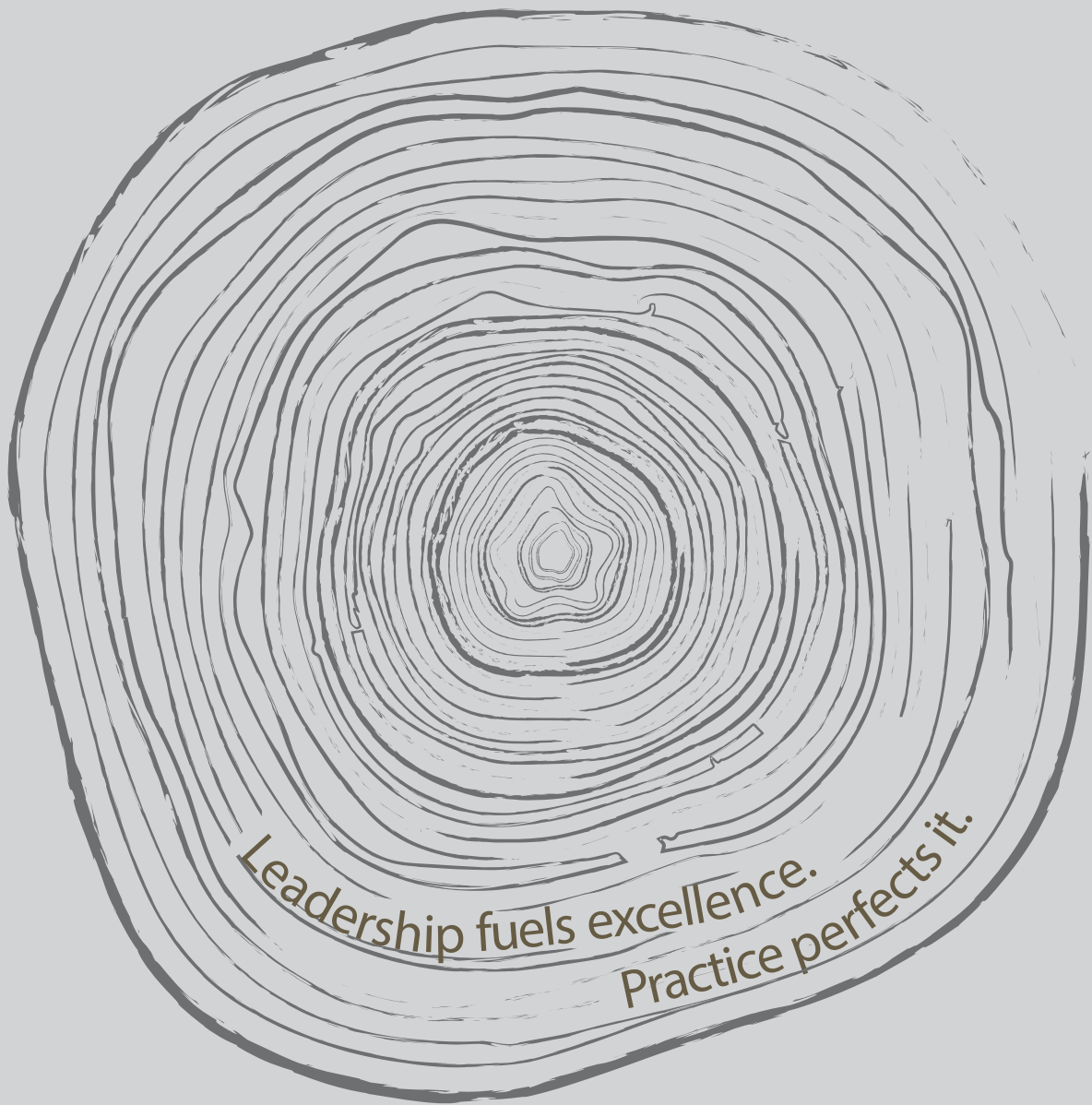




**ANNUAL**REPORT  
2015-16



**22**  
YEARS



## **Vision**

To maintain and strengthen our position nationally and globally in Home Décor space with an array of new innovative products and adding value to life.

## **Mission**

We are committed to being the market leader by constantly innovating and delivering newer products and services. We aim to set the highest possible standard in quality, value and customer satisfaction.





[www.stylam.com](http://www.stylam.com)



**Stylam Industries Ltd.**

S.C.O. 14, Sector 7-C,  
Madhya Marg, Chandigarh (UT)  
INDIA - 160 019

Tel: +91-172-502 1666  
Fax: +91-172-5021495  
E-mail: [info@stylam.com](mailto:info@stylam.com)

[www.stylam.com](http://www.stylam.com)



ANNUAL REPORT  
2015-16



What the spirit  
commits,  
perseverance  
completes.



## About STYLAM

25 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 every 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.

We have our state-of-the-art infrastructural plant at Panchkula in North India. Our manufacturing unit has world-class machines and equipments and assures maximum production of laminates in minimum time and our machines are operated by highly skilled and best in the class workmen. Since 25 years, we have been developing high quality products. Sophisticated moulds of various finishes imported from Europe are used in the production of our high quality laminates in accordance

## Leadership is the ability to translate a vision into a reality

with the universally acceptable European standards EN 438 series. Marking our silver jubilee celebrations is the inauguration of our second production facility, this is an ultra modern manufacturing plant designed by renowned Singapore based architects. The factory is spread over 25 acres and has been designed considering the most modern structural concepts. The facility will have a hydraulic press system capable of producing the biggest size of laminate panels in India at 4320 x 1860 mm. Jointly our production facilities will ensure that we become the largest laminate producing group in India with a production capacity of over 17 million laminates.

Stylam also specializes in the production of Adhesives, developed with 25 years of understanding and expertise in the furnishing industry. We are a preferred brand for a highly specialized range of adhesives suited for decorative laminates, wood and other industrial uses.

We are an ISO 9001:2008 certified company, that itself shows our integrity, quality and reliability. Another feather in our cap is, we are recognized as an 'Export House' by the Government of India. Our unique design range and advanced quality efficiency of laminates has assisted the company in being awarded the prestigious CE certification for its compact laminates.





**ANNUAL**REPORT  
**2015-16**

## Contents

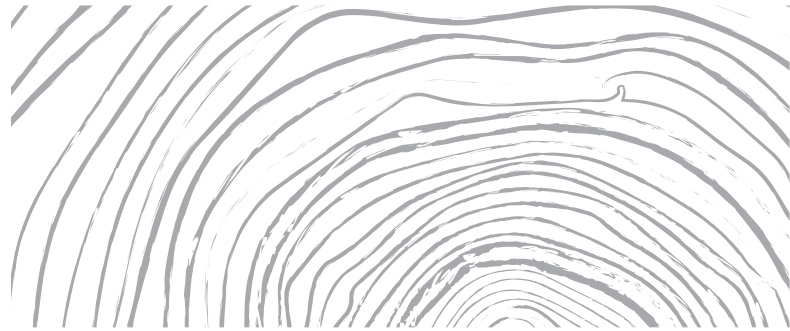
Managing Director's Statement / **01**


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Its never  
about the role;  
its always all  
about the goal.





## Managing Director's Statement

Dear Stakeholders,

It gives me great pleasure to share with you an update on the overall performance of the company. In a challenging external environment, the company performed well and delivered another year of consistent, competitive, profitable and responsible growth. In the year under review, we saw that the global economy continued to recover, albeit at a lower trajectory affecting prospects unevenly across regions. The sharp drop in oil prices in 2014-15 sustained through 2015-16, affecting the economy. US saw an improving labor market and started the journey of rate hikes. Continental Europe shows mixed trends even as many emerging market economies such as Brazil are under economic recession. China's economy, in the midst of a structural adjustment, is also a concern.

In 2015-16, the total revenue of the company grew by 16.82% to Rs. 250.05 crores. The company has consolidated in domestic market and the business grew by more than 47% and growth in the export business was 8%. Profit after tax rose to Rs.12.15 crores from Rs. 9.39 crores. Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) before exceptional items climbed to Rs. 30.79 crores.

### Outlook

While 2016-17 has started well and business growth is expected to pick up, our plans are to some extent dependent on a healthy, growing economy. India is

relatively well positioned compared to most other countries where the economy is growing by 7.6%. The Brexit development will create a major upheaval in international financial markets. India too will feel the effect to some extent but being relatively insulated, is better prepared to deal with the consequences.

I do not wish to list only problems and uncertainties because my personal view remains upbeat for good reason. There are many positive developments taking place across the broad economic, social, political and technological canvas of India.

The Central and State Governments are paying serious attention to the ease of doing business by simplifying bureaucratic procedures and relaxing controls which will benefit industrial and business activities while encouraging foreign investment. Passing of reforms like GST could give further impetus to India's economic agenda. In short, the long term opportunities are good.

### JAGDISH GUPTA

Managing Director  
Stylam Industries Ltd.



