjiv Kumar Goel,
Company Secretary
SCO 154-155, 1st Floor,
Sector-17-C, Chandigarh- 160017

Registrar and Share Transfer Agent

Link Intime India Private Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area
Phase-I, Near PVR Naraina,
New Delhi - 110028
Tel-011-41410592-93-94
Email: delhi@linkintime.co.in

Stock Code

Bombay Stock Exchange Limited526951
ISIN Detail INE239C01012

Banker

State Bank of India
HDFC Bank Ltd.



Financial Performance

FINANCIAL PERFORMANCE

10 YEAR RECORD

Rs in crores except per share data and ratios

Results for Financial Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 [^]	2016-17 [^]	2017-18 [^]
Income Statement										
Net Revenue from operations	54.69	63.99	83.15	104.17	140.21	184.92	214.17	249.41	294.29	337.96
Growth	20%	17%	30%	25%	35%	32%	16%	17%	18%	15%
Other Income	0.37	0.72	3.86	0.39	1.21	1.98	0.65	0.64	1.12	2.34
Net Revenue	55.06	64.71	87.01	104.56	141.42	186.9	214.45	250.05	295.41	340.30
Material Cost	36.58	43.16	57.01	64.68	87.51	116.15	130.02	141.80	153.50	181.75
% of Net Revenue from Operations	66.8	67.4	70.5	62.1	62.4	62.8	60.8	56.8	52.2	53.8
Overheads	13.38	14.53	21.67	29.32	40.02	48.29	61.41	77.46	97.79	106.96
% of Net Revenue from Operations	24.5	22.7	24.1	28.1	28.5	26.1	28.7	31.1	33.2	31.6
Operating Margins to Net Revenue from operations (%)	8.6	9.8	5.4	9.8	9.0	11.1	10.5	12.1	15.5	14.6
Finance Cost	1.31	1.26	1.41	3.55	4.66	9.21	4.92	6.46	10.02	7.70
Depreciation & Amortization	1.34	1.39	1.60	2.82	3.07	3.26	4.20	4.65	5.70	10.83
Profit Before Tax	2.45	4.37	5.32	4.19	6.16	9.99	13.90	19.68	31.16	33.06
% of Net Revenue	4.4	6.8	6.1	4.0	4.4	5.3	6.5	7.9	10.6	9.8
Profit After Tax	1.58	3.00	3.76	2.82	4.07	6.82	9.39	12.15	19.64	20.05
% of Net Revenue	2.9	4.6	4.3	2.7	2.9	3.6	4.4	4.9	6.6	5.9
ROCE (%) - average	14.2	16.1	12.5	11.4	11.5	17.8	15.0	15.1	14.7	15.0
RONW (%) - average	9.8	16.4	18.8	12.7	15.8	21.8	23.9	24.2	27.6	18.1
Earnings Per Share of Rs.10/- each	2.16	4.10	5.13	3.85	5.56	9.33	12.84	16.60	26.85	24.84
Balance Sheet										
Share Capital	7.32	7.32	7.32	7.32	7.32	7.32	7.32	7.32	7.32	8.16
Other Equity	9.93	11.96	13.44	16.42	20.52	27.34	36.73	48.98	69.21	137.14
Deferred Tax liability	0.88	0.64	1.10	1.32	1.20	1.49	1.61	1.60	2.66	6.18
Borrowings	9.18	15.64	32.91	44.43	66.21	73.29	81.73	116.96	184.00	126.80
PPE	12.96	15.11	26.20	33.81	49.12	71.06	79.38	111.71	188.40	136.68
Investment Property	-	-	-	-	-	-	-	-	-	48.98
Debt-equity Ratio	0.53	0.81	1.59	1.87	2.38	2.11	1.86	2.08	2.40	0.87
Per Share Data										
Earnings per Share (EPS) in Rs.	2.16	4.10	5.13	3.85	5.56	9.33	12.84	16.60	26.85	24.84
Book value per Share in Rs.	23.5	26.3	28.4	32.4	38.0	47.3	60.2	76.9	104.5	178.0

[^] Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. However, Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years. ROCE and RONW for these years are computed on the basis of figures as per IndAS. Hence these numbers are not comparable with previous years.

Enterprise Risk Management

The company recognises that risk is inherent in every business activity. Effectively managing these risks is key of achieving strategic objectives and long term sustainable growth of the business. The key risks area are periodically reviewed and its mitigation is done by Senior Management

Currency Risk

The company is exposed to currency fluctuations for its export and other foreign currency borrowings. An adverse and unforeseen fluctuations can affect margins and profitability. The company closely monitors the exposure while taking currency hedges. The unhedged foreign currency exposure has a natural hedge thereby eliminating majority of foreign exchange risk.

Industry Risk

The company is exposed to geographical risk for its export transaction. The majority of export is being to one region. Any economic crisis that hits the economies of that region can make impact on the margins. The company provides different product solutions to its customers which are based on product applications and usages. The company thus has diverse market presence for its product portfolios. The company is equally focused to increase presence in domestic market. The positive growth drivers are expert forecast on high demand from domestic market after government's focus on low cost housing and shift in consumer preference from un-organized to organized sector.

Input Price Risk

The company's chemical prices are linked to crude prices. The volatility in prices can affect the profitability of the company. The company maintains the forward buying policy for adequate period of consumption.

Interest Rate Risk

The Company uses borrowings to fund its expansion plans and working capital requirement which is exposed to interest rate risk. The risk is mitigated by efficient financial planning with emphasis on efficient working capital management.

Statutory Compliance Risk

The Company adheres to a diverse set of laws and regulations laid down by governments and regulatory bodies at the local, state and national levels. The Company is committed to complying with all laws and regulations as applicable.

DIRECTORS' REPORT

Your Directors are pleased to present the 27th Annual Report together with financial results for the year ended March 31, 2018.

FINANCIAL PERFORMANCE SUMMARY

Rs in crores

FINANCIAL RESULTS	2017-18	2016-17
Revenue from Operations*	337.96	294.30
Earnings before Interest, Taxes & Depreciation	49.25	45.76
Less: a) Finance Cost	7.70	10.02
b) Depreciation	10.83	5.70
Add: Other Income	2.34	1.12
Profit before tax	33.06	31.16
Less: Tax Expense	13.00	11.52
Profit for the Period	20.06	19.64
Add: Other Comprehensive Income (Net of Taxes)	(2.04)	0.66
Total Comprehensive Income	18.02	20.30
Opening balance in Retained Earnings	69.21	48.98
Less: Re-measurement of net defined benefits plan	-	0.07
Add: Share premium	50.24	-
Closing balance in Retained Earnings	137.47	69.21

* Figures for Revenue from Operations are comparable numbers .i.e Excise Duty has been removed as same does not form part of Revenue post GST implementation.

Highlights of Performance

During the financial year 2017-18, revenue from operations increased to Rs.337.96 crore as against Rs.294.30 crore in the previous year- a growth of approx. 14.8%.

Operating margins has increased to Rs.49.25 crore from Rs.45.76 crore in previous year.

This performance has rationale when it is factored with increase in crude oil price and other challenging business environment both in domestic and international trades.

Domestic

During the year under review, the company has registered growth of 22% in net revenue from domestic market. This needs to view where laminate industry witnessed challenges with the weak real estate sector and sales effected because of challenges faced by distributors and dealers and retailers level initially for implementation of GST.

Exports

Despite a gloomy Global outlook, exports, (including incentives), registered a growth of around 12% in value over the export of previous year.

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 rating by one notch at 'A-' for long- term bank facilities and assigned 'A Two' rating on the short term bank facilities at 'CARE A2'.

Dividend

In view of expansion strategies which will facilitate in overall growth and performance of the company, your directors do not recommend any dividend for the year under review.

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, such as

- Settlement of tax liabilities;
- Operation of patent rights;
- Depression in market value of investments;
- Institution of cases by or against the Company;
- Destruction of any assets or disposal of a substantial part of undertaking;
- Changes in capital structure; and
- Material changes concerning purchase of raw material and sale of the product.

Changes in Share Capital

During the year under review, the company has issued fresh Equity under Preferential Allotment by issue of 850,000 Nos of equity shares of Face value of Rs.10/- each at a consideration of Rs.51.08crore.

The paid up Equity Share Capital as on 31st March, 2018 was Rs.8.16 crore divided into 8,166,200 Nos of equity shares of face value of Rs.10/- each. (Previous Year Rs.7.32 crore divided into 7,316,200 Nos of equity shares of face value of Rs.10- each)

A) Issue of equity shares with differential rights

The Company did not issue equity shares with differential rights during the financial year 2017-18.

B) Issue of sweat equity shares

The Company did not issue sweat equity shares during the financial year 2017-18.

C) Issue of employee stock options

The Company did not issue stock options during the financial year 2017-18.

D) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company does not have a scheme for purchase of its own shares by employees or by trustees for the benefit of employees.

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.

Directors and Key Managerial Personnel

It is a matter of great regret that Shri Satish Rai Gupta (DIN 0015025), Executive Director, left for his heavenly abode on 15th December, 2017. Your Directors place on record the appreciation for his invaluable guidance and stewardship and note that such a great soul who created a landmark by his contributions to the Company and the Group, would always remain irreplaceable.

Appointment of Nominee Director

In accordance with the provisions of Section 161(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) therefore the time being in force) and the Articles of Association of the Company, Mr.Sachin Kumar Bhartiya (DIN 02122147) has been appointed as Nominee Director of the Company with effect from 15.07.2017. His appointment is by virtue of an agreement with Lighthouse Emerging India Investors Limited. In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, the Nominee Director is not liable to retire by rotation.

Appointment of Additional Director

In accordance with the provisions of Section 161 (1) and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment(s) therefore the time being in force) and the Articles of Association of the Company, Mr. Sachin Bhatla (DIN 008182443) has promoted as Additional Director –Technical, with effect from 23.07.2018. His appointment is subject to the approval of the Members at the ensuing Annual General Meeting of the Company in accordance with the provisions of the Act and the rules made thereunder and is liable to retire by rotation.

Retirement by Rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment(s) therefore the time being in force) and the Articles of Association of the Company, Mr.Manit Gupta (DIN 00889528) is liable to retire by rotation at the ensuing AGM and being eligible have offered himself for re-appointment.

Appointment of Company Secretary and Compliance Officer

In accordance with the provisions of Section 203 of the Companies Act, 2013, the company has appointed Mr.Ashok Swami as Company Secretary and Compliance Officer of the Company, with effect from 26.02.2018 in place of Mr. Mohinder Singh who has resigned as Company Secretary and Compliance Officer of the company, for pursuing external opportunities.

Appointment of Chief Financial Officer

In accordance with the provisions of Section 203 of the Companies Act, 2013, the company has elevated Mr.Sajeev Vaid as Chief Financial Officer of the Company, with effect from 08.08.2018. The position falls vacant after resignation of Mr.Manav Gupta, who has been given additional responsibilities related to other fields for the growth of the Company.

Meetings

During the year under review Fourteen 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 which forms part of this Annual Report.

Remuneration of Directors and Key Managerial Personnel

The remuneration paid to Directors is in accordance with Nomination and Remuneration Policy formulated in accordance with the provisions of Section 178 of the Companies Act, 2013 Regulation 19 of the Listing Regulation (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of Director and Key Managerial Personnel is set out in the **Annexure IV**

Nomination and Remuneration Policy

The company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Remuneration Policy is approved by the Board of Directors and is uploaded on the website of the Company.

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.

Director's Responsibility Statement

In terms of the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Directors state that:

- a. in preparation of annual financial statements for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. 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. 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. the Directors have prepared the annual accounts on a going concern basis;
- e. the proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f. the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Audit Committee

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

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 meets at regular intervals as required in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. 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 of and is annexed herewith marked as "Annexure – II" The Auditors' Certificate on compliance with Corporate Governance requirements is also attached to this Report.

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: 2015 certifications for complete range of laminates manufactured.

Auditors and Auditors' Report

Statutory Auditor:

M/s Mittal Goel & Associates, Chartered Accountants (Firm Registration No. 017577N) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the 31st AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if so required under the Act.

M/s Mittal Goel & Associates have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)

The Auditors' Report for the financial year ended 31st March 2018 on financial statements of the Company is a part of this Annual Report. The Auditors' Report for the financial year ended 31st March, 2018 does not contain any qualification, reservation or adverse remarks.

Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the Company has appointed M/s C.L. Bansal & Associates, Cost Accountants, as the Cost Auditor of the Company for audit of the cost records maintained by the Company for the financial year 2018-19. A resolution regarding ratification of remuneration of Cost Auditor is being sought from the Members of the Company at ensuing Annual General Meeting.

The Company has received consent from M/s. C.L. Bansal & Associates, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2018-19.

Secretarial Auditors:

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 Secretary, to undertake Secretarial Audit of the Company for the financial year 2017-18.

The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2018 is annexed herewith as "Annexure-I". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Extract of the Annual Report

The extract of the Annual Return of the Company as on 31st March, 2018 in Form No. MGT – 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out in the "Annexure IV" of this report.

Related Party Transactions

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

Loans, Guarantees or Investments

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.

Vigil Mechanism/ Whistle Blower Policy

The Whistleblower Policy has been approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations.

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities.

The policy is available on Company's website.

Policy on Prevention of Sexual Harassment at Workplace

The Company's Policy on Prevention of Sexual Harassment at Workplace is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder.

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

Corporate Social Responsibility

Corporate Social Responsibility (CSR) encompasses much more than social outreach programmes.

In accordance with the requirements of Section 135 of Companies Act, 2013, Company has constituted a Corporate Social Responsibility Committee.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed hereto as "Annexure – III"

The Company has contributed Rs.0.58 crore towards various CSR activities during the year, the Company has increased/scaled up its CSR intervention in the areas prescribed in the Company's CSR policy and there was an increase of more than 74% in the total CSR spending on year to year basis.

As a socially responsible Company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

The initiatives taken by the Company will certainly help in deploying larger funds across social sectors and achieve rapid scale in utilizing its full CSR budget in the coming financial years as well.

Internal Control

The 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.

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.

Occupational, Health, Safety and Environment

Company has effectively deployed policies on Safety, Occupational Health & Environment at all locations. It continually focus on improving the effectiveness of system processes.

Brand Visibility

During the year under review, the Company has conducted various connect initiatives like Architects' meet, Distributors meet, Dealers meet, to drive brand visibility and demand generation. This year also the Company budgeted an amount on Branding activities, to attract new customers, to create bigger footprint to enable expansion into new markets.

Insurance

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

Listing

The equity shares continue to be listed on BSE Limited (BSE). The Company has paid annual listing fee for the financial year 2018-19.

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.

Detail of Significant and Material Orders Passed by Regulators or Courts of 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 Absorption and Foreign Exchange Earnings 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 V".

Human Resources

The Company recognizes that the purpose of Human Resources is to be a catalyst and change agent. Over the years, there has been a paradigm shift in the approach adopted by Employee Relations through different initiatives in various capacities. We drive sustainable growth and have been instrumental in bringing in thought leadership in building strong employee relations. The Company is focused on building a high performance culture with a growth mindset. Developing and strengthening capabilities for all employees remained Company's an ongoing priority. The Company maintains momentum on building speed and simplification in ways of working.

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.

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.

Acknowledgement

The Board place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

The Board also wishes to place on record its appreciation for the support and cooperation the Company has been receiving from its suppliers, redistribution stockiest, retailers, and others associated with the Company as its trading partners.

The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

On behalf of the Board,

Place: Chandigarh
Date: 01st September 2018

Jagdish Gupta
Managing Director

ANNEXURE - I
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED – March 31, 2018

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

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, 2018 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, 2018 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, 1992, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 - Not applicable to the Company during the Audit Period

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the Audit Period;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not applicable to the Company during the Audit Period;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the Audit Period;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the Audit Period);

2. 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.

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India, effective from July 01, 2015.

ii) The erstwhile Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 notified w.e.f. December 01, 2015.

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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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: 25th August 2018

Sanjiv Kumar Goel
Practicing Company Secretary
Fellow Membership No. : 2107
CP NO. : 1248

ANNEXURE - II

Report on Corporate Governance – 2017-18

Company's Philosophy

The company is committed to the highest standards of corporate governance, and setting industry-leading benchmarks. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our Members, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

Our goal is to promote and protect the long-term interest of all stakeholders, and to that end, our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability.

The Board of Directors are responsible for and committed to sound principles of Corporate Governance in the Company. The Board of Directors plays a crucial role in overseeing how the Management serves the short and long-term interests of Members and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

Board of Directors

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustees of stakeholders.

Composition

The Board has an appropriate mix of Executive and Non – Executive Directors to maintain its independence. The Board periodically evaluates the need for change in its composition and size. The Board, inter alia, focuses on strategic planning, risk management, compliance, and corporate governance to maintain high standards of ethical conduct and integrity and succession planning for the Directors. As on date of this Report, the Board consists of five executive directors and four independent directors. The executive directors includes one directors as Nominee Director.

The constitution of the Board is given below:

Name of Director	Promoter/ Executive / Non-Executive / Independent	No. of other		Membership Other Board Committees
		Public Companies	Limited	
Jagdish Gupta	Promoter/ Executive	3		3
Mahavir Singh	Non-Executive/ Independent	4		3
Satpal Garg	Non-Executive/ Independent	---		---
Ravinder Krishan	Non-Executive/ Independent	---		3
Manav Gupta	Promoter/ Executive	---		---
Manit Gupta	Promoter/ Executive	1		---
Sonia Aggarwal	Non-Executive/ Independent	---		---
Sachin Kumar Bhartiya	Nominee/Executive	3		---
Sachin Bhatla	Executive	---		---

Meetings and Attendance

During the financial year the Board of Directors met 14 (fourteen) times during the financial year, on the following dates:

06-04-17	28-08-17
04-05-17	09-09-17
11-05-17	28-09-17
29-05-17	14-12-17
28-06-17	21-12-17
15-07-17	08-02-18
11-08-17	26-02-18

The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days. The necessary quorum was present for all the meetings.

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

Name of Directors	No. of Board Meetings		Annual General Meeting
	Held	Attended	
Jagdish Gupta	14	14	Yes
Mahavir Singh	14	2	Yes
Satpal Garg	14	14	Yes
Ravinder Krishan	14	4	Yes
Manav Gupta	14	14	Yes
Manit Gupta	14	14	Yes
Sonia Aggarwal	14	2	Yes
Sachin Kumar Bhartiya *	8	2	No

* Sachin Kumar Bhartiya has been appointed as Nominee Director at the Meeting held on 15.07.2017

Audit Committee

The role / terms of reference of the Audit Committee interalia includes the following:

- (a) Assist the Board of Directors of the Company in fulfilling its responsibilities to oversee the:
 - i. Company's financial reporting process;
 - ii. the integrity of the Company's financial statements as per authority and responsibilities provided in the Charter;
 - iii. Auditors' qualifications and independence;
 - iv. the performance of the Company's Internal Audit function and that of Statutory Auditors.
- (b) Overseeing the reporting requirements for inclusion in the Company's Annual Report.
- (c) Laying down the criteria for granting the omnibus approval in line with Policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature.

The role / terms of reference of the Audit Committee are in conformity with the SEBI Regulations, 2015 read in conjunction with Section 177 of the Companies Act, 2013.

Composition and Attendance

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 31st March, 2018. The terms of reference of the Committee are same as are described in Clause 49 of the Listing Agreement.

During the year, 4 Audit Committee meetings were held on 29.05.2017, 11.08.2017, 14.12.2017, 08.02.2018.

The Attendance of Members at meetings was as under:

Name	Position	No. of Meetings held during the relevant period	No. of Meetings Attended
Ravinder Krishan	Member	4	4
Satpal Garg	Chairman	4	4
Jagdish Gupta	Member	4	4

The Company Secretary acts as the secretary to the committee.

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.

Composition

Name	Category	Position
Ravinder Krishan	Non-Executive and Independent Director	Chairman
Satpal Garg	Non- Executive and Independent Director	Member
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.

Nomination & Remuneration Committee

Remuneration Committee was constituted to determine and recommend to the Board and the Members, compensation payable to Whole Time Directors/Managing Director, to determine and advise the Board for the payment of annual increments and commission to Whole Time Directors and to determine and recommend policy for the retirement benefits payable to its whole Time Director/Managing Director.

Composition

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

Share Transfer Committee

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.

Composition and Attendance

Name	Category	Position
Ravinder Krishan	Non-Executive and Independent Director	Chairman
Satpal Garg	Non- Executive and Independent Director	Member
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 lodgment with the Company. There was no complaint pending as on 31st March 2018.

Major Policies Adopted by the Company

Whistle Blower Policy/Vigil Mechanism

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. The Company has a Whistle Blower Policy in place and the same is also available on the web-site of the Company. The Audit Committee of Directors is entrusted with the responsibility to oversee the Vigil mechanism. During the year, no personnel was denied access to Audit Committee.

The Whistle Blower Policy is uploaded on the Company's web-site.

Policy on Related Party Transactions

All transactions entered into with the Related Parties during the financial year ended March 31, 2018 were in the ordinary course of business and on an arm's length basis and without any conflict of interest in accordance with the provisions of the Companies Act, 2013 and SEBI Regulations, 2015. Moreover, there were no materially significant related party transactions during the financial year which were in conflict with the interest of the Company. Suitable disclosures as prescribed under the Accounting Standard (AS 18) have been made in the notes to the Financial Statements.

The policy for related party transactions has been uploaded on the Company's web-site

General Body Meeting

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time	No. of Special Resolution Passed
24 th	31.03.15	Chandigarh Club, Sector-1, Chandigarh	30.09.15	09:30 AM	1
25 th	31.03.16	Chandigarh Club, Sector-1, Chandigarh	30.09.16	10:00 AM	1
26 th	31.03.17	Chandigarh Club, Sector-1, Chandigarh	29.09.17	10:00 AM	1

The Special Resolutions were passed by show of hands.

Postal Ballot

No resolution requiring postal ballot was placed before the last Annual General Meeting. No resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

Disclosures

- a) There were no materially significant related parties 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.
- b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
There was no such instance of non-compliance during the last three years

General Share-holder Information

1. The 27th Annual General Meeting is proposed to be held for the Financial Year: April 01, 2017 to March 31, 2018.
2. **Annual General Meeting for the Financial Year 2017-2018**
Date September 28, 2018
Venue Chandigarh Club Sector-1, Chandigarh
Time 10.00 AM
Book Closure Date: Friday, 21st September 2018 to Friday 28th September 2018 (both days inclusive)
Last Date of receipt of Proxy Forms Wednesday, 26th September 2018 before 2.30 p.m at Registered Office of the Company.

3. Tentative Financial Calendar for 2018-2019

The financial year of the Company is for a period of 12 months from 1st April 2018 to 31st March, 2019.

First Quarterly results	August, 2018
Second Quarterly/Half Yearly results	November, 2018
Third Quarter results	February, 2019
Annual Results for the year ending on March 31, 2019	May, 2019
Annual General Meeting for the year ending on March 31, 2019	September, 2019

4. Listing of Equity Shares on Stock Exchange and Stock Code/Symbol

INE239C01012

The Equity Shares of the Company are presently listed on the Bombay Stock Exchange (BSE):

Address:

BSE Limited,

25th Floor, Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai – 400 001

Scrip Code : 526951

5. Stock Market price data for the year on BSE

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: INE239C01012

All prices in Rs.

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-17	594.95	727.10	594.95	678.00	315,649	5,034	211,652,591	244,836	77.57	132.15	83.05
May-17	688.95	827.80	621.00	721.50	250,624	5,507	181,469,139	198,828	79.33	206.8	32.55
Jun-17	722.05	838.20	722.05	795.35	161,034	2,665	127,193,223	146,054	90.7	116.15	73.3
Jul-17	794.00	854.90	740.00	782.45	186,075	2,952	150,036,790	145,044	77.95	114.9	-11.55
Aug-17	781.00	796.60	680.00	750.30	131,695	2,539	97,299,127	115,533	87.73	116.6	-30.7
Sep-17	770.00	825.00	702.30	765.50	87,059	1,904	67,387,411	71,927	82.62	122.7	-4.5
Oct-17	777.30	816.00	680.00	685.05	78,955	1,930	57,737,805	69,404	87.9	136	-92.25
Nov-17	708.95	715.00	620.00	669.65	146,564	2,376	98,975,666	129,495	88.35	95	-39.3
Dec-17	681.30	742.30	650.00	697.20	162,082	1,660	113,439,101	152,679	94.2	92.3	15.9
Jan-18	693.60	820.00	631.15	653.50	214,097	2,921	162,033,035	184,472	86.16	188.85	-40.1
Feb-18	677.00	725.00	622.00	719.05	182,679	4,138	125,356,000	167,987	91.96	103	42.05
Mar-18	706.10	720.00	640.10	682.70	192,072	2,750	131,222,548	182,965	95.26	79.9	-23.4

Source: www.bseindia.com

6. Distribution of Shareholding as on 31.03.2018

Range	No. of Shares	% age
1 – 500	473938	5.80
501-1000	199381	2.44
1001- 2000	182295	2.23
2001- 3000	137443	1.68
3001- 4000	81278	1.00
4001- 5000	85000	1.04
5001 - 10000	204625	2.51
10001 & above	6802240	83.30
TOTAL	8166200	100.00

7. Shareholding pattern of the Company as on 31.03.2018

Category	No. of Shares Held	%age of Shareholding
Promoters	4304056	52.71
Institutions	363442	4.45
Corporate Bodies	378564	4.64
Indian Public	1977509	24.22
Trust	100	0.00
HUF	52476	0.64
NRIs	130892	1.60
FPI	23813	0.29
Overseas Bodies Corporate	850000	10.41
Clearing Members	85348	1.04
TOTAL	8166200	100.00

8. Dematerialization of Shares and Liquidity

We have established connectivity with both depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to our shares under the Depository system is INE239C01012.

As on March 31, 2018, 95.52% of the Company's total shares representing 78,00,607 No. of shares are held in dematerialized form and 4.48% representing 3,65,593 No. of shares are in physical form.

Category	Number		% of total equity
	Shareholders	Shares	
Demat Mode			
NSDL	2020	7067162	86.54
CDSL	1293	733445	8.98
Total	3313	7800607	95.52
Physical Mode	665	365593	4.48
Grand Total	3978	8166200	100.0

9. 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 31st March 2018.

10. 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.

Details of Complaints Received and redressed during 1st April 2017 to 31st March 2018: Nil

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 for redressal of Investor Grievances is cs@stylam.com

11. Plant Locations

1. Stylam Industries Limited
Plot No 192-193 Industrial Area Phase – I
Panchkula – 134 108 (Haryana)
- 2 Stylam Industries Limited
Manaktabra, Tehsil Raipur Rani,
Distt. Panchkula (Haryana)

12. 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:

Stylam Industries Limited SCO 14, Sector 7-C, Madhya Marg Chandigarh -160019 Tele: 0172-5021555 Email:info@stylam.com	Mr. Sunil Mishra Link Intime India Private Limited 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi – 110 028 Tele: 011-41410592-93-94 Email:delhi@linkintime.co.in
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13. Name and Designation of Compliance Officer

Mr. Ashok Swami Compliance Officer Email id : cs@stylam.com Contact No. : 0172- 5021555
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Means of Communication

- Half-Yearly Report is not sent to each shareholder as half yearly results are intimated to Stock Exchanges.
- 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.
- Information released to the press at the time of declaration of results is also sent to Stock Exchange where the shares of the Company are listed for the benefit of investors.
- Management Discussion and Analysis forms part of the Annual Report.

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 Compliance Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance by the Company is annexed.

Report on Corporate Governance – 2017-2018

To the Members of
Stylam Industries Limited

I have examined the compliance of the conditions of Corporate Governance by Stylam Industries Limited Chandigarh for the year ended on 31st March 2018 as stipulated in Regulation E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My 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 my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the management I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

I state that in respect of investors' grievances received during the year ended March 31 2018 no investors' grievances are pending against the Company as per the records maintained by the Company and presented to the Investors' / Shareholders' Grievance Committee.

I 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.