## Management Committee

### BOARD OF DIRECTORS

Mr. Jagdish Gupta  
Managing Director

Mr. Satish Gupta  
Whole Time Director

Mr. Manav Gupta  
Whole Time Director

Mr. Manit Gupta  
Whole Time Director

Ms. Usha Gupta  
Director

Mr. Mahavir Singh  
Independent Director

Mr. Satpal Garg  
Independent Director

Mr. Ravinder Krishan  
Independent Director

Ms. Sonia Aggarwal  
Independent Director

### STATUTORY AUDITORS

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

### COST AUDITOR

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

### SECRETARIAL AUDITOR

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

### STOCK CODE

Bombay Stock Exchange Limited  
526951  
ISIN: INE239C01012

### AUDIT COMMITTEE

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

### SHAREHOLDERS' GRIEVANCE COMMITTEE

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

### NOMINATION AND REMUNERATION COMMITTEE

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

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

### COMPANY SECRETARY

CS. Sonia Arora

### BANKER

State Bank of Patiala  
Kotak Mahindra Bank Ltd  
HDFC Bank Ltd.

### REGISTRAR AND SHARE TRANSFER AGENT

Link Intime Private Limited  
A-40, 2nd Floor,  
Naraina Industrial Area  
Phase – II, Near Batra Banquet,  
New Delhi – 110 028  
Tel: + 91-11- 41410592, 29961281-283,  
Fax: + 91-11-29961284  
Email: delhi@linkintime.co.in

### REGISTERED OFFICE

SCO 14, Sector 7- C,  
Madhya Marg,  
Chandigarh -160019 (INDIA)  
Tel: + 91-172-5021555, 5021666  
Fax: +91-172-2795213, 5021495  
Web: www.stylam.com

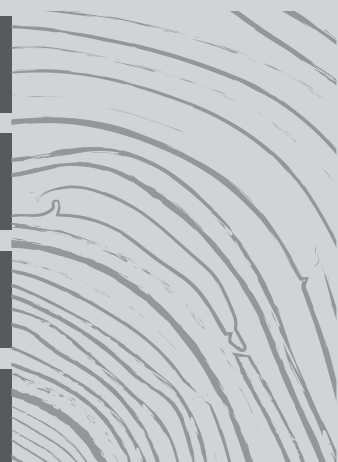
# Reports



A stride to  
greater milestones.  
Unstoppable,  
in unison.

## Reports

- Notice
- Directors' Report, Management Discussion and Analysis
- Secretarial Audit Report
- Corporate Governance Report



## **NOTICE OF 25<sup>th</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting of Stylam Industries Limited will be held on Friday 30<sup>th</sup> Day of September, 2016 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, 2016 and Balance Sheet as at that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Usha Gupta (DIN- 01145299) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s Sunil K Sood, Chartered Accountants (Firm Registration no. 7564) as Statutory Auditors of the Company, to hold office until the conclusion of next Annual General Meeting at remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee of the Company in accordance with the section 139, 141 & 142 of the Companies Act, 2013.

### **SPECIAL BUSINESS**

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, 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, 2017, amounting to Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable taxes, be and is hereby ratified and confirmed.

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

RESOLVED THAT in super cession of earlier resolution (s), consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, to the creation, either by way of first or second or third charge or with or without security, by the Board of Directors of the Company or Committee thereof of such mortgages, charges and hypothecations, as the Board may direct, on such of the assets of the company, both present and future, in such manner as the Board may direct, to secure loan together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, costs, charges, expenses and all other monies payable by the company under the Agreements/Arrangements entered into/to be entered into by the company in respect of the said loans.

RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs.45 crore.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle

the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things as they may deem necessary to give effect to the above resolution including but not limited to the appointment of any manager/consultant or any other intermediary in respect of the above offerings and/or to execute all such documents, instruments and writings as may be required.

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 is proposed to be increased from Rs.4,50,000/- p.m. to Rs.5,75,000/- p.m with effect from 1<sup>st</sup> October,2016 and that the use of companys 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. Satish Gupta, Whole Time Director is proposed to be increased from Rs.4,50,000/- p.m. to Rs.5,75,000/- p.m with effect from 1<sup>st</sup> October,2016 and that the use of companys car and telephone at residence used by him for official duties, shall not be included in the remuneration package

By Order of the Board,

Sd/-

Jagdish Gupta  
Managing Director

Date: 12<sup>th</sup> August, 2016

Place: Chandigarh

NOTES:

1. **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. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.**
2. 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.
3. Members holding shares in physical form are requested to notify their 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.
4. In case, shares are held in electronic form, the change of address, if any, may have to be communicated to their respective depositories viz, NSDL and CSDL.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.  
Members holding shares in physical form may submit their PAN to the Company or to the Registrar and Share Transfer Agent

6. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically. Further, in case of any change in the e-mail address registered with the Company, a fresh e-mail id may kindly be sent to the Company. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
7. The Notice of AGM, Annual Report inter alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent in electronic mode to Members whose e-mail address are available 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 inter alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent to those Members whose e-mail address are not available with the Company or Depository Participant(s).
8. Members, Proxies and Authorised Representatives are requested to bring their Attendance Slips together with their copies of the Annual Reports to the Meeting, if sent in physical form. Copies of the Annual Report will not be provided at the AGM venue.
9. Notice of the Annual General Meeting will be sent to those shareholders/ beneficial owners received from M/s Link Intime India Pvt. Ltd. (RTA) of the Company as on 29<sup>th</sup> August, 2016.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 23rd September, 2015 to Friday, 30th September, 2016 (Both days inclusive).
11. Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least 7 (seven) days before the date of the Meeting, so as to enable the Company to keep the information ready.
12. **Process and manner for members opting for e-voting are as under:**

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](http://www.evotingindia.com)
- (ii) Click on Shareholders tab.
- (iii) Now, select The Tata Power Company 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](http://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. 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.
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	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 Companys 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](mailto: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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions:**

- (i) The e-voting period commences on 27th September, 2016 (9.00 a.m IST) and ends on 29th September, 2016 (6.00 p.m IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 19th August 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- (ii) 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 19th August 2016.



(iii) Mr.Sanjiv Kumar Goel, Practicing Company Secretary (Membership No 2107), has been appointed as the Scrutinizer to conduct the 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.

(iv) 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 Scrutinizers Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

(v) 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, 24th September 2016 (6.00 p.m. IST).

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [investorcomplaints@tatapower.com](mailto:investorcomplaints@tatapower.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 Saturday, 24<sup>th</sup> September, 2016 (6.00 p.m. IST).

Ballot Forms received after this date will be treated as invalid.

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.

(vi) The results declared alongwith the Scrutinizers Report shall be placed on the Companys website [www.stylam.com](http://www.stylam.com) and on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) within two days of the passing of the resolutions at the AGM of the Company on 01<sup>st</sup> October 2016 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**

The Board of Directors at its meeting held on June 27, 2016 appointed M/s C.L.Bansal & Associates, Cost Accountants to audit the cost records of the products manufactured by the Company for the year ending March 31, 2017. At the same meeting held on June 27, 2016, the Board of Directors approved a remuneration of Rs. 50,000/- (Rupees Fifty thousand Only) plus applicable taxes payable to M/s. C.L.Bansal & Associates, Cost Accountants for conducting such audit.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the cost auditors shall be approved by the Board of Directors and subsequently ratified by the Members of the Company. Accordingly, the remuneration payable to M/s. C.L.Bansal & Associates, Cost Accountants, for conducting the cost audit for the year 2016-17, as approved by the Board of Directors, is being placed before the Members for ratification. The Directors recommend adoption of the Resolution at Item No. 4 of the Notice by the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned with or interested in, financial or otherwise, in the Resolution set out at Item No. 4 of the Notice.

**Item No.6 &7**

Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Whole Time Director are the promoter Directors of the Company. Due to their vision and guidance, the Company has made its existence world over and renowned for its quality industrial laminates under the brand name STYLAM.

The Board has proposed to increase their monthly remuneration of Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Whole Time Director to be increased to Rs.5,75,000/- p.m. w.e.f. October 1st, 2015. The remuneration payable to them commensurate with responsibilities conferred on them.

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

The members are requested to grant their consent and pass the resolution as Ordinary Resolutions. Shri Jagdish Gupta, Shri Satish Gupta, Manav Gupta and Mr. Manit Gupta being the Directors of the Company are 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	Ms.Usha Gupta (DIN 01145299)
Date of Birth	07 <sup>th</sup> July 1957
Date of Appointment	October 1 <sup>st</sup> , 2014
Expertise in specific Functional areas	Marketing
Qualification	Graduate
No. of shares held in the Company	712875
Directorship held in other Public companies	NA
Position held in mandatory Committees of other Companies	NA
No. of Board Meetings	33

By Order of the Board,

Sd/-

Jagdish Gupta  
Managing Director

Date: 12<sup>th</sup> August, 2016  
Place: Chandigarh

## **DIRECTORS REPORT**

(Including Management Discussion & Analysis)

Your Directors are pleased to present the 25th Annual Report together with audited accounts for the year ended March 31, 2016.