Place: Chandigarh
Date: 25th August, 2018

Sanjiv Kumar Goel
Practicing Company Secretary
Fellow Membership No. : 2107
CP NO. : 1248

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 2018 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 MITTAL GOEL & ASSOCIATES
Chartered Accountant
Firm's Regd. No. 017577N

CA SANDEEP KUMAR GOEL
Partner
M. No. 099212

Place: Chandigarh
Date: 25th August 2018

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

The Board of Directors
Stylam Industries Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Stylam Industries Limited ('the Company'), to the best of our knowledge and belief certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2018 and to the best of our knowledge and belief, we state that:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) We further state that to the best of our knowledge and belief, 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.

(c) 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.

(d) We further state that:

(i) no significant changes in internal controls during the year;

(ii) company has adopted IndAS for preparation of financial statement; and

(iii) no instances of fraud has been noticed during the period

Place: Chandigarh
Date : 01st September 2018

Jagdish Gupta
Managing Director & CEO

Sanjeev Vaid
CFO

Annual Declaration under Regulation 34(3) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

DECLARATION

As required under Clause 49 (II)(E) of the Listing Agreement with the Stock Exchange, 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 2018.

Place: Chandigarh
Date : 01st September 2018

Jagdish Gupta
Managing Director & CEO

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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.

Composition of the CSR Committee

Mr Satpal Garg (Chairman)
Mr. Jagdish Gupta (Member)
Mr. Manit Gupta (Member)

Average net profit of the Company for last three financial years: Average net profit: Rs. 27.96 crore

Prescribed CSR Expenditure (two percent of above)

The Company is required to spend Rs.0.56 crore towards CSR.

5. Details of CSR spend for the financial year:

- a. Total amount spent for the financial year: Rs 0.58 crore
- b. Amount unspent if any: Rs. Nil

Manner in which the amount spent during the financial year 2017-2018 is given below

(Rs. in Crore)

CSR project or activity identified	Relevant Section of Schedule VII in which the Project is covered	Projects or Programs Coverage	Amount outlay (Budget)	Amount spent on the Projects /Programs		Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
				Expenditure	Overhead		
Sanitation	Clause I	Haryana	0.10	0.10	-	0.10	Direct
Rural Development	Clause X	Haryana	0.20	0.26	-	0.26	Direct
Child welfare Social welfare Women Empowerment	Clause X Clause III	Haryana	0.05	0.01		0.01	Direct
Health Program- Donation of Ambulance	Clause X	Haryana	0.20	0.20		0.20	Direct
Plantation Works	Clause IV	Haryana	0.01	0.01	-	0.01	Direct
Total Funds committed			0.56	0.58	-	0.58	

Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

On behalf of the CSR Committee

Jagdish Gupta
Managing Director

Satpal Garg
Chairman of CSR Committee

ANNEXURE - IV

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act 2013 and rule 12(1) of the Company (Management & Administration) Rules 2014.

I. REGISTRATION & OTHER DETAILS

1.	CIN	L20211CH1991PLC011732
2.	Registration Date	28-10-1991
3.	Name of the Company	STYLAM INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Public Company
5.	Address of the Registered office & contact details	SCO -14, Sector-7-C, Madhya Marg, Chandigarh-160019 Ph.No. +0172-5021555
6.	Whether listed Company	YES
7.	Name Address & contact details of the Registrar & Transfer Agent if any.	Link intime India Private Ltd 44 Community Centre Phase-I Near PVR Naraina Ind. Area New Delhi-110028 Phone: +91 11 4141 0592 Email- sunil.mishra@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Laminates	1701	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

1. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoters Group									
(1) Indian									
a. Individual/ HUF	4304056	-	4304056	58.83%	4304056	-	4304056	52.71%	-6.12%
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a. NRI - Individuals	-	-	-	-	-	-	-	-	-
b. Other - Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp	-	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	4304056	0	4304056	58.83%	4304056	0	4304056	52.71%	-6.12%
B. Public Shareholding									
1. Institutions									
a. Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b. Venture Capital Funds	-	-	-	-	-	-	-	-	-
c. Alternate Investment Funds	-	-	-	-	219115	-	219115	2.69%	2.69%
d. Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e. Foreign Portfolio Investor	72134	0	72134	0.98%	144327	-	144327	1.76%	0.78%
f. Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
g. Insurance Companies	-	-	-	-	-	-	-	-	-
h. Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	72134	0	72134	0.99%	363442	0	363442	4.45%	3.46%
2. Central Govt/ State Govt(s)/ President of India	-	-	-	-	0	0	0	0%	0%

3. Non-Institutions									
a. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	966110	303897	1270007	17.36%	835244	270093	1105337	13.54%	-3.82%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	850051	35500	885551	12.10%	836672	35500	872172	10.68%	-1.42%
b. NBFC registered with RBI	-	-	-	-	-	-	-	-	-
c. Employee Trusts	-	-	-	-	-	-	-	-	-
d. Overseas Depositories (holding DRs)					-				
e. Any other (specify)									
Trust					100	-	100	0.00%	0.00%
Hindu Undivided Family	50164		50164	0.69%	52476	-	52476	0.64%	-0.05%
Non Resident Indian (Non Repat)	55685		55685	0.76%	35060	-	35060	0.43%	-0.33%
Non Resident Indian (Repat)	81597		81597	1.11%	95832	-	95832	1.17%	0.06%
Foreign Portfolio Investor (Individual)	-	-	-	-	23813	-	23813	0.29%	0.29%
Overseas Bodies Corporates	-	-	-	-	850000	-	850000	10.41%	10.41%
Clearing Member	67403		67403	0.92%	85348	-	85348	1.04%	0.12%
Bodies Corporate	469603	60000	529603	7.24%	318564	60000	378564	4.64%	-2.60%
Sub Total (B)(3)	2540613	399397	2940010	40.18%	3133109	365593	3498702	42.84%	2.66%
Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3)	2228737	783407	3012144	41.17%	3496551	365593	3862144	47.29%	6.12%
Total (A)+(B)	6916803	399397	7316200	100%	7800607	365593	8166200	100%	0.00%
C. Non-Promoter- Non Public									
(1) Custodian/DR Holder									
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0%	0	0	0	0%	0%
Grand Total (A)+(B)+(C)	6916803	399397	7316200	100%	7800607	365593	8166200	100%	0.00%

*Paid up Share Capital of the Company at the end of the year is 8166200 No of Shares

ii. Share-holding of Promoters

Shareholder's Name	Shareholding at the end of the year (As on 31.03.2017)			Shareholding at the end of the year (As on 31.03.2018)		
	No of Share	% of total shares of Company	% of shares Pledged/ encumbered to total shares	No of Share	% of total shares of Company	% of shares Pledged/ encumbered to total shares
JAGDISH GUPTA	985450	12.07	14.40	985450	12.07	14.40
SATISH GUPTA	868963	10.64	11.62	868963	10.64	11.62
USHA GUPTA	712875	8.73	15.10	712875	8.73	15.10
PUSHPA GUPTA	550970	6.75	-	550970	6.75	-
MANIT GUPTA	412198	5.05	-	412198	5.05	-
RATTAN DEVI	385700	4.72	-	385700	4.72	-
NIDHI GUPTA	184100	2.25	-	184100	2.25	-
DIPTI GUPTA	170700	2.09	-	170700	2.09	-
SARU GUPTA	33100	0.41	-	33100	0.41	-
Total	4304056	52.71	41.12	4304056	52.71	41.12

*Paid up Share Capital of the Company at the end of the year is 8166200 No of Shares.

** Promoters includes Promoters family

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

	No. of shares	% of total shares of the Company
At the beginning of the year (01.04.2017)	4304056	58.83
Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	There was no increase / decrease in Promoter Shareholding during the year	
At the End of the year (31.03.2018)	4304056	52.71

iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS)

S.No	Name of the top 10 Shareholder of the Company (As on 31.03.2018)	Buy / Sale	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding at end of the year (31.03.2018)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	LIGHTHOUSE EMERGING INDIA INVESTORS LIMITED		-	-		
	At the beginning of the year					
	Changes during the year	Buy	850000	10.41		
	At the end of the year				850000	10.41
2	MANAV GUPTA					
	At the beginning of the year		355400	4.35		
	Changes during the year	-	-	-		
	At the end of the year	-			355400	4.35
3	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND – NANO CAP SERIES I					
	At the beginning of the year	-				
	Changes during the year	Buy	163911	2.01		
	At the end of the year				163911	2.01
4	ROHINTON SOLI SCREWVALA					
	At the beginning of the year		41411	0.51		
	Changes during the year	Buy	77807	0.95		
	At the end of the year				119218	1.46
5	INDIANIVESH CAPITALS LIMITED					
	At the beginning of the year		132315	1.62		
	Changes during the year	Buy / Sell	15818 (40894)	0.19 (0.50)		
	At the end of the year				107239	1.31
6	INDIA 2020 FUND II LIMITED					
	At the beginning of the year					
	Changes during the year	Buy	75000	0.92		
	At the end of the year				75000	0.92
7	MUKUL MAHAVIRPRASAD AGRAWAL					
	At the beginning of the year		66502	0.81		

	Changes during the year	Buy	3498	0.04		
	At the end of the year				70000	0.85
8	UNIVERSAL GOLDEN FUND					
	At the beginning of the year		72134	0.89		
	Changes during the year	Buy Sell	28715 (31522)	0.35 (0.39)		
	At the end of the year				69327	0.85
9	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND – NANO CAP SERIES II					
	At the beginning of the year					
	Changes during the year	Buy	55204	0.68		
	At the end of the year				55204	0.68
10	A.M.FINANCIAL SERVICES LTD					
	At the beginning of the year		45200	0.55		
	Changes during the year		-	-		
	At the end of the year				45200	0.55

*Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 8166200 No of Shares.

v. Shareholding of Directors and Key Managerial Personnel

	Name of Director/ KMP		
	JAGDISH GUPTA	MANIT GUPTA	MANAV GUPTA
For Each of the Directors and KMP			
At the beginning of the year	985450	412198	355400
Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	There was no increase / decrease in Promoter Shareholding during the year		
At the End of the year	985450	412198	355400

- Shri Satish Gupta demised on 15th December, 2017 and ceased to be Director of the Company and his shareholding as on 01st April 2017 was 868963 shares. As on 15th December 2017, there was no change.
- Smt.Usha Gupta ceased to be Director of the Company with effect from 09th May, 2017 and her shareholding as on 01st April 2017 was 712875 shares. As on 09th May 2017, there was no change

V. INDEBTNESS

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

	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the financial year (2016-17)				
i) Principal Amount	81,96,64,422	18,99,79,770	-	1,00,96,44,192
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11,07,221	-	-	11,07,221
Total (i+ii+iii)	82,07,71,643	18,99,79,770	-	1,01,07,51,413
Change in Indebtedness during the financial year				
Addition				
i) Principal Amount	-	3,50,00,000	-	3,50,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10,83,603	-	-	10,83,603
Total (i+ii+iii)	10,83,603	3,50,00,000	-	3,60,83,603
Reduction				
i) Principal Amount	27,37,52,894	18,99,79,770	-	46,37,32,664
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11,07,221	-	-	11,07,221
Total (i+ii+iii)	27,48,60,115	18,99,79,770	-	46,48,39,885
Net Change	(27,37,76,512)	(15,49,79,770)	-	(42,87,56,282)
Indebtedness at the end of the financial year				
i) Principal Amount	54,59,11,528	3,50,00,000	-	58,09,11,528
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10,83,603	-	-	10,83,603
Total (i+ii+iii)	54,69,95,131	3,50,00,000	-	58,19,95,131

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	Name of MD / WTD/ Manager				Total Amount
		Jagdish Gupta	Satish Gupta*	Manav Gupta	Usha Gupta**	
1	Gross salary	75,25,000	47,25,000	21,00,000	156,000	1,45,06,000
A	Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	-	-	-	-	-
B	Value of perquisites u/s 17(2) of Income tax Act, 1961	-	-	-	-	-
C	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others ,please specify (Retrial Benefits)	-	-	-	-	-
6	Total (A) = (1+2+3+4+5)	75,25,000	47,25,000	21,00,000	156,000	1,45,06,000
	Ceiling as per the Act	10% of Net profit for all Executive Directors- Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Directors)				

* Shri Satish Gupta demised on 15th December, 2017 and ceased to be Director of the Company from that day

** Smt. Usha Gupta ceased to be director of Company with effect from 09th May, 2017

B. Remuneration to other directors:

S.No	Particulars of Remuneration	Total Amount
1	Independent Directors	Nil
	Fee for attending board & committee meetings	
	Commission	
	Others, please specify	
	Total (1)	
2	Other Non-Executive Directors	
	Fee for attending board & committee meetings	
	Commission	
	Others, please specify	
	Total (2)	
	Total (B) = (1+2)	
	Total Managerial Remuneration (A+B)	
	Overall Ceiling as per the Act 1% of Net Profits of the Company for all Non-executive Directors	

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

S.No	Particulars of Remuneration	Company Secretary	CFO*	Total Amount
1	Gross salary	6,40,682		
A	Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	-	-	
B	Value of perquisites u/s 17(2) of Income tax Act, 1961	-	-	
C	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit - others, specify...	-	-	
5	Others ,please specify (Retrial Benefits)	-	-	
6	Total (C) = (1+2+3+4+5)	6,40,682		

*Particulars of Remuneration of CFO Manav Gupta, Whole-Time Director is given under point VI(A) above.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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)
A. Company	NIL	Penalty			
Punishment					
Compounding					
B. Directors		Penalty			
Punishment					
Compounding					
C. Other Officers in Default		Penalty			
Punishment					
Compounding					

On behalf of Board of Directors

Place: Chandigarh
Date : 01st September, 2018

Jagdish Gupta
Managing Director

ANNEXURE - V

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 2018.

A. Conservation of energy

The Company accords great importance to conservation of energy. The Company has taken several steps towards this end through:-

- Close monitoring of consumption of electricity
- Optimization of conservation of electricity by equipment modification/replacement/retrofitting
- Achieving power factor standards nearing unity.

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

d) 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.

b) Benefits of the steps adopted

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

c) 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 crore	
<i>Earning on account of</i>	<i>2017-18</i>
FOB value of Export	205.01
Other Income	1.14
<i>Total</i>	206.15
<i>Outgo on account of</i>	
Raw Material	97.05
Components & Spare Parts	1.08
Capital Goods	0.72
Other Expenditures	12.66
<i>Total</i>	111.51

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
STYLAM INDUSTRIES LIMITED

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of Stylam Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

For Mittal Goel & Associates
Chartered Accountants
Firm Reg. No. 017577N

Date: 28th May 2018
Place: Chandigarh

CA SANDEEP KUMAR GOEL
Partner
Membership No. 099212

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and the same are in accordance with books of accounts maintained by the Company and as produced to us by the Management.

For Mittal Goel & Associates
Chartered Accountants
Firm Reg. No. 017577N

CA SANDEEP KUMAR GOEL
Partner
Membership No. 099212

Date: 28th May 2018
Place: Chandigarh

Annexure 'A' Referred to in Paragraph 1 Under 'Report on other Legal and Regulatory Requirements' of our Report of Even Date

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
(c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has not given any loan or gives any guarantee or provided security with the provisions of section 185 and 186 of the Companies Act, 2013.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have not, however, made a detailed examination of the same.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, Cess and Goods and Service Tax and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of sales tax, service tax, custom duty, excise duty, value added tax, Goods and Service Tax outstanding on account of dispute.

However, according to information and explanations given to us the following dues of income tax have not been deposited on account of disputes:

Name of the statute	Amount (Rs.in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Rs.3.40	AY 2012-13	Tribunal
Income Tax Act, 1961	Rs.87.49*	AY 2013-14	Tribunal
Income Tax Act, 1961	Rs.130.00	AY 2014-15	CIT- Appeal

* Net of amount paid under protest

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) The company has made any preferential allotment of shares during the year under review and the requirement of Section 42 of Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the funds were raised. The company has not raised private placement or fully or partly convertible debenture during the year under review.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Mittal Goel & Associates
Chartered Accountants
Firm Reg. No. 017577N

Date: 28th May 2018
Place: Chandigarh

CA SANDEEP KUMAR GOEL
Partner
Membership No. 099212

Annexure B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

TO THE MEMBERS OF
STYLAM INDUSTRIES LIMITED

We have audited the internal financial controls over financial reporting of Stylam Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory Paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, and our report dated 28 May 2018 expressed an unqualified opinion thereon

For Mittal Goel & Associates
Chartered Accountants
Firm Reg. No. 017577N

Date: 28th May 2018
Place: Chandigarh

CA SANDEEP KUMAR GOEL
Partner
Membership No. 099212

BALANCE SHEET AS AT 31ST MARCH 2018

Rs in lakh

	Note	31-03-2018	31-03-2017	01-04-2016
ASSETS				
Non-current assets				
Property, plant and equipment	3.1	13,668.83	7,968.18	5,631.35
Capital work in progress	3.2	-	10,871.26	5,540.01
Investment Property	4	4,898.25	-	-
Financial assets				
Loans and advances	5.3	109.24	138.13	82.13
Other non-current assets	8	283.39	140.45	648.03
		18,959.71	19,118.02	11,901.52
Current assets				
Inventories	9	5,871.72	5,393.63	4,319.21
Financial assets				
Trade receivables	5.5	5,721.33	4,690.55	4,022.19
Cash and cash equivalents	5.6	31.28	23.87	34.47
Other bank balances	5.7	54.44	112.32	113.94
Other financial assets	5.4	1.02	0.34	0.51
Other current assets	8	2,181.14	976.77	713.14
		13,860.92	11,197.47	9,203.46
TOTAL ASSETS		32,820.63	30,315.49	21,104.98
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	816.62	731.62	731.62
Other equity		13,747.16	6,921.45	4,898.41
		14,563.78	7,653.07	5,630.03
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	11.1	4,236.12	8,855.25	6,294.73
Provisions	12	135.71	135.52	94.04
Deferred tax liabilities (net)	6	618.82	265.75	160.57
Other non current liabilities	13	482.50	340.05	18.56
		5,473.16	9,596.57	6,567.90
Current liabilities				
Financial liabilities				
Borrowings	11.2	7,423.18	8,283.39	4,890.73
Trade payables	11.3	3,422.14	1,842.27	2,103.64
Other financial liabilities	11.4	1,174.29	1,627.16	947.69
Other current liabilities	13	657.31	858.00	750.63
Provisions	12	45.16	45.74	44.53
Current tax liabilities (net)	14	61.61	409.30	169.82
		12,783.69	13,065.85	8,907.05
TOTAL EQUITY AND LIABILITIES		32,820.63	30,315.49	21,104.98

The accompanying notes are an integral part of the financial statements.

FOR MITTAL GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

CA SANDEEP KUMAR GOEL
PARTNER
Membership No. 099212

JAGDISH GUPTA
MANAGING DIRECTOR

MANAV GUPTA
DIRECTOR & CFO

DATE : 28th May, 2018
PLACE : Chandigarh

SANJEEV VAID
GM-FINANCE & ACCOUNTS

ASHOK SWAMI
COMPANY SECRETARY
Membership No.9387

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

Rs in lakh

	Note	31-03-2018	31-03-2017
Income			
Revenue from operations	15	33,954.20	31,310.86
Other income	16	233.78	111.55
Total Income		34,187.98	31,422.41
Expenses			
Cost of raw materials consumed	17	17,755.56	14,454.45
(Increase) / decrease in inventories	18	(344.17)	(28.67)
Purchase of Stock in Trade		763.58	924.91
Excise duty on sale of goods		157.30	1,881.30
Employee benefit expenses	19	3,017.31	2,661.40
Finance costs	22	770.45	1,001.88
Depreciation and amortization expense	21	1,083.02	569.95
Other expenses	20	7,679.08	6,840.63
Total Expenses		30,882.14	28,305.84
Profit before tax		3,305.84	3,116.57
Tax expense			
Current tax		713.87	987.24
Tax of Earlier Years		40.71	13.37
Deferred tax charge	6	545.56	151.57
Total tax expense		1,300.14	1,152.18
Profit for the year		2,005.70	1,964.38
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent years (net of tax)		(123.86)	65.26
Other comprehensive income to be reclassified to profit or loss in subsequent years (net)		(79.65)	-
Total Comprehensive Income for the year		1,802.20	2,029.64

Earnings per equity share in INR computed on the basis of profit for the year

23

Basic

24.84

26.85

Diluted

24.84

26.85

The accompanying notes are an integral part of the financial statements.

FOR MITTAL GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

CA SANDEEP KUMAR GOEL
PARTNER
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JAGDISH GUPTA
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Date : 28th May, 2018
PLACE : Chandigarh

SANJEEV VAID
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ASHOK SWAMI
COMPANY SECRETARY
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(a) Equity share capital

				Rs in lakh
Balance at the beginning of the reporting period i.e 01.04.2016	Changes in the equity share capital during the year 2016-17	Balance at the end of the reporting period i.e 31.03.2017	Changes in the equity share capital during the year 2017-18	Balance at the end of the reporting period i.e 31.03.2018
731.62	-	731.62	85.00	816.62

(b) Other equity

Particulars	Reserve & Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance as at 01.04.2016	28.36		4,816.49	4,844.85
Re-stated Balance at the beginning of the reporting period i.e 01.04.2016	28.36	-	4,870.05	4,898.41
Re-measurement of the net defined benefit plans	-	-	(6.58)	(6.58)
Total comprehensive income for the year	-	-	65.26	65.26
Transfer from retained earnings	-	-	1,964.38	1,964.38
Balance at the end of the reporting period i.e 31.03.2017	28.36	-	6,893.10	6,921.46
Premium on Shares issued during the year	-	5,023.50		5,023.50
Total comprehensive income for the year	-	-	(203.51)	(203.51)
Transfer from retained earnings	-	-	2,005.70	2,005.70
Balance at the end of the reporting period i.e 31.03.2018	28.36	5,023.50	8,695.30	13,747.16

Nature and purpose of other equity

Capital Reserve:

Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

Securities premium reserve:

The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

General reserve:

This represents appropriation of profit by the Company and is available for distribution of dividend.

Equity instrument through OCI:

The company has resolute to sell-off property situated at IT Park and has classified it under Investment Property. The difference between the book value and fair value of property has been considered under other comprehensive income. The change is accumulated within the equity instrument through OCI within equity.

Remeasurements of defined benefit obligation:

Remeasurements of defined benefit obligation comprises of gains and losses on actuarial valuation on Post-employment benefits.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Rs in lakh

	31-03-2018	31-03-2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	3,305.84	3,116.56
Adjustments for:		
- Amortisation of Foreign Currency Translation Difference	(121.79)	-
- Unrealised loss on Property held as Investment	(298.69)	-
- Finance costs	626.29	857.12
- Depreciation and amortisation expense	1,083.02	569.96
- Interest Income	(4.40)	(3.79)
- Gain on sale of Fixed Assets (net)	(83.69)	6.20
Operating Profit before working capital changes	4,506.58	4,546.04
Adjusted for:		
Trade & Other Receivables	(2,206.05)	(987.93)
Inventories	(478.09)	(1,074.42)
Trade & Other Payables	1,214.67	901.91
Net cash generated from operations	3,037.11	3,385.59
Payment of direct taxes (net)	(1,102.26)	(761.13)
Net cash from operating activities (A)	1,934.85	2,624.46
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase for Tangible Assets (including Investment in Property) (including capital work in progress and capital advances)	(1,007.93)	(7,745.55)
Proceeds from sale of fixed assets	137.13	9.00
Investment in fixed deposits	57.88	1.63
Interest received	4.40	3.79
Net cash from/ (used in) investing activities (B)	(808.52)	(7,731.13)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	5,108.50	-
Proceeds from long-term borrowings		3,070.77
Repayment of long term borrowings	(4,740.92)	(510.24)
Proceeds/ (Repayment) from short-term borrowings	(860.21)	3,392.65
Borrowing costs paid		
- Interest paid	(626.29)	(857.12)
Net cash from/ (used in) financing activities (C)	(1,118.92)	5,096.06
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	7.41	(10.60)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	23.87	34.47
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31.28	23.87

Notes:

(i) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.

(ii) Components of cash and cash equivalents included under cash and bank balances (note 5.6) are as under:

Cash in hand	0.79	5.44
Balances with scheduled banks		
-On current accounts	30.49	18.43
Cash and cash equivalents (note 5.6)	31.28	23.87

FOR MITTAL GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

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Date : 28th May, 2018
PLACE : Chandigarh

SANJEEV VAID
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ASHOK SWAMI
COMPANY SECRETARY
Membership No.9387

Notes to the financial statements for the year ended 31 March 2018

1. Corporate Information

Stylam Industries Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited.

The Company is engaged in manufacturing and supply of High Pressure Laminates.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Statement of compliance

These Standalone Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS

has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note ..

(ii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(c) Property, plant and equipment (PPE)

(i) Property, plant and equipment

Freehold land is carried at cost.

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Expenditure incurred on commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalized. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs.

The useful life is as follows:

Sr. No.	Nature of Asset	Useful Life (Years)
1.	Buildings	30
2.	Plant & Machinery	15
3.	Other Equipments	3 to 5
4.	Vehicles	8
5.	Furniture/ Fittings	10

(iii) De-recognition

A property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(iv) Transition to Ind AS

On transition to Ind AS, the Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e, 1 April 2016.

On transition to Ind AS, the Company has elected to exercise the option under Ind AS 21 for accounting of Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable/ amortizable assets to adjust in the carrying amount of the related property, plant and equipment in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly amortization and depreciation on exchange fluctuation capitalized is charged over the remaining useful life of the respective assets.

(d) Non-current assets held for sale

Non-current asset, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such asset, are generally measured at the lower of their carrying amount and fair value less cost to sell.

Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment are no longer amortized or depreciated.

(e) Impairment of non-financial assets

At each balance sheet date, the carrying amount of fixed assets is reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (recoverable amount is the higher of an asset's net selling price or value in use). In assessing the value in use, the estimated future cash flows expected from the continuing use of the assets and from their disposal are discounted to their present value using a pre discounted rate that reflects the current market assessment of time value of money and risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

(f) Inventories

Items of inventories are measured at lower of cost and net realizable value.

Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand (including imprest) and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(i) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from operations includes sale of goods plus excise duty, till 30.06.2017. Post the applicability of Goods & Service Tax (GST) with effect from 01st July 2017, revenue from operations is disclosed net of GST.

Revenue from operations is adjusted with gain/ loss on corresponding on foreign currency transactions related to export.

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. These are presented as other operating income in the Statement of Profit and Loss.

Other income is accounted for on accrual basis as and when the right to receive arises

(j) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Recognition and measurement

All financial assets are recognised at fair value.

(ii) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as forwards and options contracts to mitigate the risk of changes in exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

(k) Employee benefits expense

(i) Short-term employee benefits: All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) Post-employment benefits: Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Defined Gratuity Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary.

b) Defined Contribution Plans

The contribution to provident fund and pension fund and employee state insurance are considered as defined contribution plans and are charged to the statement of profit and loss of the year as they fall due, based on the amount of the contribution required to be made.

c) Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilized during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

(l) Finance costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(k) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

- Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(m) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

On transition to Ind AS, the Company has elected to exercise the option for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Thus, exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets.

(n) Earnings per share

(i) Basic & Diluted earnings per share

Basic earnings per share is calculated by dividing :

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(o) Critical estimates and judgements

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Depreciation / amortisation and useful lives of property plant and equipment

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

(ii) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the worth of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

(iii) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(iv) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. First Time Adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

(i) Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

(ii) Long Term Foreign Currency Monetary Items

The Company continues the policy of capitalising exchange differences arising on translation of long term foreign currency monetary items.