### ***ECONOMIC ENVIRONMENT***

The trend of slowdown in global growth continued during the year. The below par performance of global economy was reflected in a continued growth deceleration in most emerging and developing economies, driven by low commodity prices, weaker capital inflows and subdued global trade. However, this trend reversed somewhat towards the end of the year and commodity prices once again firmed up. This scenario threw up a mixed bag of reactions in the global economic activity and performance.

Against this global backdrop, the growth in India stayed fairly resilient. India was the fastest growing large economy with a stable currency that performed better than most other emerging market currencies. The domestic macro-economic conditions also remained stable. A significant drop in commodity costs led by crude oil and other interventions resulted in lower consumer inflation which allowed easing of interest rates in the economy.

There are enough reasons to now look forward towards the next financial year with cautious confidence. Reserve Bank of Indias Consumer Confidence Survey of March 2016 showed improvement in consumer sentiments. This is largely due to improved perceptions on overall economic conditions and income. Other lead and coincident indicators also point to a better future. RBIs industrial outlook survey suggests that business expectations for the first quarter of 2016-17 continue to be positive.

While the fiscal policies of the government are being focused around growing rural economy and improving public infrastructure, passing of reforms like GST could give further impetus to India's economic agenda.

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

During the year under review, against the backdrop of challenging business environment, the company has recorded income of Rs.250.05 crores as compared to Rs. 214.45 crores in the previous year with a corresponding profit before tax of Rs.19.68 crores as compared to Rs.12.15 crore which is up by 62% as over the previous year. The company had coupled with high level of modernization, concentrated efforts of both Management and dedicated employees; the whole hearted supports of Banks, suppliers and customers attained these levels of performance. The earnings per equity share (of face value of Rs.10/-) for the year increased to Rs.16.60 from Rs.12.84 for the previous year.

#### ***Domestic***

To build awareness of the products, Company has invested in various connect programmes, as a result of which the company has registered an impressive growth of about 47.20% in value as compared to the previous year in the Domestic Market. The company's focus is on Pan India presence through Regional distribution channels distributors, dealers.

#### ***Exports***

Despite a gloomy Global outlook, our exports registered a growth of around 8.10% in value compared to the previous year, primarily through consolidation in the existing market. The export constitutes 72.88 % of total income. The company has showcased its products in major exhibitions in strategically important markets.

### ***FINANCIAL RESULTS***

Rs in crores

	2015-16	2014-15
Profit before finance cost, depreciation and amortization expenses and tax expenses	30.79	23.04
Less: a) Finance Cost	6.46	4.93
b) Depreciation and amortization expenses	4.65	4.20
Profit before tax	19.68	13.91
Provision for taxation	7.53	4.52
Profit for the year	12.15	9.39

Add: Balance brought forward from previous year	36.73	27.34
Balance carried to Balance sheet	48.88	36.73

**Dividend**

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

**SHARE CAPITAL**

The paid up Equity Share Capital as on 31st March, 2016 was Rs. 7.32 crores divided into 73,61200 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 2015-16.
- B) *Issue of sweat equity shares*  
The Company did not issue sweat equity shares during the financial year 2015-16.
- C) *Issue of employee stock options*  
The Company did not issue stock options during the financial year 2015-16.
- 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.

**PARTICULARS OF 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.

**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

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

**AUDITORS****Statutory Auditors and their Report**

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

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

Board of Directors of the Company proposes to ratify the appointment of M/s Sunil K Sood & Co, Chartered Accountants, as Statutory Auditors of the company for the year 2017.

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

#### **Cost Auditors**

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 2016-17. A resolution regarding ratification of remuneration of Cost Auditor is being sought from the Members of the Company at ensuing Annual General Meeting.

#### **Secretarial Auditors & their Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sanjiv Goel & Co., Practising Company Secretaries, to undertake Secretarial Audit of the Company. The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2016 is annexed herewith as Annexure -.I. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **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.

#### **CORPORATE GOVERNANCE**

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

All the Committees of the Board of Directors meet at regular intervals as required in terms of 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: 2000 certifications for complete range of laminates manufactured.

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

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the requirements of Section 135 of Companies Act, 2013, your 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

During the year, the Company has invested significant time and resources in laying down a strong foundation for CSR activities like programme identification, monitoring mechanism and creation of enabling infrastructure to scale up existing / new projects. The Company has also put in place institutional arrangements for further expansion to newer geographical locations. Preference was given to allocate and spend higher amount on activities pertaining to local area and areas around the Companys factor ies. However, being early years in implementation of CSR, the Company has faced practical problems in utilising its identified areas of spent. Lack of co-ordination and consensus amongst the beneficiaries, local villagers, gram panchayats and other related agencies to carry out the identified projects by the Company has contributed to the delay and utilisation of entire amount of CSR spent.

As a result of these, there was a shortfall in the total CSR spent from its total obligations of at least 2% of the average net profits made during the three immediately preceding financial years.

The initiatives taken by the Company will certainly help in deploying larger funds across social sectors and achieve rapid scale in utilising its full CSR budget in the coming financial years. The Company remains committed to the cause of CSR and will take necessary steps to fulfill its CSR obligations during the coming financial years. The Company is however committed to the cause of CSR and will take necessary steps to fulfill its CSR obligations during the coming financial years.

#### **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.

#### **OUTLOOK**

The global economic climate continues to be volatile, uncertain and prone to geo-political risks. Weak consumer sentiment and low commodity prices are expected to affect global growth adversely. For India, 2016 will be a key year for consolidating its recovery and accelerating its growth. Despite challenging global headwinds, a stable macro performance will help India to remain an attractive investment destination. However, execution of the reforms agenda and commencing the investment cycle will be key determinants of Indias economic performance on a long term basis.

The process of softening of interest rate has already started and it is expected that with the inflation under control, it will continue its southward journey. Further the forecast of good monsoon during the current year is also expected to give a much needed impetus to manufacturing which would consequently increase consumption. The industry and infrastructural sectors are expected to benefit out of this.

Roll out of Goods and Services Tax regime from April 2017 is a key need of the hour to remove cascading incidence of tax, simplifying tax compliance environment and enhancing ease of doing business. With the introduction of GST, supply chain inefficiencies will be reduced, Inter-state trade will become easy and the market will be integrated at the national level.

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

In Export, the Company has presence in more than 60 countries and in Domestic; the Companys pan -India distribution network ensures easy availability of products in almost every part of India.

During the year under review, your Company has commenced commercial production of the engineered wood flooring under the brand name Walkon.

The company is in process of expanding manufacturing capacity to manufacture additional 4 million laminate sheets per annum. With respect to the said project, civil construction work is already under progress, the installation of machineries for the new production lines is under progress and is expected to complete by the mid of this financial year.

To consolidate in domestic market, the company is planning to install machinery to produce laminates for the commodity market.

The approval for raising funds for the ongoing and proposed expansion is covered under resolution No 5.

#### **IT/ BPO Project**

In view of the emerging demand from IT Sector, the management has undertaken to construct building at Panchkula Technology Park, Haryana having built-up areas of 20697.200 sq. mtrs. The project is near to completion and the building is expected to be operational by first half of this fiscal. In view of the growing business and demand of office space, the management has decided to use one-fifth of the space for corporate affairs and design spaces. However, the balance will be monetized during the year, for which the efforts have been initiated. This will bring down the debt-equity ratio of the company significantly.

The Company's outlook remains favorable and Directors are confident of achieving significantly better results in the coming years.

#### **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.

#### **CREDIT RATING**

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

#### **INSURANCE**

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

#### **Opportunities and Threats**

High potential and growing demand from both domestic as well as international market, Future expected growth in the Real Estate market and increase in Per Capita Income of a common person. However, the company deals into Fragmented Industry, Competitive Industry: transitioning from highly unorganized to organized sector, Price Sensitive Market and Competition from China.

The company has strategies in place to tap the potential. The company has advantage of having quality of product, network, widely spread product range. It is fully prepared to meet the challenge of competition leveraging its competitive strengths of quality, technology and product range.

**Risk Analysis and Mitigants**

S. No.	Risk Factors	Risk Mitigants
1.	Industry Risk A downturn in user industries could adversely affect growth	<ul style="list-style-type: none"> <li>➤ Foreign direct investment in India's real estate sector is expected to grow from US\$ 4 billion to US\$ 25 billion in 10 years.</li> <li>➤ Positive Growth Drivers</li> <li>➤ Increasing shift in consumer preference from unbranded to branded goods</li> </ul>
2.	Marketing Risk Inability to address customer needs may diminish market share	<ul style="list-style-type: none"> <li>➤ Global Presence</li> <li>➤ High Quality manufacturing Assets</li> <li>➤ Good Market Position</li> <li>➤ Accepted quality &amp; Price model</li> </ul>
3.	Quality risk	<ul style="list-style-type: none"> <li>➤ The company has installed world class technology</li> <li>➤ The company is ISO 9001 certified</li> </ul>

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

In accordance with the provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, every listed Company is required to have a Vigil Mechanism for the Directors and employees to report their genuine concerns and grievances. Your Company has a Whistle Blower Policy in place and the same is also available on the company's website.

**EXTRACT OF THE ANNUAL REPORT**

The extract of the Annual Return in Form No. MGT - 9 (Attached as Annexure - IV) forms part of the Board's report.

**BOARD EVALUATION**

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

**POLICY ON NOMINATION AND REMUNERATION**

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

**MEETINGS**

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

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

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

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



**LISTING**

The equity shares continue to be listed on BSE Limited (BSE). The company has paid annual listing fee for the financial year 2016-17.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered during the financial year were in the ordinary course of business and on an arms 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 arms length basis, Form AOC - 2 is not applicable to the Company

**DETAIL OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANYS 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 Companies 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.

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

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

**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.

***DIRECTORS RESPONSIBILITY STATEMENT***

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

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

***FORWARD LOOKING STATEMENT***

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

***ACKNOWLEDGMENT***

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 stockists, 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,

Date: 12<sup>th</sup> August, 2016

Place: Chandigarh

Jagdish Gupta  
Managing Director

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

FOR THE FINANCIAL YEAR ENDED March 31, 2016

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, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance -mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2016 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.

Date: 26.07.2016

Place: Chandigarh

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

**ANNEXURE - II****Report on Corporate Governance 2015-2016*****Company s Philosophy***

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

***Board of Directors***

In terms of the Companys 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 Companys Board presently comprises of four (5) executive directors and four (4) independent directors.

The constitution of the Board is given below:

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

***Meetings and Attendance***

During the financial year the Board of Directors met 33 (thirty three) times during the financial year, on the

following dates:

02-03-2015	24-07-2015	01-10-2015	28-11-2015	08-02-2016
08-03-2015	30-07-2015	27-10-2015	07-12-2015	
28-03-2015	04-08-2015	29-10-2015	09-12-2015	
30-03-2015	08-08-2015	30-10-2015	16-12-2015	
06-04-2015	12-08-2015	02-11-2015	23-12-2015	
05-05-2015	02-09-2015	13-11-2015	30-12-2015	
25-05-2015	14-09-2015	16-11-2015	14-01-2016	
08-07-2015	30-09-2015	23-11-2015	23-01-2016	

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	33	33	Yes
Satish Gupta	33	33	Yes
Usha Gupta	33	33	Yes
Mahavir Singh	33	4	Yes
Satpal Garg	33	33	Yes
Ravinder Krishan	33	4	Yes
Manav Gupta	33	33	Yes
Manit Gupta	33	33	Yes
Sonia Aggarwal	33	4	Yes

#### **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:
- Company's financial reporting process;
  - the integrity of the Company's financial statements as per authority and responsibilities provided in the Charter;
  - Auditors qualifications and independence;
  - 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 31<sup>st</sup> March, 2016. 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 25.5.2015, 12.08.2015, 14.11.2015, 08.02.2016.

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 Registrars, 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 lodgement with the Company. There was no complaint pending as on 31<sup>st</sup> March 2016.

**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, 2016 were in the ordinary course of business and on an arms 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
22nd	31.03.2013	Chandigarh Club, Sector-1, Chandigarh	28.09.2013	10:00 AM	2
23rd	31.03.2014	Chandigarh Club, Sector-1, Chandigarh	30.09.2014	10:00 AM	9
24th	31.03.2015	Chandigarh Club, Sector-1, Chandigarh	30.09.2015	09:30 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**

- 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.
- Details of non-compliance by the Company, penalties, 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**

- The 25th Annual General Meeting is proposed to be held for the Financial Year: April 01, 2015 to March 31, 2016.
- Annual General Meeting for the Financial Year 2015-2016**  
Date September 30, 2016  
Venue Chandigarh Club Sector-1, Chandigarh  
Time 10.00 AM  
Book Closure Date: Friday, 23<sup>rd</sup> September 2016 to Friday 30<sup>th</sup> September 2016 (both days inclusive)  
Last Date of receipt of Proxy Forms Wednesday, 28<sup>th</sup> September 2016



### 3. Tentative Financial Calendar for 2016-2017

The financial year of the Company is for a period of 12 months from 1st April 2016 to 31st March, 2017.

First Quarterly results	August, 2016
Second Quarterly/Half Yearly results	November, 2016
Third Quarter results	February, 2017
Annual Results for the year ending on March 31, 2017	May, 2017
Annual General Meeting for the year ending on March 31, 2017	September, 2017

### 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,

25<sup>th</sup> 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 o Traded Qty	* Spread	
										H	L
Apr 15	116.90	132.80	91.40	97.60	3,50,165	5,334	4,03,26,148	2,76,928	79.09	41.40	-19.30
May 15	101.00	110.00	87.30	97.30	2,47,411	2,622	2,37,33,224	1,98,381	80.18	22.70	-3.70
Jun 15	96.30	100.00	82.10	88.95	1,87,098	1,556	1,70,31,629	1,44,334	77.14	17.90	-7.35
Jul 15	88.00	143.00	86.10	140.00	10,00,131	8,718	11,77,07,252	7,02,077	70.20	56.90	52.00
Aug 15	139.70	178.00	115.00	130.80	8,40,869	9,695	12,60,58,478	5,73,271	68.18	63.00	-8.90
Sep 15	130.00	155.00	110.50	145.50	2,69,119	3,570	3,66,58,503	1,95,819	72.76	44.50	15.50
Oct 15	149.90	185.40	145.30	165.70	4,12,043	4,312	6,92,45,900	3,00,966	73.04	40.10	15.80
Nov 15	171.90	173.00	142.00	165.60	2,61,968	2,493	4,15,03,761	1,79,819	68.64	31.00	-6.30
Dec 15	166.30	224.00	152.20	209.20	7,40,955	7,785	14,41,36,260	5,03,447	67.95	71.80	42.90
Jan 16	210.00	227.50	165.70	189.80	4,95,886	5,540	9,63,38,598	3,66,372	73.88	61.80	-20.20
Feb 16	194.00	213.00	152.60	157.50	3,84,597	4,798	7,31,13,200	2,82,800	73.53	60.40	-36.50
Mar 16	161.70	205.00	161.70	194.20	2,85,643	3,203	5,28,83,699	2,02,950	71.05	43.30	32.50

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

#### 6. Distribution of Shareholding as on 31.03.2016

Range	No. of Shares	% age
1 - 2500	219823	3.005
2501-5000	273383	3.737
5001 - 10000	261525	3.575
10001 - 20000	195706	2.675
20001 - 30000	180079	2.461
30001 - 40000	76381	1.044
40001 - 50000	141881	1.939
50001 - 100000	266865	3.648
100001 & above	5700557	77.916
<b>TOTAL</b>	<b>7316200</b>	<b>100.00</b>

#### 7. Shareholding pattern of the Company as on 31.03.2016

Category	No. of Shares Held	%age of Shareholding
Promoters	4304056	58.83
Corporate Bodies	429138	5.87
Indian Public	2295736	31.38
NRIs / OCBs	134612	1.84
HUF	73719	1.00
Clearing Members	78939	1.08
<b>TOTAL</b>	<b>7316200</b>	<b>100.00</b>

#### 8. Dematerialisation 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, 2016, 89.3% of the Company's total shares representing 65,32,793 shares are held in dematerialised form and 10.7% representing 7,83,407 shares are in physical form.

Category	Number		% of total equity
	Shareholders	Shares	
<b>Demat Mode</b>			
NSDL	1665	5460345	74.6
CDSL	1112	1072448	14.7
<b>Total</b>	<b>2777</b>	<b>6532793</b>	<b>89.3</b>
<b>Physical Mode</b>			
	<b>790</b>	<b>783407</b>	<b>10.7</b>
<b>Grand Total</b>	<b>3567</b>	<b>7316200</b>	<b>100.0</b>

#### 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 31<sup>st</sup> March 2016.*

#### 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 2015 to 31st March 2016: 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**

Stylam Industries Limited  
Plot No 192-193 Industrial Area Phase I  
Panchkula 134 108 (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 5021490 Email:cs@stylam.com	Mr. Sunil Mishra Link Intime India Private Limited A-40 2 <sup>nd</sup> Floor Naraina Industrial Area Phase II Near Batra Banquet Hall New Delhi 110 028 Ph: 011-41410592-93-94 Email: delhi@linkintime.co.in
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**13. Name and Designation of Compliance Officer**

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

***Means of Communication***

1. Half-Yearly Report is not sent to each shareholder as half yearly results are intimated to Stock Exchanges.
2. 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.
3. 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.
4. 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 2015-2016**

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 31<sup>st</sup> March 2016 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 Companys 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 2016 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.

Date: 26.07.2016  
Place: Chandigarh

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 2016 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For SUNIL K. SOOD & Co.  
Chartered Accountant  
Firm's Regd. No. 7564

Date: 12.08.2016  
Place: Panchkula

CA SUNIL KUMAR SOOD  
Proprietor  
M. No. 81778

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

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

We Jagdish Gupta Managing Director & CEO and Manav Gupta- Whole-time Director & CFO of Stylam Industries Limited certify to the Board in terms of the requirement of Clause 49 IX of the Listing Agreement with the Stock Exchanges that we have reviewed the financial statement and cash flow statement of the Company for the financial year ended March 31 2016.