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of the opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP' or 'Indian GAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Rs in lakh

3.1 Property, Plant & Equipment

	Land-Freehold	Building-Factory	Building-Others	Building -IT Park	Plant and equipment	Office Equipments	Furniture & fixtures	Vehicles - Owned	Computer & Peripherals	Total
At amortised Cost										
At 1 April 2016	2,237.43	590.72	253.23		5,072.41	285.65	91.40	490.31	111.22	9,132.37
Additions	84.21			1,319.61	211.43	49.44	13.41	322.91	56.24	2,057.25
Disposals								(47.85)		(47.85)
- Exchange difference				49.61						49.61
- Borrowing cost				157.26						157.26
Ind AS adjustments					657.87					657.87
At 31 March 2017	2,321.64	590.72	253.23	1,526.48	5,941.71	335.09	104.81	765.37	167.46	12,006.51
Additions	-	2,501.40	20.03		5,609.02	603.89	121.20	51.95	13.60	8,921.09
Disposals	-				(388.90)		(7.13)	(66.71)		(462.74)
Transfer to Investment Property	(754.42)			(1,526.48)						(2,280.90)
Ind AS adjustments										-
- 'Measurement					179.66					179.66
At 31 March 2018	1,567.22	3,092.12	273.26	-	11,341.49	938.98	218.89	750.61	181.06	18,363.63
Depreciation										
At 1 April 2016		202.05	8.38		2,931.90	85.24	40.78	185.70	46.99	3,501.04
Charge for the year		33.70	4.00	8.00	368.95	12.13	8.29	95.05	21.34	551.45
Ind AS adjustments					18.50					18.50
Disposals								(32.65)		(32.65)
At 31 March 2017	-	235.75	12.38	8.00	3,319.35	97.37	49.07	248.09	68.33	4,038.35
Charge for the year		98.20	4.29		757.27	52.23	14.84	68.33	27.43	1,022.60
Transfer to Investment Property				(8.00)						(8.00)
Ind AS adjustments					68.42					68.42
Disposals					(371.58)		(4.04)	(50.93)		(426.54)
At 31 March 2018	-	333.95	16.67	-	3,773.47	149.60	59.87	265.49	95.76	4,694.82
Net Block										
At 1 April 2016	2,237.43	388.67	244.85	-	2,140.52	200.41	50.62	304.61	64.23	5,631.35
At 31 March 2017	2,321.64	354.97	240.85	1,518.48	2,622.36	237.72	55.74	517.28	99.13	7,968.18
At 31 March 2018	1,567.22	2,758.17	256.59	-	7,568.02	789.38	159.02	485.12	85.30	13,668.83

(a) For lien/charge against property, plant and equipment refer note 11.1 and 11.2.

3.2 Capital work in progress

	Building IT Park	Expansion	TOTAL
At 1 April 2016	3,674.93	1,865.08	5,540.01
Add: Additions during the year	748.45	5,711.77	6,460.22
Add: Expenditure during the year			
- Finance costs	90.15	170.55	260.70
- Other expenses	-	134.19	134.19
- Foreign exchange differences (net)	2.61		2.61
Less: Assets capitalised during the year	(1,526.47)		(1,526.47)
At 31 March 2017	2,989.68	7,881.59	10,871.26
Add: Additions during the year	6.26	807.12	813.38
- Finance costs	9.70	79.89	89.59
- Foreign exchange differences (net)	(89.58)	86.95	(2.63)
Less: Asset re-classified under Investment Property	(2,916.05)	-	(2,916.05)
Less: Assets capitalised during the year	-	(8,855.55)	(8,855.55)
At 31 March 2018	-	-	-

4. Investment Property

Rs in lakh

	Amount Rs.
At 1 April 2016	-
Additions (subsequent expenditure)	-
At 31 March 2017	-
Additions (subsequent expenditure)	
Transferred from PPE (Note 3.1)	2,280.90
Transferred from Capital work in progress (Note 3.2)	2,916.05
At 31 March 2018	5,196.94
Fair value :	
At 1 April 2016	-
Fair value difference	-
At 31 March 2017	-
Fair value difference considered under OCI	298.69
At 31 March 2018	4,898.25

5.3 Loans and advances

(at amortised cost)

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Unsecured and considered good Security deposits	109.24	138.13	82.13	-	-	-
	109.24	138.13	82.13	-	-	-

5.4 Other financial assets

(at amortised cost)

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Interest accrued but not due	-	-	-	1.02	0.34	0.51
	-	-	-	1.02	0.34	0.51

5.5 Trade receivables

(at amortised cost)

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Unsecured, considered good Trade receivables	-	-	-	5,721.33	4,690.55	4,022.19
	-	-	-	5,721.33	4,690.55	4,022.19

Note:

The carrying value of the trade receivables may be affected by the changes in credit risk of counterparties as well as currency risk as explained in Note below.

5.6 Cash and cash equivalents

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Cash in hand	-	-	-	0.79	5.44	5.29
Balances with banks:						
– On current accounts	-	-	-	30.49	18.43	29.18
– Deposits with original maturity of upto 3 months	-	-	-	-	-	-
	-	-	-	31.28	23.87	34.47

5.7 Other bank balances

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
– Deposits with original maturity of upto 3 months (pledged with banks)	-	-	-	54.44	112.32	113.94
– Deposits with original maturity for more than 3 months but upto 12 months (pledged with banks)	-	-	-	-	-	-
	-	-	-	54.44	112.32	113.94

6. Movement in deferred tax balances

Deferred Income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the company's net deferred income tax are as follows :-

Deferred Tax Assets

	Provision for Compensated absences & gratuity	Expenditure allowed on actual payment basis	Accrued Expenses and other temporary differences	Others	Total
At 1 April 2016	35.31	12.64	24.51	-	72.45
(Charged)/ credited					
-to Profit & Loss Account	(30.80)	(0.83)	0.81	-	(30.82)
-to Other Comprehensive Income	46.40	-	-	-	46.40
As at 31 March 2017	50.91	11.81	25.32	-	88.03
(Charged)/ credited					
-to Profit & Loss Account	(45.10)	(2.47)	(7.03)	-	(54.60)
-to Other Comprehensive Income	46.97	-	-	145.52	192.49
As at 31 March 2018	52.78	9.34	18.29	145.52	225.92

Deferred Tax Liabilities

	Depreciation & amortisation	Other	Total
At 1 April 2016	201.69	31.34	233.03
(Charged)/ credited			
-to Profit & Loss Account	126.77	(6.02)	120.75
-to Other Comprehensive Income	-	-	-
As at 31 March 2017	328.46	25.32	353.78
(Charged)/ credited			
-to Profit & Loss Account	516.29	(25.32)	490.97
-to Other Comprehensive Income	-	-	-
As at 31 March 2018	844.75	-	844.75

Reflected in Balance Sheet

	31-03-2018	31-03-2017	01-04-2016
Deferred Tax assets	225.92	88.03	72.45
Deferred Tax Liabilities	844.75	353.78	233.03
Deferred Tax Liabilities (net)	618.82	265.75	160.58

Rs in lakh

Reconciliation of Deferred Tax Liabilities (net)	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Balance at the commencement of the year	265.75	160.58
Credit/Expense during the year recognised in Statement of Profit & Loss Account	545.57	151.57
Credit during the year recognised in OCI	(192.49)	(46.40)
Balance as at the end of the year	618.82	265.75

Income Tax

The major components of income tax payable for the year ended 31 March 2018 and March 2017 are:

Profit and Loss Account

	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Current Income tax	713.87	987.24
Adjustment in respect of current income tax of previous year	40.71	13.37
Total	754.58	1,000.61
Relating to origination & reversal of temporary differences	545.56	151.57
Income Tax expense reported in the Statement of Profit and Loss	1,300.14	1,152.18
OCI Section	46.97	46.40
Tax related to items that will be classified to Profit & Loss	145.52	-
Income Tax charged to OCI	192.49	46.40

Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by India's domestic tax rate):

	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Accounting profit before income tax	3,305.84	3,116.56
Applicable Tax Rate	34.608%	34.608%
Computed Tax Expense	1,144.09	1,078.58
- Effect of non deductible expenses and exempt income	56.62	60.23
- Adjustment in respect of current income tax of Previous Year	40.71	13.37
- Others	58.73	-
Income tax expense reported in the Statement of Profit & Loss Account	1,300.14	1,152.18
Effective Tax Rate	39.33%	36.97%

Note:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

8. Other assets**A .Advances**

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Unsecured and considered good						
Capital advances	273.08	129.26	636.94	-	-	-
Advance to Suppliers				118.83	67.93	90.37
Staff Advances				6.23	12.29	21.50
Other Advances	10.31	11.19	11.09	7.00	0.53	-
Sub-total - A	283.39	140.45	648.03	132.07	80.75	111.87

B. Others

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Prepaid expenses	-	-	-	42.79	73.18	70.84
Balances with statutory/government authorities	-	-	-	11.49	720.34	244.80
Export incentive receivable	-	-	-	12.67	47.06	215.44
GST/ VAT Recoverable	-	-	-	1,894.66	0.98	35.00
Income tax Refundable	-	-	-	65.80	32.80	21.87
Income tax paid under Appeal	-	-	-	21.66	21.66	13.31
Sub-total - B	-	-	-	2,049.07	896.02	601.27
Total A + B	283.39	140.45	648.03	2,181.14	976.77	713.14

9. Inventories

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Raw materials	-	-	-	3,132.37	3,803.83	2,454.69
Work-in-progress	-	-	-	159.30	46.63	42.35
Finished goods	-	-	-	1,556.62	1,325.13	1,300.74
Material In Transit	-	-	-	991.16	136.76	448.02
Packing & Stores	-	-	-	32.26	81.29	73.41
	-	-	-	5,871.72	5,393.63	4,319.21

The inventories of the Company have been pledged as securities against borrowings.

10. Equity share capital

	31-03-2018	31-03-2017	01-04-2016
Authorised 8,550,000 (31 March 2017 : 8,050,000, 1 April 2016 : 8,050,000) equity shares of Rs.10/-each	855.00	805.00	805.00
Issued, subscribed and fully paid up shares 8,166,200 (31 March 2017 : 7,316,200, 1 April 2016 : 7,316,200) equity shares of Rs.10/- each	816.62	731.62	731.62
Total issued, subscribed and fully paid-up share capital	816.62	731.62	731.62

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Rs in lakh

	31-03-2018		31-03-2017		01-04-2016	
	Number	Rs.	Number	Rs.	Number	Rs.
At the beginning of the year	73.16	731.62	73.16	731.62	73.16	731.62
Issued during the year	8.50	85.00	-	-	-	-
Outstanding at the end of the year (No. of shares represented in Lakh)	81.66	816.62	73.16	731.62	73.16	731.62

(b) Terms/ rights attached to equity shares

a) The company has single class of shares referred to as equity shares having par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors, is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of liquidation of the company, the equity shareholders are eligible to receive the surplus assets remaining after settlement of preferential amounts in proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

Rs in lakh

	31-03-2018		31-03-2017		01-04-2016	
	Number	% of total shares	Number	% of total shares	Number	% of total shares
Equity shares of INR 10 each fully paid						
Jagdish Gupta	9.85	12.07%	9.85	13.47%	9.85	13.47%
Satish Gupta	8.69	10.64%	8.69	11.88%	8.69	11.88%
Light House Emerging India Investor Ltd	8.50	10.41%	-	-	-	-
Manit Gupta	4.12	5.05%	4.12	5.63%	4.12	5.63%
Usha Gupta	7.13	8.73%	7.13	9.74%	7.13	9.74%
Pushpa Gupta	5.51	6.75%	5.51	7.53%	5.51	7.53%
Rattan Devi	3.86	4.72%	3.86	5.27%	3.86	5.27%

(d) Detail of last five years Share transactions:-

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Share Issue as Bonus	-	-	-	-	-	-
Preferential allotment	8.50	-	-	-	-	-
Shares forfeited	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Rs. In Lakh

Financial Liabilities

11.1 Long-term borrowings

(at amortised cost)

	Non Current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Secured - At Amortised Cost						
From Banks						
Foreign Currency Loans						
Foreign Currency Loans -(a)	2,161.52	2,399.21	1,794.14	492.55	478.54	230.00
Foreign Currency Loans -(b)	1,756.58	1,792.18	-	329.38	196.82	-
Foreign Currency Loans -(c)	-	2,408.27	-	-	484.64	-
Foreign Currency Loans -(d)	-	-	1,994.66	-	-	-
Rupee Loans						
Rupee Loan (a)	127.15	144.40	2.72	-	13.54	-
Rupee Loan (d)	-	-	485.00	-	-	242.52
Vehicle Loans (e)	84.91	191.02	107.98	82.95	88.08	37.72
Unsecured - At Amortised Cost						
From Promoters	81.99	1,899.80	1,892.89	116.25	-	-
From others	23.98	20.39	17.33	-	-	-
	4,236.12	8,855.25	6,294.73	1,021.13	1,261.58	510.24
The above amount includes						
Secured borrowings	4,130.16	6,935.06	4,384.50	904.88	1,261.58	510.24
Unsecured borrowings	105.97	1,920.18	1,910.22	116.25	-	-
Amount disclosed under the head "Other financial liabilities" (note 11.4)	-	-	-	(1,021.13)	(1,261.58)	(510.24)
Net amount	4,236.12	8,855.25	6,294.73	-	-	-