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

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

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

3. We do further certify that there has been:

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

Date: May 26 2016  
Place: Chandigarh

Jagdish Gupta  
Managing Director & CEO

Manav Gupta  
Whole-time Director& 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 Exchanges I hereby declare that all the Board members and senior management personnel of the Company have complied with Code of Conduct and Ethics of the Company for the year ended March 31 2016.

Date: May 26 2016  
Place: Chandigarh

Jagdish Gupta  
Managing Director & CEO

## ANNEXURE - III

### 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 1002.20 lakhs

#### Prescribed CSR Expenditure (two percent of above)

The Company is required to spend Rs.20.04 lakhs towards CSR.

#### 5. Details of CSR spend for the financial year:

- Total amount spent for the financial year: Rs 4.03 lakh
- Amount unspent if any: Rs.16.01 Lakh (after considering the disbursed and committed amount)

Manner in which the amount spent during the financial year 2015-16 is given below

(Rs. in Lakh)

SL	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
					Direct expenditure	Overheads		
	Sanitation	Clause I	Haryana	5.00	4.03	-	4.03	Direct
	Rural Development	Clause X	Haryana	5.50	-	-	-	Direct
	Promoting / preventing health care	Clause I	Haryana	5.36	-	-	-	Direct
	Total Funds committed			15.86	4.03	-	4.03	

The Company has explained the reasons for shortfall in CSR spending during the year under review in the Report of the Board of Directors.

#### 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 31.03.2016  
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-7C Chandigarh-160019 Ph.No. +0172-5021555
6.	Whether listed company	YES
7.	Name Address & contact details of the Registrar & Transfer Agent if any.	Linkintime 44 Community Centre Phase-I Near PVR Naraina Ind. Area New Delhi-110028 Phone: +91 11 4141 0592 Email- <a href="mailto:sunil.mishra@linkintime.co.in">sunil.mishra@linkintime.co.in</a>

**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)****i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a. Individual/ HUF	4304056	-	4304056	58.83%	4304056	-	4304056	58.83%	0%



b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a. NRI - Individuals	-	-	-	-	-	-	-	-	-
b. Other - Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp	-	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>4304056</b>	<b>0</b>	<b>4304056</b>	<b>58.83%</b>	<b>4304056</b>	<b>0</b>	<b>4304056</b>	<b>58.83%</b>	<b>0%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b. Venture Capital Funds	-	-	-	-	-	-	-	-	-
c. Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d. Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e. Foreign Portfolio Investor	-	-	-	-	66275	0	66275	0.90%	0.90%
f. Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
g. Insurance Companies	-	-	-	-	-	-	-	-	-
h. Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66275</b>	<b>0</b>	<b>66275</b>	<b>0.90%</b>	<b>0.90%</b>
<b>2. Central Govt/ State Govt(s)/President of India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>3. Non-Institutions</b>									
a. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	837901	349907	1187808	16.24%	1048060	331907	1379967	18.86%	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	793708	390900	1184608	16.19%	524869	390900	915769	12.52%	
b. NBFC registered with RBI	-	-	-	-	-	-	-	-	-
c. Employee Trusts	-	-	-	-	-	-	-	-	-
d. Overseas Depositories (holding DRs)									
e. Any other (specify)	175704		175704	2.40%	-	-	-	-	-
Hindu Undivided Family	-	-	-	-	73719		73719	1.01%	
Non Resident Indian(Non Repat)	-	-	-	-	8224		8224	0.11%	
Non Resident Indian(Repat)	-	-	-	-	60113		60113	0.82%	
Clearing Member	-	-	-	-	78939		78939	1.08%	
Bodies Corporate	403424	60600	464024	6.34%	368538	60600	429138	5.87%	

Sub Total (B)(3)	2210737	801407	3012144	41.17%	2162462	783407	2945869	40.27%	
Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3)	2210737	801407	3012144	41.17%	2228737	783407	3012144	41.17%	
Total (A)+(B)									
C. Non-Promoter- Non Public									
(1) Custodian/DR Holder									
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefir) Regulations, 2014)	0	0	0	0%	0	0	0	0%	0%
Grand Total (A)+(B)+(C)	6514793	801407	7316200	100%	6532793	783407	7316200	100%	

## ii. Share-holding of Promoters

Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)		
	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	13.47	6.83	985450	13.47	6.83
SATISH GUPTA	868963	11.88	6.83	868963	11.88	6.83
USHA GUPTA	712875	9.75		712875	9.75	
PUSHPA GUPTA	550970	7.53		550970	7.53	
MANIT GUPTA	412198	5.63		412198	5.63	
RATTAN DEVI	385700	5.27		385700	5.27	
NIDHI GUPTA	184100	2.52		184100	2.52	
DIPTI GUPTA	170700	2.33		170700	2.33	
SARU GUPTA	33100	0.45		33100	0.45	
Total	4304056	58.83	13.66	4304056	58.83	13.66

## 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 (01.04.2015)	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 (31.03.2016)	4304056	58.83

## 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 31.03.2016)	Buy / Sale	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company

1.	WALLFORT SHARE & STOCK BROKERS PRIVATE LIMITED					
	At the beginning of the year		-	-		
	Changes during the year	Buy	105000	1.44		
	At the end of the year				105000	1.44
2	ANGEL FINCAP PRIVATE LIMITED					
	At the beginning of the year		1	0.00		
	Changes during the year	Buy	24731	0.33		
	At the end of the year				24732	0.33
3	SHOBHA GOLECHA					
	At the beginning of the year		-	-		
	Changes during the year	Buy	25000	0.34		
	At the end of the year				25000	0.34
4	ANAND PRAKASH					
	At the beginning of the year		34550	0.47		
	Changes during the year	Sale	6850	0.09		
	At the end of the year				27700	0.38
5	YASH GOLECHA					
	At the beginning of the year		-	-		
	Changes during the year	Buy	30000	0.41		
	At the end of the year				30000	0.41
6	SUGANDHI SUD					
	At the beginning of the year		20000	0.27		
	Changes during the year	Buy	10000	0.14		
	At the end of the year				30000	0.41
7	DOLLY KHANNA					
	At the beginning of the year		28917	0.39		
	Changes during the year	Buy	5439	0.07		
	At the end of the year				34356	0.46
8	MOHUR INVESTMENT & CONSULTANCY P LTD					
	At the beginning of the year		-	-		
	Changes during the year	Buy	38500	0.52		
	At the end of the year				38500	0.52
9	JUHI ANIL GOEL					
	At the beginning of the year		35000	4.78		
	Changes during the year	Buy	3750	0.05		
	At the end of the year				38750	0.53
10	POLUS GLOBAL FUND					
	At the beginning of the year					
	Changes during the year	Buy	66275	0.90		
	At the end of the year				66275	0.90
11	DHEERAJ KUMAR LOHIA					
	At the beginning of the year		45593	0.62		
	Changes during the year	Buy	44850	0.61		
	At the end of the year				90443	1.24

#### v. Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Name of Directors / KMPs								
	JAGDISH GUPTA	SATISH GUPTA	USHA GUPTA	PUSHPA GUPTA	MANIT GUPTA	RATTAN DEVI	NIDHI GUPTA	DIPTI GUPTA	SARU GUPTA
At the beginning of the year	985450	868963	712875	550970	412198	385700	184100	170700	33100
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	868963	712875	550970	412198	385700	184100	170700	33100

## 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.)
<b>Indebtedness at the beginning of the financial year (2015-16)</b>				
i) Principal Amount	281958490	120241459	-	402199949
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2831330	-	-	2831330
<b>Total (i+ii+iii)</b>	<b>284789820</b>	<b>120241459</b>	<b>-</b>	<b>405031279</b>
<b>Change in Indebtedness during the financial year</b>				
<b>Addition</b>				
i) Principal Amount	233628828	101089932	-	334718760
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	141687	-	-	141687
<b>Total (i+ii+iii)</b>	<b>233770515</b>	<b>101089932</b>	<b>-</b>	<b>334860447</b>
<b>Reduction</b>				
i) Principal Amount	26112567	32042576	-	58155143
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2831330	-	-	2831330
<b>Total (i+ii+iii)</b>	<b>28943897</b>	<b>32042576</b>	<b>-</b>	<b>60986473</b>
<b>Net Change</b>	<b>489616438</b>	<b>189288815</b>	<b>-</b>	<b>678905253</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	489474751	189288815	-	678763566
ii) Interest due but not paid	141687	0	-	141687
iii) Interest accrued but not due	0	0	-	0
<b>Total (i+ii+iii)</b>	<b>489616438</b>	<b>189288815</b>	<b>-</b>	<b>678905253</b>

## 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
------	-----------------------------	---------------------------	-------

		Jagdish Gupta	Satish Gupta	Manav Gupta	Usha Gupta	Amount
1	Gross salary	51,00,000	51,00,000	18,00,000	14,40,000	134,40,000
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)	51,00,000	51,00,000	18,00,000	14,40,000	134,40,000
	Ceiling as per the Act	Rs 2.43 crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

**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	
	<b>Total (1)</b>	
2	Other Non-Executive Directors	
	Fee for attending board & committee meetings	
	Commission	
	Others, please specify	
	<b>Total (2)</b>	
	Total (B) = (1+2)	
	<b>Total Managerial Remuneration (A+B)</b>	
	Overall Ceiling as per the Act Rs. 2.67 crores (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

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

S.No	Particulars of Remuneration	Ms. Sonia Arora	Total Amount
1	Gross salary	305028	305028
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)	305028	305028

**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)
<b>A. Company</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

On behalf of Board of Directors

Date: 12<sup>th</sup> August, 2016

Place: Chandigarh

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 2016.**

### **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;
- Establishment 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 Lakhs

<i>Earning on account of</i>	<i>2015-16</i>
<i>FOB value of Export</i>	17339.53
<i>Total</i>	17339.53
<i>Outgo on account of</i>	
Raw Material	8680.81
Components & Spare Parts	223.08
Capital Goods	525.58
Other Expenditures	601.58
<i>Total</i>	10031.05



32  
YEARS

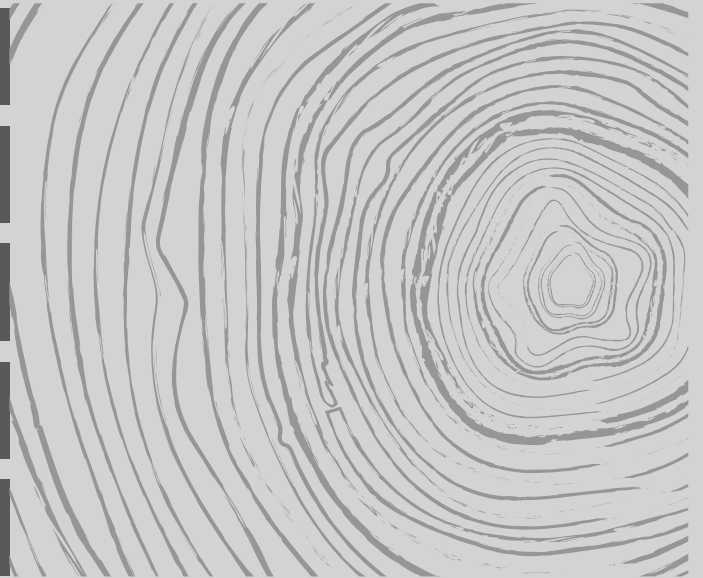
# Financial Statements



Victorious is  
the clan that  
stands united.

## Financial Statements

- Independent Auditors' Report
- Balance Sheet
- Statement of Profit and Loss
- Cash Flow Statement
- Notes



## **INDEPENDENT AUDITORS REPORT**

### **TO THE MEMBERS OF STYLAM INDUSTRIES LIMITED**

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

We have audited the accompanying standalone financial statements of M/s STYLAM INDUSTRIES LIMITED (the company), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Managements Responsibility for the Standalone Financial Statements**

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

#### **Auditors Responsibility**

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

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

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2016 (the Order), as amended, 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 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 law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us)
  - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, 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 and
  - g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts, including 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.

**For SUNIL K. SOOD & Co.**  
Chartered Accountants  
Firms Regd. No. :7564

Dated: 26-05-2016  
Place: Panchkula

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

### **Annexure A to the Independent Auditors Report**

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 2016, 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, Duty of Customs, Duty of Excise, Value added Tax, Cess 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, 2016 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, duty of customs, duty of excise, value added 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.10.25	AY 2010-11	CIT (Appeals)
Income Tax Act, 1961	Rs. 2.05	AY 2011-12	CIT (Appeals)
Income Tax Act, 1961	Rs. 3.40	AY 2012-13	CIT (Appeals)
Income Tax Act, 1961	Rs.98.48*	AY 2013-14	CIT (Appeals)

\* 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) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 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.

## **Annexure B to the Auditors Report**

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

We have audited the internal financial controls over financial reporting of Stylam Industries Limited (the Company) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### ***Managements 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, 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, 2016, 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.

**For SUNIL K. SOOD & Co.**  
Chartered Accountants  
Firms Regd. No. :7564

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

Dated: 26-05-2016  
Place: Panchkula

<b>BALANCE SHEET AS AT 31st March, 2016</b>		(Figures in Rs.)	
<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>EQUITY AND LIABILITIES</b>			
Share Capital	1	73,162,000	73,162,000
Reserves and Surplus	2	488,768,393	367,290,951
<b>Sub-total - Shareholders' Funds</b>		<b>561,930,393</b>	<b>440,452,951</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	627,739,263	378,334,574
Deferred Tax Liabilities (Net)	4	20,095,397	16,105,051
<b>Sub-total - Non-Current Liabilities</b>		<b>647,834,660</b>	<b>394,439,625</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	5	492,415,905	415,107,230
Trade Payables	6	197,090,322	130,944,373
Other Current Liabilities	7	172,060,625	86,520,901
Short Term Provisions	8	39,643,967	26,919,252
<b>Sub-total - Current Liabilities</b>		<b>901,210,819</b>	<b>659,491,756</b>
<b>TOTAL</b>		<b>2,110,975,872</b>	<b>1,494,384,332</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		562,909,172	486,411,785
Capital Work-In-Progress		560,486,895	307,331,931
Long Term Loans and Advances		-	-
<b>Sub-total - Non-Current Assets</b>		<b>1,123,396,067</b>	<b>793,743,716</b>
<b>Current Assets</b>			
Inventories	10	431,921,216	254,501,867
Trade Receivables	11	401,037,440	335,661,852
Cash and Cash Equivalents	12	16,605,992	19,329,023
Short Term Loans and Advances	13	130,945,400	87,517,649
Other Current Assets	14	7,069,757	3,630,225
<b>Sub-total - Current Assets</b>		<b>987,579,805</b>	<b>700,640,616</b>
<b>TOTAL</b>		<b>2,110,975,872</b>	<b>1,494,384,332</b>
Significant Accounting Policies			
Notes on Financial Statements 1 to 25			
As per Report of even date attached			
FOR SUNIL K. SOOD & CO. CHARTERED ACCOUNTANTS			
CA SUNIL KUMAR SOOD PROPRIETOR Membership No.81778	JAGDISH GUPTA MANAGING DIRECTOR	SATISH GUPTA EXECUTIVE DIRECTOR	
DATE : 26.05.2016 PLACE : Chandigarh	MANAV GUPTA WHOLE-TIME DIRECTOR-CFO	SANJEEV VAID DGM-F&A	SONIA ARORA COMPANY SECRETARY Membership No.25863

**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31st March 2016**

(Figures in Rs.)

Particulars	Note No.	Year ended 31st March 2016	Year ended 31st March 2015
<b>Income from operations</b>			
Net Revenue	15	2,494,122,050	2,141,713,845
Other Income	16	6,466,933	2,872,685
<b>Total Income from operations (Net)</b>		<b>2,500,588,983</b>	<b>2,144,586,529</b>
<b>Total Expenditure</b>			
Cost of Materials Consumed	17	1,377,873,810	1,272,758,587
Purchase of Stock-in-Trade	18	76,960,990	39,829,217
(Increase)/Decrease in Finishes	19	(36,857,343)	(12,447,039)
Stock-in-progress and Stock-in-trade			
Employee Benefits Expense	20	186,701,556	131,146,362
Finance costs	21	64,634,557	49,298,387
Depreciation and Amortization	22	46,476,165	41,992,929
Other Expenses	23	588,000,801	482,918,022
<b>Total Expenditure</b>		<b>2,303,790,536</b>	<b>2,005,496,465</b>
Profit from ordinary activities		196,798,447	39,090,064
Profit from ordinary activities before tax (after exceptional items)		196,798,447	39,090,065
Tax expenses			
Current Tax		67,128,128	43,982,967
Income Tax of Earlier years		4,202,531	-
Deferred Tax		3,990,346	1,178,581
<b>Profit/ (Loss) for the period</b>		<b>121,477,442</b>	<b>93,928,516</b>
Earnings per Equity Share:			
Basic and Diluted	24	16.60	12.84
Significant Accounting Policies	25		
Notes on Financial Statements	1 to 25		