Nature of security of Non-current borrowings and other terms of repayment

- a-(i) Foreign Currency Loan amounting to Rs.2,654.06 lakh (31 March 2017: Rs.2,682.16 lakh; 1 April 2016: Rs.1558.08 lakh) & Rupee Loan amounting to Rs.127.15 lakh (31 March 2017: Rs.135.46 lakh; 1 April 2016: Rs.Nil) from State Bank of India is secured by first charge on all fixed assets including Mortgage of factory Land admeasuring 8100 sq mtr. , both present & future, situated at Plot No. 192-193, Industrial Area, Panchkula and first pari-passu charge with HDFC Bank Ltd on all fixed assets including equitable mortgage of land of admeasuring 31 acre & 5.5 marla, present & future, situated at Manak Tabra, Haryana. Term loan is secured by pledge of 10 lacs No. of Equity shares of the company held by th promoters. Term Loan is repayable in 24 quarterly instalments from April 2017.
- a-(ii) Foreign Currency Loan amounting to Rs.Nil (31 March 2017: Rs.195.54 lakh; 1 April 2016: Rs.466.06 lakh) & Rupee Loan amounting to Rs.Nil (31 March 2017: Rs.22.48 lakh; 1 April 2016: Rs.0.02 lakh) from State Bank of India is secured by first charge on all fixed assets including Mortgage of factory Land admeasuring 8100 sq mtr. , both present & future, situated at Plot No. 192-193, Industrial Area, Panchkula . Term Loan is repaid during current year.
- b Foreign Currency Loan amounting to Rs.2,085.95 lakh (31 March 2017: Rs.1989.00 lakh; 1 April 2016: Rs. Nil) from HDFC Bank Ltd are secured by first pari-passu charge with State Bank of India on all fixed assets, present & future, on all fixed assets situated at Manak Tabra, Haryana & equitable mortgage of commercial property, admeasuring 5573 sq mtr., situated at Plot No.19, Sector -22, IT Park, Panchkula. Loan is further secured by pledge of 7.70 lakh No of Equity shares of the company held by promoter and his family member. The loan is repayable in 84 equal monthly instalments from Sept.17
- c Foreign Currency Loan amounting to Rs.Nil (31 March 2017: Rs.2,408.26 lakh; 1 April 2016: Rs.Nil) from HDFC Bank Ltd was secured by first charge on all fixed assets, present & future, including equitable mortgage of commercial property situated at Plot No.19, Sector -22, IT Park, Panchkula. The Loan was repayable in 69 equal montly instalments commecing from Oct 2016. The loan has been prepaid during the current year.
- D Foreign Currency Loan amounting to Rs.Nil (31 March 2017: Nil; 1 April 2016: Rs.1,994.66 lakh) & Rupee loan amounting to Rs. Nil (31 March 2017: Nil, 1 April 2016; Rs.485.00 lakh) from Kotak Mahindra Bank Ltd was secured by first charge on all fixed assets, present & future, including equitable mortgage of commercial property situated at Plot No.19, Sector -22, IT Park, Panchkula. The laon was repayable in 60 monthly instalments commencing from Oct 2016.The same was taken-over by HDFC Bank Ltd. in the year 2016-17.
- E Vehicle loans are secured against Hypothecation of respective vehicles. The same are repayable in five years from the date of respective disbursement.
- F The term loan carrying floating interest rate calculated in accordance with the terms of arrangement which is specified benchmark rate (reset periodic interval), adjusted for agreed spread. During the year ended 31 March 2018, the interest rate on rupee loan and foreign currency loans ranges from 11.40% to 12% per annum (31 March 2017: 12.65% and 1 April 2016: 11.75% to 12.65%) and L+250 bps to L+350 bps (31 March 2017: L+350 bps to L+425 bps per annum and 1 April 2016: L+ 450 bps to L+475 bps per annum) respectively.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

11.2 Short term borrowings

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Secured - At Amortised Cost						
Working Capital Loans						
From Banks						
Foreign currency loan	-	-	-	5,831.69	6,839.65	4,437.24
Rupee Loans	-	-	-	1,591.49	1,443.74	453.50
	-	-	-	7,423.18	8,283.39	4,890.73

Nature of security of Current borrowings and other terms of repayment

- a Working capital facilities are secured by a first charge ranking pari-passu inter-se banks, on all current assets of the company, both present and future, wherever the same may be or be held and have a second charge ranking pari-passu on all movable and immovable fixed assets of the Company, both present and future. Working capital facilities are repayable on demand.
- B Working capital are availed in Indian rupees and in foreign currency which carry floating interest rate calculated in accordance with the terms of the arrangement which is a specified benchmark rate (reset at periodic intervals), adjusted for agreed spread. During the year ended 31 March 2018, the interest rate on Indian currency and foreign currency limits ranges from 11.80 % to 12.15% per annum (31 March, 2017: 12.15% to 12.40% and 1 April, 2016: 12.15% to 12.40%) and L+ 250 bps per annum (31 March 2017: L+325 bps & 1 April 2016: L+350bps) respectively.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

11.3 Trade payables

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Total outstanding dues of creditors	-	-	-	3,422.14	1,842.27	2,103.64
	-	-	-	3,422.14	1,842.27	2,103.64

Refer note 26 for explanations on the Company's liquidity risk management processes.

11.4 Other financial liabilities

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Financial liabilities at fair value						
Foreign exchange forward contracts	-	-	-	121.80	-	-
	-	-	-	121.80	-	-
Other financial liabilities at amortised cost						
Current maturities of long-term borrowings (note 11.1)	-	-	-	1,021.13	1,261.58	510.24
Security deposits received*	-	-	-	20.52	140.52	364.59
Liability towards Capital vendors	-	-	-	-	213.99	71.44
Interest accrued but not due on borrowings	-	-	-	10.84	11.07	1.42
	-	-	-	1,052.49	1,627.16	947.69
	-	-	-	1,174.29	1,627.16	947.69

12. Provisions

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Provision for employee benefits						
Provision for gratuity (note 28)	80.57	83.35	56.21	11.41	6.38	5.29
Provision for compensated absences	55.14	52.17	37.83	5.42	5.24	2.71
Provision for Bonus				26.98	34.12	36.53
	135.71	135.52	94.04	43.81	45.74	44.53
Other provisions						
Provision towards vendors (Capex)	-	-	-	1.35	-	-
	-	-	-	1.35	-	-
Total Provisions	135.71	135.52	94.04	45.16	45.74	44.53

13. Other liabilities

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Advance from customers	-	-	-	207.90	327.42	262.06
Statutory dues payable	-	-	-	35.69	79.34	108.45
Provision for Excise duty on finished goods					110.88	116.29
Expenses Payable	-	-	-	413.71	340.36	263.83
Deferred Revenue Liability (Govt. Grant)	321.30	327.01	2.47			
Deferred Revenue Liability (Others)	9.45	13.04	16.09	-	-	-
Deferred Revenue Liability (Promoters)	151.76	-	-	-	-	-
Total Other liabilities	482.50	340.05	18.56	657.31	858.00	750.63

14. Current tax liabilities

	Non-current			Current		
	31-03-2018	31-03-2017	01-04-2016	31-03-2018	31-03-2017	01-04-2016
Liabilities for income tax (net of taxes paid)	-	-	-	61.61	409.30	169.82
Total tax liabilities	-	-	-	61.61	409.30	169.82

15. Revenue from operations

	Rs in lakh	
	31-03-2018	31-03-2017
Sale of products (including excise duty)		
Export	23,064.39	20,634.51
Domestic	10,889.81	10,676.35
	33,954.20	31,310.86

* Export includes incentives of Rs.428.18 lakh (previous year Rs.458.48) realised on Exports and realised/un-realised forex gain(losses) of Rs. 739.74 lakh (previous year Rs.707.51 lakh)

Revenue from operations are inclusive of Excise Duty till 30.06.2017. Post the applicability of Goods and Service Tax (GST) with effect from 01st July 2017, revenue from operations are disclosed net of GST.

16. Other income

	Rs in lakh	
	31-03-2018	31-03-2017
Profit on sale of Fixed assets	112.35	-
Insurance claims received	30.72	52.39
Deferred Interest Income - Interest Free Loan	27.66	3.05
Government grants	47.25	34.89
Rental Income	11.40	11.40
Interest income on Bank deposits	4.40	9.82
	233.78	111.55

17. Cost of raw material consumed

	Rs in lakh	
	31-03-2018	31-03-2017
Inventory at the beginning of the year	3,803.83	2,454.69
Add: Purchases	17,084.10	15,803.59
Less: Inventory at the end of the year	(3,132.37)	(3,803.83)
	17,755.56	14,454.45

18. (Increase)/Decrease in inventories

	Rs. In Lakh	
	31-03-2018	31-03-2017
Inventory at the beginning of the year		
-Work-in-progress	46.63	42.35
- Finished goods	1,325.13	1,300.74
Inventories at the end of the year		
-Work-in-progress	(159.30)	(46.63)
- Finished goods	(1,556.62)	(1,325.13)
Net (increase)/decrease in inventories	(344.17)	(28.67)

19. Employee benefit expense

	Rs. In Lakh	
	31-03-2018	31-03-2017
Salaries, wages and bonus	2,841.44	2,474.09
Contribution to provident fund & Other funds	80.02	69.76
Gratuity expense (note 28)	29.00	51.75
Compensated absences	9.78	21.00
Staff welfare expenses	57.07	44.79
	3,017.31	2,661.40

20. Other expenses

	31-03-2018	31-03-2017
Manufacturing Expenses		
Stores, Chemicals & Packing	2,141.91	1,201.84
Electric Power, Fuel & Water	1,984.76	1,406.30
Repairs and maintenance		
- Buildings	29.58	20.65
- Plant & Machinery	122.24	122.71
Excise Duty #	(110.88)	(5.41)
	4,167.61	2,746.08
Selling & Distribution Expenses		
Business promotion expenses	247.26	882.70
Distribution Expenses - Export	1,396.70	1,205.97
Distribution Expenses - Domestic	740.81	804.21
Certification Expenses	12.75	14.53
	2,397.52	2,907.41
Establishment Expenses		
Professional and consultancy fees	52.90	57.87
Rent	256.01	305.54
Rates and taxes	54.75	16.71
Insurance	42.47	28.68
Travelling and conveyance expenses	201.12	343.09
Other Repairs	123.94	133.56
Payment to Auditors	1.50	1.50
Loss on sale of property, plant and equipment (net)	28.66	6.20
Charity and Donation	1.05	0.97
Corporate Social Responsibility	58.73	10.54
Miscellaneous expenses	292.81	282.49
	1,113.95	1,187.14
	7,679.08	6,840.63

Excise Duty shown above under expenditure represents difference between excise duty on opening and closing stock of finished goods

a) Details of remuneration to auditors included under professional and consultancy fees Rs. In Lakh

	31-03-2018	31-03-2017
As auditors		
-Audit fee	1.25	1.25
-Tax audit fee	0.25	0.25
	1.50	1.50

b) Details of CSR expenditure Rs. In Lakh

	31-03-2018	31-03-2017
Gross amount required to be spent by the Company during the year		
i) Sanitation	10.65	-
ii) Rural transformation	25.99	-
iii) Donation for Ambulance	20.01	3.85
vi) Child welfare	0.24	-
v) Social welfare	0.11	-
vi) Plantation	1.63	4.35
vii) Women Empowerment	0.10	-
viii) Healthcare	-	1.60
ix) Education for under-privileged children	-	0.74
	58.73	10.54

21. Depreciation and amortisation expense

Rs. In Lakh

	31-03-2018	31-03-2017
Depreciation of property, plant and equipment (note 3.1)	1,083.02	569.96
	1,083.02	569.96

22. Finance costs

Rs. In Lakh

	31-03-2018	31-03-2017
Interest cost	619.88	831.00
Loan facility fees	6.41	26.12
Other Borrowing cost	144.16	144.76
	770.45	1,001.88

* Interest Expenses are net of Interest capitalised of Rs.89.58 lakh (Previous Year Rs.260.70 lakh) & considered under cost of material consumed of Rs.150.56 lakh (Previous Year Nil)

23. Earnings per share (EPS)

Rs. In Lakh

	31-03-2018	31-03-2017
The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:		
Profit after tax as per Statement of Profit and Loss (used for both calculation of basic and diluted EPS)	2,005.70	1,964.37
Weighted average number of equity shares in calculating basic and diluted EPS (in million)	80.73	73.16
Basic - Par value of INR 10 per share (in INR)	24.84	26.85
Diluted - Par value of INR 10 per share (in INR)	24.84	26.85

24. Fair value Hierarchy**a) Financial instruments by category**

	Note	Level of hierarchy	31-03-2018			31-03-2017			01-04-2016		
			FVPI	FVOCI	Amortised Cost	FVPI	FVOCI	Amortised Cost	FVP l	FVOCI	Amortise d Cost
Financial Assets											
Loans and advances	a, b		-	-	109.24	-	-	138.13	-	-	82.13
Investments			-	-	-	-	-	-	-	-	-
Trade and other receivables	a		-	-	5,721.33	-	-	4,690.55	-	-	4,022.19
Cash and cash Equivalents	a		-	-	31.28	-	-	23.87	-	-	34.47
Other bank balances	a		-	-	54.44	-	-	112.32	-	-	113.94
Derivatives not designated as hedges			-	-	-	-	-	-	-	-	-
Other financial assets	a		-	-	1.02	-	-	0.34	-	-	0.51
Total Financial Assets			-	-	5,917.30	-	-	4,965.21	-	-	4,253.24
Financial Liabilities											
Borrowings (including current maturities)	c	3	-	-	12,680.43	-	-	18,400.22	-	-	11,695.70
Trade payables	a		-	-	3,422.14	-	-	1,842.27	-	-	2,103.64
Foreign Exchange contracts	d	2	-	121.80	-	-	-	-	-	-	-
Other financial liabilities	a		-	-	31.36	-	-	365.58	-	-	437.45
Total Financial Liabilities			-	121.80	16,133.93	-	-	20,608.67	-	-	14,236.80

a. Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

b Fair value for security deposits has not been disclosed as there is no significant differences between carrying value and fair value.

c. The fair values of long term borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

d. The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date

There are no transfers between level 1, Level 2 and Level 3 during the year ended 31 March 2018 and 31 March 2017.

The following explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard.

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price and are valued using the closing NAV.

Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) and the fair value is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Currently, the Company does not have any such financial instruments.

c) Financial assets and liabilities measured at amortised cost

Fair value of financial assets and liabilities measured at amortised cost

	31-03-2018		31-03-2017		01-04-2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Loans and advances	109.24	109.24	138.13	138.13	82.13	82.13
Trade and other receivables	5,721.33	5,721.33	4,690.55	4,690.55	4,022.19	4,022.19
Cash and cash Equivalents	31.28	31.28	23.87	23.87	34.47	34.47
Other bank balances	54.44	54.44	112.32	112.32	113.94	113.94
Other financial assets	1.02	1.02	0.34	0.34	0.51	0.51
Total Financial Assets	5,917.10	5,917.30	4,965.21	4,965.21	4,253.24	4,253.24
Financial Liabilities						
Borrowings (including current maturities)	12,680.43	1.77	18,400.22	1.91	11,695.70	2.39
Trade payables	3,422.14	3,422.14	1,842.27	1,842.27	2,103.64	2,103.64
Other financial liabilities	31.36	31.36	365.58	365.58	437.45	437.45
Total Financial Liabilities	16,133.93	3,455.27	20,608.07	2,209.76	14,236.80	2,543.48

25. Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- a. credit risk
- b. liquidity risk
- c. market risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company performs an on-going assessment and monitoring of the financial position and the risk of default. Based on the aforesaid checks, monitoring and historical data, the Company does not perceive any significant credit risk on trade receivables.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

The Company based on internal assessment which is driven by the historical experience/ current facts available, the management believes the strong opinion of recovery from trade receivables and where risk of default, if any, will be negligible and accordingly no provision for expected cash loss has been provided on trade receivables.

With regards to all other financial assets with contractual cash flows management believes these to be high quality assets with negligible credit risk. Thus, no provision for expected cash loss has been provided on these financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities.

"The Company has mature liquidity risk management processes covering short-term, mid-term and long-term funding. Liquidity risk is controlled through maintaining sufficient reserves, adequate amount of committed credit facilities and loan funds.

The contractual maturities of the Company's financial liabilities are presented below:-

Rs. in Lakh

31 March 2018	Contractual cash flows			
	Carrying amount	Within one year	More than one year	Total
Non-derivative financial liabilities				
Borrowings (including current maturities)	12,680.43	5,257.25	7,423.18	12,680.43
Trade payable	3,422.14	3,422.14	-	3,422.14
Other financial liabilities	31.36	31.36	-	31.36
Foreign exchange forward contracts	-	-	-	-

Foreign exchange forward contracts is the difference between the booking rate and exchange rate at the balance sheet date, and not considered under financial obligation.

Rs in lakh

31 March 2017	Contractual cash flows			
	Carrying amount	Within one year	More than one year	Total
Non-derivative financial liabilities				
Borrowings (including current maturities)	18,400.22	1,261.58	17,138.64	18,400.22
Trade payable	1,842.27	1,842.27	-	1,842.27
Other financial liabilities	365.58	-	-	365.58
Derivative financial liabilities	-	-	-	-

Rs in lakh

1 April 2016	Contractual cash flows			
	Carrying amount	Within one year	More than one year	Total
Non-derivative financial liabilities				
Borrowings (including current maturities)	11,695.70	510.24	11,185.46	11,695.70
Trade payable	2,103.64	2,103.64	-	2,103.64
Other financial liabilities	437.45	437.45	-	437.45
Derivative financial liabilities	-	-	-	-

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income, assets, liabilities or expected cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD and EUR

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 March 2018		31 March 2017		1 April 2016	
	USD	EUR	USD	EUR	USD	EUR
Trade receivables	2,907.12	1,278.12	2,014.72	743.74	1,549.40	650.07
Trade payables	(1,496.89)	(659.96)	(404.78)	(662.74)	(582.75)	(890.83)
Borrowings	(6,165.15)	(2,532.48)	(4,902.83)	(2,833.43)	(3,505.54)	(1,440.98)
	(4,754.92)	(1,914.32)	(3,292.90)	(2,752.44)	(2,538.89)	(1,681.74)

Rs in lakh

Trade receivables include advance to suppliers for material

Sensitivity analysis

A reasonably possible strengthening /(weakening) of the EUR and USD against the functional currency at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast sales and purchases.

	Movement	Profit or Loss (before tax)	
		Strengthening	Weakening
31 March 2018			
USD	1%	(105.69)	105.69
EURO	1%	(44.71)	44.71
31 March 2017			
USD	1%	(73.22)	73.22
EURO	1%	(42.40)	42.40

Rs in lakh

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

	Rs in lakh		
	31-03-2018	31-03-2017	01-04-2016
Fixed rate borrowings	2,108.72	3,800.96	3,239.66
Floating rate borrowings	10,571.71	14,599.25	8,456.04
Total borrowings	12,680.43	18,400.22	11,695.70

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended 31 March 2018 would decrease / increase by Rs7.82 lakh (for the year ended 31 March 2017: decrease / increase by Rs.9.72 lakh). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

26. Capital Management

Risk management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the Company plan either to raise fresh debt or to repay it, to raise fresh equity or sell those assets which have little contribution in the company's overall performance, when to pay dividends etc.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity'

	Rs in lakh		
	31-03-2018	31-03-2017	01-04-2016
Net debt	12,594.72	18,264.03	11,547.29
Total equity	14,563.78	7,653.07	5,630.03
Net debt to equity ratio	0.86	2.39	2.05

27 Employee benefits in respect of the Company have been calculated as under:

1 Defined Contribution Plans

The Company has certain defined contribution plan such as provident fund and employee state insurance wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to

	Rs in lakh	
	31-03-2018	31-03-2017
Employer's contribution to provident fund	51.71	49.34
Employer's contribution to employee state insurance	26.58	18.82
Employer's contribution to welfare funds	1.73	1.61

2 Defined Benefit Plans

Gratuity:

The Company has a defined benefit gratuity plan as per the provisions of the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 8% p.a. (31 March 2017: 7% p.a.; 1 April 2016: 8% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (31 March 2017: 58 years; 1 April 2016: 58 years) and mortality table is as per IALM (2006-08) (31 March 2017: IALM (2006-08); 1 April 2016: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 5% p.a. (31 March 2017: 5% p.a. ; 1 April 2016: 5% p.a.). The rate of attrition considered in actuarial valuation is 10% (31 March 2017:10%; 1 April 2016:10%)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	Rs in lakh	
	31-03-2018	31-03-2017
Present value of obligation at the beginning of the year	89.72	61.50
Current Service Cost	21.82	47.44
Interest Cost	7.18	4.30
Benefits paid	2.25	4.66
Actuarial (gain)/ loss	(24.50)	(18.86)
Present value of obligation at the end of the year	91.98	89.72

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

	Rs in lakh	
	31-03-2018	31-03-2017
Current Service Cost	21.82	47.44
Interest Cost	7.18	4.30
Expenses recognised in the Statement of profit & loss Account	29.00	51.75

Amount recognized in the other comprehensive income:

	<i>Rs in lakh</i>	
	31-03-2018	31-03-2017
Actuarial (gain)/ loss due to experience variance	(24.50)	(18.86)
Net (Income)/ Expenses recognised in OCI	(24.50)	(18.86)

Sensitivity analysis

	<i>Rs. in Lakh</i>			
	31-03-2018		31-03-2018	
<i>Assumption</i>	Discount Rate		Future salary increase	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit	(5.35)	6.01	6.12	(5.54)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Other long term benefits (compensated absences):

	<i>Rs in lakh</i>	
	31-03-2018	31-03-2017
Present value of obligation at the beginning of the year	57.41	40.54
Current Service Cost	18.84	25.74
Interest Cost	4.59	2.84
Benefits paid	6.64	4.14
Actuarial (gain)/ loss	(13.65)	(7.57)
Present value of obligation at the end of the year	60.56	57.41

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

	<i>Rs in lakh</i>	
	31-03-2018	31-03-2017
Current Service Cost	18.84	25.74
Interest Cost	4.59	2.84
Actuarial (gain)/ loss	(13.65)	(7.57)
Expenses recognised in the Statement of profit & loss Account	9.78	21.00

28 *Sensitivity analysis*

	<i>Rs. in La kh</i>			
	31-03-2018		31-03-2018	
<i>Assumption</i>	Discount Rate		Future salary increase	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit	(3.07)	3.40	3.46	(3.18)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

28 Related Party Disclosures

Key Management Personnel (KMP) and their relatives

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Name of related party	Relationship
Sh . Jagdish Gupta Sh . Satish Gupta Mr. Manav Gupta	Key Managerial Personnel (KMP)
Smt. Usha Gupta Smt. Pushpa Gupta Ms. Nidhi Gupta Ms. Saru Gupta Ms .Dipti Gupta	Relative of KMP
Golden Chem-tech Limited	Associate Concern

Smt. Usha Gupta has resigned from board on 09th May 2017, thereafter her status has been categorised under Relative of KMP

Transactions during the year with related parties

Rs in lakh

Nature of transactions	2017-18		2016-17	
	Associate	Key Managerial Personnel/ Relative	Associate	Key Managerial Personnel/ Relative
Purchase of Goods	86.49		514.22	
Sale of Goods	604.42		29.32	
Rent paid	120.00		120.00	
Rent received	11.40		11.40	
Salary Paid		191.65		189.30
Interest Paid		20.84		262.95
Addition in Borrowings		357.57		169.00
Borrowings repaid back		1,907.37		162.09

Balance as at

	31-03-2018	31-03-2017
Borrowings	350.00	1,899.80

29 **Contingent liabilities to the extent not provided for:**

Guarantees

Outstanding guarantees furnished by Banks on behalf of the Company is Rs.4.50 Lakh (31 March 2017: 0.50 lakh; 1 April 2016: 0.50 lakh)

Claims against Company, disputed by the Company, not acknowledged as debt

	Rs in lakh		
	31-03-2018	31-03-2017	01-04-2016
Income Tax	218.47	248.24	114.18

Commitments as at year end

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 4226.00 lakh (31 March 2017: Rs.410.00 lakh; 1 April 2016: Rs. 2170.00 lakh).

Other Commitments:

Export obligation under Advance License Scheme on duty free import of specific raw materials, remaining outstanding is Rs 17,511.05 lakh.

Export obligation under EPCG License Scheme on duty free import of Capital Goods, remaining outstanding is Rs.3,600.54 lakh.

Government grant recoverable Rs.321.30 lakh (31 March 2017: Rs.368.54 lakh; 1 April 2016: Rs.403.43 lakh) and Government grant recognized Rs.47.25 lakh (31 March 2017: Rs.34.88 lakh) in Statement of Profit and Loss.

Hedging instruments

The Company uses various derivative instruments such as foreign exchange forward contracts to hedge its exposures to movement in foreign exchange rates. These instruments are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the Company:

Category	Currency	Cross Currency	Amount (in lakh)		Buy/Sell
<i>Forward Contracts</i>					
As at 31 March 2018	USD Euro	INR USD	USD Euro	14.00 53.00	Sell Sell
As at 31 March 2017	-	-	-	-	-
As at 01 April 2016	-	-	-	-	-

Mark to market loss amounting to Rs.121.80 lakh (31 March 2017: Nil) in respect of forward contract have been charged to the Statement of Other Comprehensive Income.

30. First time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of the opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP' or 'Indian GAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP

Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity as reported previously (referred to as 'Previous GAAP') and as per Ind AS

Equity reconciliation

	Note	As at 31 March 2017	Rs in lakh As at 01 April 2016
Reported earlier under Previous GAAP		7454.02	5619.30
Re-measurement of post -employment benefit	i	(48.61)	(28.23)
Re-classification of cost of spares	ii	283.39	-
Recognition of Government grants	iii	23.84	-
Others			(1.42)
Deferred tax adjustment		(59.56)	40.38
Total		199.06	10.73
Now reported under Ind AS		7653.09	5630.03

Reconciliation statement of Profit & Loss Account as previously reported under Previous GAAP to Ind AS

		Rs in lakh
	Note	As at 31 March 2017
Profit after tax as per previous GAAP		1834.72
Re-measurement of post -employment benefit	i	(32.65)
Re-classification of cost of spares	ii	298.44
Recognition of Government grants	iii	37.94
Depreciation		(18.50)
Re-classification of processing charges	iv	(9.24)
Deferred tax charge		(146.34)
Profit after tax as per Ind AS		1964.38
Other Comprehensive income	v	65.26
Total comprehensive income for the year		2029.64

Statement of Cash flows

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flow from operating, financing, investing activities for all periods presented.

Note i: Re-measurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses on the net defined benefit obligation are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended March 31, 2017 decreased by Rs. 32.64 lakh. The liability on basis of actuarial valuation is revised and corresponding adjustment to retained earnings for the period as at 1 April 2016 and 31 March 2017.

Note ii: Re-classification of cost of spares

Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with Ind AS 16 when they meet the definition of property, plant and equipment. During financial year 2016-17, company has estimated and attributed expenses for Rs.298.44 lakh in carrying value of property, plant and equipment and has charged depreciation on the same. This increased the retained earnings by Rs.283.38 lakh.

Note iii: Recognition of Government grants

As per Ind AS 20, Government assistance to be treated as Grants relating to asset and is recognised in the profit & loss on a rational basis over the useful life of the asset. Company has recognised assistance under EPCG scheme under government grant and has recognised amount of Rs.37.94 lakh for the year ended March 31, 2017. Consequently the total equity has increased by Rs.23.84 lakh.

Note iv: Re-classification of processing charges

Under previous GAAP, ancillary costs associated with raising of funds are amortised on a straight line basis over the period of borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Also under Ind AS borrowings are presented net of any ancillary costs associated with raising of debt, while under previous GAAP such ancillary costs were shown as prepayments. During financial year 2016-17, amount of Rs.9.24 lakh has been recognised under profit & loss account.

Note v: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes change in fair value of investments which are classified at fair value through OCI and re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note vi: Deferred taxes

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note vii: Revenue recognition

The company has recasted its sales for financial year 2016-17 in terms of Ind AS 18 where the revenue to be measured with respect to fair value of consideration receivable.. The sale for the period is reduced by Rs.41.89 lakh. There is no impact on profit and equity for the period.

Note viii: Interest free loan

The interest free loan from promoter and others is measured in accordance with Ind AS 109, Financial Instruments, at amortized cost using the effective interest rate method. The loan liability is trued up every year to build up a liability over the period of the loan with a corresponding charge to Statement of Profit and loss on account of finance charge. The benefit of the interest free loan is measured as the difference between initial carrying value of the loan at fair value in accordance with Ind AS 109 and the loan amount received. The same is classified as a government grant and is being amortised using the effective interest rate method, and is being reduced from finance costs.

Note ix: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by Rs.1,881.30 lakh. There is no impact on the total equity and profit.

Note x: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note xi: Exceptional items

Exceptional items have been reclassified to the respective heads to conform to Ind AS classifications.