As per Report of even date attached

 FOR SUNIL K. SOOD & CO.  
 CHARTERED ACCOUNTANTS

 CA SUNIL KUMAR SOOD  
 PROPRIETOR  
 Membership No.81778

 JAGDISH GUPTA  
 MANAGING DIRECTOR

 SATISH GUPTA  
 EXECUTIVE DIRECTOR

 DATE : 26.05.2016  
 PLACE : Chandigarh

 MANAV GUPTA  
 WHOLE-TIME DIRECTOR-CFO

 SANJEEV VAID  
 DGM- F & A

 SONIA ARORA  
 COMPANY SECRETARY  
 Membership No. 25863

<b>Cash Flow Statement for the year ended 31-03-2016</b>		<b>(Figures in Rs.)</b>		
<b>Particulars</b>	<b>2015-16</b>		<b>2014-15</b>	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax	196,798,447	196,798,447	139,090,065	139,090,065
Adjustments for:				
Depreciation and amortization	46,476,165	110,446,521	41,992,929	89,450,111
Extraordinary Items	-		-	
(Profit) / loss on sale / write off of assets	(61,555)		(7,703)	
Finance costs	64,634,557		49,298,387	
Interest income	(602,646)		(1,833,502)	
Operating profit / (loss) before working capital changes		307,244,968		228,540,176
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(65,375,588)	(289,662,220)	(72,819,850)	(114,877,524)
Inventories	(177,419,349)		(8,147,491)	
Short-term loans and advances	(43,427,751)		(34,580,864)	
Other current assets	(3,439,532)		670,682	
Other non-current assets	-		-	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	66,145,949	147,428,776	(12,092,395)	(26,304,569)
Other current liabilities	85,539,724		(17,357,728)	
Short-term provisions	(4,256,897)		3,145,554	
Long-term provisions	-		-	
		165,011,524		87,358,083
Cash flow from extraordinary items		-		-
Cash generated from operations		165,011,524		87,358,083
Net income tax (paid) / refunds		(54,349,047)		(30,159,948)
Net cash flow from / (used in) operating activities (A)		110,662,477		57,198,135
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(376,481,961)		(125,146,534)	
Proceeds from sale of fixed assets	415,000		32,500	
Long-term loans and advances	-		-	
Interest received	602,646		1,833,502	
Dividend received	-		-	
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) investing activities (B)		(375,464,315)		(123,280,532)
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	-		-	
Proceeds from long-term borrowings	249,404,688		84,004,111	
Proceeds from other short-term borrowings	77,308,674		15,062,605	
Finance cost	(64,634,557)		49,298,387)	
Cash flow from extraordinary items	-	-	-	-

Net cash flow from / (used in) financing activities (C)		262,078,805		49,768,329
Net increase / (decrease) in Cash and cash equivalents (A+C-B)		(2,723,032)		(16,314,068)
Cash and cash equivalents at the beginning of the year		19,329,023		35,643,091
Cash and cash equivalents at the end of the year		16,605,992		19,329,023
See accompanying notes forming part of the financial statements				
As per our report of even date attached				
FOR SUNIL K. SOOD & CO. CHARTERED ACCOUNTANTS		For and on behalf of the Board		
SUNIL K SOOD PROPRIETOR Membership No. 81778	JAGDISH GUPTA MANAGING DIRECTOR	SATISH GUPTA EXECUTIVE DIRECTOR		
DATE : 26.05.2016	MANAV GUPTA WHOLE-TIME DIRECTOR-CFO	SANJEEV VAID DGM-F&A	SONIA ARORA COMPANY SECRETARY Membership No. 25863	

## **1. DISCLOSURE OF ACCOUNTING POLICIES**

### **Basis for Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, (GAAP) comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2014, under the provisions of the Companies Act, 2013.

### **Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on managements best knowledge of current assets and actions, actual results could differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

### **2. Valuation of Inventories**

- a) Raw Materials, components, stores & spares are valued at lower of cost or net realizable value.
- b) Material in transit, are valued at cost to date.
- c) Work in progress and finished goods are valued at lower of cost or net realizable value. Cost includes direct materials and labour and proportion of manufacturing overheads.

### **3. Cash Flow Statement**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated. Cash and cash equivalents in the balance sheet comprise cash at bank & cash in hand and short term investments.

#### **4. Revenue Recognition**

##### **(i) Sale of Goods**

Revenue from sale of goods is recognized upon passage of title to the customers, in accordance with the Sale of Goods Act, 1930.

The company collects Sales Taxes & Value Added Taxes (VAT) on behalf of the Government and therefore, these are not economic benefits flowing to the company. Hence they are excluded from Revenue.

(ii) Export incentive under various schemes notified by the Government has been recognized on the accrual basis.

Custom Duties benefits in the form of advance license entitlements are recognized on export of goods are set-off from materials cost.

#### **5. Tangible Assets and Capital work-in-progress**

Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Cost comprises of Purchase price inclusive of duties (net of Cenvat), incidental expenses, upto the date the asset is ready for its intended use.

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

#### **6. Depreciation and amortization**

Depreciation on fixed assets is provided on the straight-line method over the useful lives of assets as per Schedule II of Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

#### **7. Foreign Currency Transactions**

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

#### **8. Retirement benefits to employees**

Provident Fund: Retirement benefit in the form of Provident Fund is charged to Statement of Profit & loss for the year when the employee renders the service.

Gratuity: The Company provides for gratuity covering to eligible employees. The Gratuity provides for an amount based on the respective employee's salary and the tenure of employment with the Company .

#### **9. Borrowing Costs**

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

#### **10. Contingencies and Events Occurring after Balance Sheet date**

Events occurring after the date of balance sheet are considered upto the date of finalization of Balance Sheet.

#### **11. Provisions and contingent liabilities**

Provisions are made for the present obligations arising as a result of past event.

Contingent liabilities are not provided for but are disclosed by way of Notes to Accounts. Contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

#### **12. Excise Duty**

Excise Duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods.

#### **13. Taxation**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and the reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax can be realized.

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

#### **14. Earning per Share**

Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the number of equity shares outstanding during the period.

## Notes on Financial Statements for the Year ended 31st March, 2016

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

1	Share Capital	( Figures in Rs.)	
		As at 31st March 2016	As at 31st March-15
	Authorised Share Capital 80,50,000 Equity shares of Rs.10	80,500,000	80,500,000
	Issued, Subscribed, Paid-up Share Capital		
	73,16,200 Equity shares of Rs.10 each fully paid	<u>73,162,000</u>	<u>73,162,000</u>
	<b>Total</b>	<b><u>73,162,000</u></b>	<b><u>73,162,000</u></b>

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

S No.	Name of the shareholder	As at 31st March 2016		As at 31st March-15	
		Number of shares	% of shareholding	Number of shares	% of shareholding
1	Jagdish Gupta	985450	13.47%	985450	13.47%
2	Satish Gupta	868963	11.88%	868963	11.88%
3	Manit Gupta	412198	5.63%	412198	5.63%
4	Usha Gupta	712875	9.74%	712875	9.74%
5	Pushpa Gupta	550970	7.53%	550970	7.53%
6	Rattan Devi	385700	5.27%	385700	5.27%

2	Reserves and surplus	As at 31st March 2016		As at 31st March-15	
		a	Capital Reserve		
	As per last Balance Sheet		2,836,000		2,836,000
	B General Reserve				
	As per last Balance Sheet	364,454,951		270,526,435	
	Add: Transferred from Profit and Loss	<u>121,477,442</u>	<u>485,932,393</u>	<u>93,928,516</u>	<u>364,454,951</u>
	<b>Total</b>		<b><u>488,768,393</u></b>		<b><u>367,290,951</u></b>

3	Long Term Borrowings	As at 31st March 2016		As at 31st March-15	
			The long term borrowings other than installments payable during the next financial year are detailed below: -		
	Secured Loans (Ref Note No. 3.1)		438,450,448		258,093,115
	Unsecured Loans ( Ref Note No. 3.2)		<u>189,288,815</u>		<u>120,241,459</u>
	<b>Total</b>		<b><u>627,739,263</u></b>		<b><u>378,334,574</u></b>

3.1	Secured Term Loan * - From Banks	As at 31st March 2016		As at 31st March-15	
		A	Foreign Currency Loan	343,631,537	
	B Buyers Credit	35,248,349		-	
	C Rupee Loan	48,772,073		736,532	



**- From Financial Institution**

A Rupee Loans	-	208,079,230
Vehicle Loans **	<u>10,798,489</u>	<u>1,986,883</u>
Total	<u>438,450,448</u>	<u>258,093,115</u>

- \* Term Loan for IT Building financed by Kotak Mahindra Bank Ltd, is secured by first charge on immovable and movable property, both present and future, at Plot No.19, Sector-22, Information Technology Park, Panchkula, and second charge on the fixed assets at Plot No.192-193, Industrial Area, Phase-I, Panchkula. HDFC Bank Ltd has sanctioned for take-over of Term Loan. The take-over will complete in next Financial Year. The Term Loan has been sanctioned against the first charge on immovable and movable property, both present and future, at Plot No.19, Sector-22, Information Technology Park, Panchkula.

Term Loan taken for expansion of capacity at Manaktabra Distt. Panchkula and outstanding amount of Term Loan taken in 2012 is secured by mortgage & first charge on the immovable and movable properties of the company, both present and future, at Plot No.192-193, Industrial Area, Phase-I, Panchkula. The Term Loans are also secured by exclusive charge on land at Manaktabra, Raipur Rani, Distt. Panchkula and second charge on immovable property at Plot No.19, Sector-22, Information Technology Park, Panchkula.