NOTICE OF 27th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting of Stylam Industries Limited will be held on Friday 28th Day of September, 2018 at Chandigarh Club Limited, Sector-1, Chandigarh at 10:00 a.m. to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Statement of Profit & Loss for the financial year ended on 31st March, 2018 and Balance Sheet as at that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manit Gupta (DIN 00889528) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of the Statutory Auditors and to fix their remuneration and in this regard to consider and pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the appointment of M/s Mittal Goel & Associates, Chartered Accountants (Firm Registration No. 017577N) as Auditors of the Company pursuant to provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, and The Companies (Audit and Auditors) Rules, 2014, as approved by the members of the Company at the 26th Annual General Meeting (AGM) held on 29.09.2017 for a period upto the conclusion of the 31st AGM to be held in the year 2022, the Company hereby ratifies the said appointment at this AGM for a period till the conclusion of the 28th AGM of the Company to be held in the year 2019 at such remuneration plus applicable taxes, out-of-pocket and other expenses in connection with the Company’s audit, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, 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), the remuneration payable to M/s. C.L. Bansal & Associates, Cost Accountants (Firm Registration No.101042), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019, amounting to Rupees Fifty thousand only) as also the payment of applicable tax in connection with the aforesaid audit, be and is hereby approved.”
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 152 and 160 other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for time being in force), Mr.Sachin Bhatla, DIN 008182443, who was appointed as an Additional Director on 23.07.2018 in terms of Section 161(1) of the Companies Act, 2013 and as per Article of Association of the Company, who holds office as such up to the date of ensuing Annual General Meeting, and who has consented in writing to act as director of the company, be and is hereby appointed as Director-Technical, for a period of 3 years, on such terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee constituted / to be constituted by the Board) and remuneration as approved by Board, subject to the condition that remuneration so fixed, including all perquisites, shall not fixed Rs.2,00,000/ per month.”
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.
6. To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 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 be and is hereby increased from Rs.7,00,000/- p.m. to Rs.10,00,000/- p.m with effect from 1st October,2018 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.

7. 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. Manav Gupta, Whole Time Director be and is hereby increased from Rs.2,00,000/- p.m. to Rs.4,00,000/- p.m with effect from 1st October,2018 and that the use of Company's car used by him for official duties, shall not be included in the remuneration package.

By Order of the Board,

Sd/-

Jagdish Gupta

Managing Director

Place: Chandigarh

Date : 01st September, 2018

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of special business as set out above is annexed to this Notice and forms part of the same.
2. *A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him-self and a 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. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / letter of authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21st September, 2018 to Friday, 28th September, 2018 (Both days inclusive)
5. Members holding shares in physical form are requested to intimate any change of address, if any, to the Company /Registrar and Share Transfer Agent (RTA). The shareholders may contact for matters relating to dematerialization of shares to RTA directly.
6. Members holding shares in demat form are requested to intimate any change in their address immediately to their Depository Participants.
7. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN to RTA / Company by sending a duly signed letter along with self-attested copy of PAN Card. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
8. In accordance with the amendments to Regulation 40 of Listing Regulation, to be made effective later, the Securities and Exchange Board of India (SEBI) has revised the provisions relating to transfer of listed securities and has decided that requests for effecting transfer of listed securities shall not be processed unless the securities are held in dematerialized form with a Depository (National Securities Depository Limited and Central Depository Services (India) Limited). This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors.
9. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.
Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s).

10. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

11. Members are requested to hand over the Attendance Slip, duly signed in accordance with the specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for verification.

12. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 21st September 2018, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 10.00 a.m. on Tuesday, 25th September, 2018 and will end at 5.00 p.m. on Thursday, 27th September, 2018. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.

The Company has appointed Mr. Mr.Sanjiv Kumar Goel, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for voting electronically are as under:-

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select "Stylam Industries Limited" from the drop down menu and click on "SUBMIT."
- (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID).

Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login

- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vi) For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their demat account number/Folio No., as the case may be, in the PAN field. ● In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN field.
Date of Birth or Date of Incorporation	Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account in dd/mm/yyyy format or enter Folio No.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.

- (viii) For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.
- (ix) 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 electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) Click on the EVSN for Stylam Industries Limited.
- (xi) 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.
- (xii) Click on the "Resolutions File" Link if you wish to view the entire Notice.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the voting done by you.
- (xvi) If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.
- (xvii) Note for Institutional Shareholders:
 - Institutional shareholders (i.e. other than Individuals, HUFs, NRIs etc.) are required to log on to <https://www.evotingindia.co.in> 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.
 - After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution 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.
- (xviii) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- a. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 21st September 2018.
- b. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- c. Members who do not have access to e-voting facility may return the duly completed Ballot Form, so as to reach the Scrutinizer at the Registered Office of the Company not later than, 26th September 2018 (2.30 p.m. IST).
- d. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to cs@stylam.com by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Thursday, 26th September, 2018 (2.30 p.m. IST).
- e. Ballot Forms received after this date will be treated as invalid.
- f. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both these modes, then voting done through e-voting shall prevail and the vote cast through Ballot shall be treated as invalid.
- g. The results declared along-with the Scrutinizer's Report shall be placed on the Company's website www.stylam.com and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the AGM of the Company on 30th September 2018 and communicated to BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT REQUIRED UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No.4

Pursuant to Section 148 of the Act, read with The Companies (Cost Records and Audit) Rules, 2014 ('the Rules'), as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. C.L. Bansal & Associates, (Firm Registration No 101042) as the Cost Auditors of the Company for the year ending 31st March, 2019, at a remuneration of Rs.50,000/- (Rupees Fifty thousand Only) plus applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

The Board commends the remuneration of Rs.50,000/- (Rupees Fifty thousand Only) plus applicable taxes to C.L. Bansal & Associates, as the Cost Auditors and the approval of the Shareholders is sought for the same by an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution.

Item No.5

The Board of Directors of the company passed a resolution at their meeting held on 23.07.2018 approving appointment of Mr.Sachin Bhatla as an Additional Director on the Board of the Company with effect from 23.07.2018

In accordance with the provisions of Section 161(1) of the Companies Act, 2013, Mr Sachin Bhatla shall hold office till the conclusion of next Annual General Meeting and shall eligible for re-appointment. The Board has decided to appoint Mr.Sachin Bhatla as Director-Technical for a period of 3 years on remuneration that may be recommended by the Nomination and Remuneration Committee under Section 196,197 and 198 and 203 and as approved by Board, subject to condition that such remuneration, including all perquisites, shall not exceed Rs.2,00,000/ per month.

Approval of the Members is required by way of a Special Resolution for appointment and payment of remuneration to Mr. Sachin Bhatla (DIN 008182443). The terms and conditions of the appointment and remuneration payable to Mr. Sachin Bhatla (DIN 008182443) are provided in the resolution referred in Item No. 5.

The Board of Directors recommends the resolution at Item No. 5 for approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr.Sachin Bhatla is concerned or interested, financial or otherwise, in the resolution.

Item No. 6

Shri Jagdish Gupta, Managing Director and Promoter of the Company with his 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 increased monthly remuneration of Shri Jagdish Gupta, Managing Director to be increased to Rs.10,00,000/-.

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, being the Directors of the Company are concerned or interested in the said resolution.

Item No.7

The Board has proposed to increase the monthly remuneration of Mr.Manav Gupta, Whole Time Director of the Company, from Rs.2,00,000/- per month to Rs.4,00,000/- per month.

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. Mr.Manav Gupta, being the Director of the Company is concerned or interested in the said resolution.

ANNEXURE

Information pursuant to Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with regard to the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting

(Refer Item No 2 of the Notice)

Name of Director	Mr. Manit Gupta (DIN 00889528)
Designation	Director
Age	30 years
Expertise in specific Functional areas	Manit Gupta has done Chemical Engineering from Thapar and MBA from Mumbai. He joined the Company in 2012. His expertise is in sourcing of material and marketing activities.
Date of first appointment in the current designation	2012
Inter-se relationship between -Directors -Key Managerial Personnel	Son of Shri Jagdish Gupta NA
No of shares held in the Company	412198
Directorship held in other Public companies	NA
Position held in mandatory Committees of other Companies	NA
No. of Board Meetings	14

(Refer Item No 5 of the Notice)

Name of Director	Mr. Sachin Bhatla (DIN 008182443)
Age	44 years
Qualification	B.E. in Mechanical from Deedandhu Chhotu Ram University of Science and Technology, Sonipat (Haryana) with Post Graduate Diploma form IGNOU
Experience	Mr.Sachin Bhatla joined Stylam Industries Limited in 2009 and has nearly 23 years of experience in Technical line.
No of shares held in the Company	Nil
Directorship held in other Public companies	NA
Position held in mandatory Committees of other Companies	NA
No. of Board Meetings	NA

By Order of the Board,
Sd/-

Place: Chandigarh
Date: 01st September 2018

Jagdish Gupta
Managing Director

PROXY FORM

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

Name of the member(s): _____
Registered address: _____
Email Id: _____ Folio/DP ID-Client ID No: _____

Affix
Revenue
Stamp

I/ We, being the Member(s) of _____ shares of the above named Company, hereby appoint:

1. Name: _____ E-mail Id: _____
Address: _____ Signature: _____, or filing him/her
2. Name: _____ E-mail Id: _____
Address: _____ Signature: _____, or filing him/her
3. Name: _____ E-mail Id: _____
Address: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Friday 28th Day of September, 2018 at Chandigarh Club Limited, Sector-1, Chandigarh at 10:00 a.m

Resolution No.	Resolution	Optional	
		For	Against
ORDINARY BUSINESS			
1	Adoption of Financial Statement, Board's Report and Auditors' Reports for the year ended March 31, 2018		
2	Approval for re-appointment of Mr. Manit Gupta, (DIN 00889528), who retires by rotation		
3	Ratification of appointment of Statutory Auditor and to fixing their remuneration		
SPECIAL BUSINESS			
4	Approval for payment of remuneration to Cost Auditor for financial year ending March 31, 2019		
5	Appointment of Mr.Sachin Bhatla (DIN 008182443) as Director-Technical on remuneration which shall not exceed Rs.2,00,000/ per month.		
6	To increase remuneration of Sh. Jagdish Gupta, Managing Director to Rs.10,00,000/- per month.		
7	To increase remuneration of Sh. Manav Gupta, Whole-Time Director to Rs. 4,00,000/- per month.		

Signed thisday of 2018

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. A Proxy need not be a Member of the Company.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 27th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission

ATTENDANCE SLIP

27TH ANNUAL GENERAL MEETING
ON FRIDAY, 28TH SEPTEMBER, 2018 AT 10.00 A.M.
AT CHANDIGARH CLUB LTD, SECTOR-1, CHANDIGARH.

I/ We hereby record my/ our presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company at Chandigarh Club, Chandigarh, on Friday, the 28th September 2018 at 10.00 a.m.

Member's Folio No.	Member's/ Proxy's Name (in Block Letters)	Member's/ Proxy's DP ID-Client ID No

NOTES:

1. Only Member/ Proxy-holder can attend the Meeting.
2. Please complete the Folio/ DP ID-Client ID No. and name of the Member/ Proxy, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. Shareholder/ Proxy-holder desiring to attend the Meeting should bring his/ her copy of the Annual Report for reference at the Meeting

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Particulars for voting through Electronic means

For Members opting to vote through electronic means, instead of voting at the Annual General Meeting, facility is available at the web link: <https://www.evoting.cdsl.com>. Particulars for electronic voting are as under:

EVSN (E-Voting Sequence Number)	User ID	Password
180830031		

Note: Please refer to the instructions printed under the Notes of the Notice of the 27th Annual General Meeting. The e-voting period starts from 10:00 am on Tuesday 25th September, 2018 and will end at 5:00 pm on Thursday, 27th September, 2018. The voting module shall be disabled by CDSL for voting thereafter.



By using Green guard certified laminates, one can substantially reduce or eliminate the negative effect of toxic emissions on the nature and the health of occupants and habitants. This ensures superior indoor air quality and increased work productivity of staff in case of commercial establishments as it is healthier for the people living in it compared to a conventional building.



The Forest Stewardship Council (FSC) is an international not for-profit, multi-stakeholder organization established in 1993 to promote responsible management of the world's forests. As part of its corporate responsibility towards sustainable forest development, Stylam is among the very few laminates manufacturer who has been awarded the FSC certification by Rain Forest Alliance, Indonesia.



Stylam Industries Limited has achieved pioneer European CE Certification for both Internal and External application Compact laminates range by ITC Inc., Czech Republic and has fulfilled all the requirements as applicable as per the harmonized standard EN 438-7:2005. Stylam Industries Limited is the first laminate manufacturer in India and among very few in the world to be awarded this coveted certification.



Green Label

The Singapore Green Labeling Scheme Secretariat has granted Stylam Industries Limited for 'Environmentally Improved low Emission Low Toxicity' for High Pressure Laminates.



ISO-9001:2015

our dedication to quality and commitment to customer satisfaction has found testimony in Stylam Industries Limited being awarded the latest ISO 9001:2015 certification for the complete range of laminates manufactured from certification agency accredited with reputed certification agency JAS-ANZ.



ISO-14001

World’s most recognized environmental management certification standard. Environmental management system certification, ISO 14001, basically requires the organization to monitor and manage its impact on the environment.



OHSAS-18001

Includes Policy and commitment, Hazard identification, risk assessment & risk controls, Legal requirements, Objectives and Programs, Organization and personnel, Training, Communication and Consultation, Documentation and records, Operational Controls, Emergency Readiness, Measurement and monitoring, Accident and incident investigation, corrective and preventive action, Audit and Review, and Application and Relevance in the Industry.



BIS

As a testimony of our consistent product quality, Stylam Industries has achieved ISI certification as per IS:2016-1995 from Bureau of Indian Standards for its thin laminates range of 0.8 mm and 1.0 mm thickness.



FIRE RETARDANT-HPL

This determines the performance if product subject to its specifications. The test is performed in according to a specified procedure for measuring the lateral spread of flame along the surface of a product oriented in vertical position.



EMISSION CLASSIFICATION - M1

EMISSION CLASSIFICATION OF BUILDING MATERIALS (M1) - The aim of the classification is to enhance the development and use of low-emitting building materials so that material emissions do not increase the requirement for ventilation.



Green Building Membership

Green building rating brings together a host of sustainable practices and solutions to reduce the environmental impacts. Green building design provides an integrated approach considering life cycle impacts of the resources used.



Certification of excellence presented to Stylam Industries Ltd in recognition of exemplary growth.



Stylam Industries Limited recognized by Financial Times & Statista as one of the FT 1000 High-Growth Companies Asia-Pacific 2018



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