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

- \* Finance of vehicles are secured by hypothecation of particular vehicle.

3.2	<b>Unsecured Loans</b>	<b>As at 31st March 2016</b>	<b>As at 31st March-15</b>
	From Directors	<u>189,288,815</u>	<u>120,241,459</u>
	Total	<u><u>189,288,815</u></u>	<u><u>120,241,459</u></u>

4	<b>Deferred Tax Liability (Net)</b>	<b>As at 31st March 2016</b>	<b>As at 31st March-15</b>
	At the commencement of the year	16,105,051	14,926,470
	Add: Provision during the year	<u>3,990,346</u>	<u>20,095,397</u>
	<b>Total</b>	<u><u>20,095,397</u></u>	<u><u>16,105,051</u></u>

5	<b>Short Term Borrowings</b>	<b>As at 31st March 2016</b>	<b>As at 31st March-15</b>
	Secured Loans (Ref Note No. 5.1 )	489,073,466	411,764,791
	Unsecured Loans ( Ref Note No. 5.2)	<u>3,342,439</u>	<u>3,342,439</u>
	<b>Total</b>	<u><u>492,415,905</u></u>	<u><u>415,107,230</u></u>

5.1	<b>Secured - From Banks</b>	<b>As at 31st March 2016</b>	<b>As at 31st March-15</b>
A	Working Capital Rupee Loans		
	<b>- Rupee Loans</b>		
	Cash Credit	45,349,558	44,997,139
	<b>- Foreign Currency Loans</b>		
	Packing Credit	408,863,872	308,878,309
	Buyers Credit	<u>34,860,036</u>	<u>57,889,343</u>
		<u>489,073,466</u>	<u>411,764,791</u>
	Total	<u><u>489,073,466</u></u>	<u><u>411,764,791</u></u>

All working Capital Loans are secured by first charge by way of hypothecation of current assets of the company and its branches and second charge over movable and immovable properties of the company at Plot No.192-193, Industrial Area, Phase-I, Panchkula and at Manaktabra, Raipur Rani, Distt. Panchkula

5.2	<b>Unsecured short term loans</b>	<b>As at 31st March 2016</b>	<b>As at 31st March-15</b>
	From Others	<u>3,342,439</u>	<u>3,342,439</u>
	Total	<u><u>3,342,439</u></u>	<u><u>3,342,439</u></u>

<b>6</b>	<b>Trade Payables</b>	<b>As at 31st March 2016</b>	<b>As at 31st March-15</b>
	Trade Payables	166,751,332	120,288,610
	Due to others	<u>30,338,990</u>	<u>10,655,763</u>
	<b>Total Trade Payables</b>	<b><u>197,090,322</u></b>	<b><u>130,944,373</u></b>
<b>7</b>	<b>Other Current Liabilities</b>	<b>As at 31st March 2016</b>	<b>As at 31st March-15</b>
	Current maturities of the long term debts	51,024,303	23,865,375
	Interest accrued but not due	141,687	264,436
	Interest accrued and due on borrowings	-	2,831,330
	Advance received from customers	26,206,085	15,013,173
	Cheques Issued But not Presented	13,274,102	5,788,531
	Unclaimed dividend	583,012	583,012
	Creditors for Capital Goods	7,144,174	3,412,652
	Expenses payable	26,382,766	22,067,200
	Statutory dues	10,845,489	3,440,752
	Security Deposit	<u>36,459,007</u>	<u>9,254,439</u>
	<b>Total</b>	<b><u>172,060,625</u></b>	<b><u>86,520,901</u></b>
	<b>8</b>	<b>Short term provisions</b>	<b>As at 31st March 2016</b>
Excise Duty on Finished Goods		11,629,046	6,249,019
Provision for Gratuity		4,742,413	3,440,474
Provision for Bonus		3,652,558	1,612,921
Provision for Leave Encashment		2,638,338	1,793,819
Provision for Income Tax (Net of Advance Tax)		<u>16,981,612</u>	<u>13,823,019</u>
<b>Total</b>		<b><u>39,643,967</u></b>	<b><u>26,919,252</u></b>

**9 Fixed Asset**

		Gross Fixed Assets				Depreciation				Net Block	
	Particulars	As at 31st March 2015	Addition	Deletion/ Adjust	As at 31st March 2016	As at 31st March 2015	For the year	Dedu ction/ Adjust	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
1	<b>Tangible Assets :</b> Land										
	Freehold Land	159,907,152	63,836,322	-	223,743,474	-	-	-	-	223,743,474	159,907,152
2	Building										
a	Factory Building	59,072,005	-	-	59,072,005	19,529,028	676,017	-	20,205,045	38,866,960	39,542,977
b	Showroom Building	25,323,412	-	-	25,323,412	437,651	400,332	-	837,983	24,485,429	24,885,761
3	Plant & Machinery	470,245,054	36,728,122	-	506,973,176	254,991,929	38,155,416	-	293,147,345	213,825,831	215,253,125
4	Equipments										
a	Factory Equipments	27,932,525	632,851	-	28,565,376	7,737,389	786,815	-	8,524,204	20,041,172	20,195,136
b	Computer Equipments	7,244,155	3,877,758	-	11,121,913	3,235,733	1,462,955	-	4,698,688	6,423,225	4,008,422
5	Furniture & Fixtures	8,941,839	198,593	-	9,140,432	3,287,047	791,076	-	4,078,123	5,062,309	5,654,792
6	Vehicles										
	Motor Vehicles	32,984,811	18,493,856	(2,447,981)	49,030,686	16,020,391	4,203,554	(1,654,031)	18,569,914	30,460,772	16,964,420
	<b>Total (A)</b>	791,650,952	123,767,502	(2,447,981)	912,970,473	305,239,168	46,476,165	(1,654,031)	350,061,302	562,909,172	486,411,784
	<b>Intangible Assets (B)</b>	-	-	-	-	-	-	-	-	-	-
	<b>Total (A+B)</b>	791,650,952	123,767,502	(2,447,981)	912,970,473	305,239,168	46,476,165	(1,654,031)	350,061,302	562,909,172	486,411,784
	Previous Year	770,255,040	21,454,517	(58,605)	791,650,952	263,280,046	41,992,929	(33,808)	305,239,167	486,411,785	506,974,994
	Capital Work-in-progress									560,486,895	307,331,931

10. Inventories	As at 31st March 2016	As at 31st March-15
Inventories are valued at cost or net realizable value whichever is less.		
Raw Materials	250,065,668	139,949,911
Raw Materials in transit	44,801,902	8,894,470
Work-in-progress	4,235,341	3,358,035
Finished goods	130,073,692	100,342,674
Stores and spares	2,744,613	1,956,777
<b>Total</b>	<b>431,921,216</b>	<b>254,501,867</b>
11. Trade Receivables	As at 31st March 2016	As at 31st March-15
Exceeding six months	22,237,418	25,942,782
Within six months	378,800,022	309,719,070
<b>Total</b>	<b>401,037,440</b>	<b>335,661,852</b>
* Unsecured and considered good		
* Trade Receivables balances are subject to confirmation		
12. Cash and cash equivalents	As at 31st March 2016	As at 31st March-15
Balance with schedule banks		
In Current accounts	2,918,429	2,631,267
In Deposit accounts	11,394,329	15,250,707
In Unclaimed Dividend accounts	583,012	583,012
Cheques in Hand	1,181,312	794,114
Cash in hand	528,910	69,922
<b>Total</b>	<b>16,605,992</b>	<b>19,329,023</b>
13. Short term loans and advances	As at 31st March 2016	As on 31st March-15
Balance with Custom, Central Excise Authorities	46,024,139	27,630,643
Deposits		
-with Statutory authorities	3,668,524	2,312,829
-with others	4,544,220	181,495
Prepaid expenses	718,625	669,192
Advance to suppliers	9,036,675	13,009,650
Capital Advances	63,694,474	14,805,749
Staff advances	2,150,143	625,892
Other receivable	1,108,600	28,282,199 *
<b>Total</b>	<b>130,945,400</b>	<b>87,517,649</b>
* Includes Rs278.00 Lacs reimbursement against Term Loan		

14. Other current assets	As at 31st March 2016	As on 31st March-15
Interest accrued but not due	51,112	533,592
Income tax paid under appeal	1,331,230	831,230
Income tax refundable	2,187,390	2,187,390
Vat Recoverable	<u>3,500,026</u>	<u>78,013</u>
<b>Total</b>	<b><u>7,069,757</u></b>	<b><u>3,630,225</u></b>

15. Revenue from Operations	FY 2015-16	FY 2014-15
A Sale of Products		
Gross Sale of Products		
-Domestic	771,848,041	516,047,255
-Exports	<u>1,784,211,526</u>	<u>1,642,986,034</u>
Total Revenue from sale of products	2,556,059,567	2,159,033,289
B Other Operating revenues		
-Export Incentives	25,722,958	24,395,026
-Exchange Gain/(Loss)	13,256,817	35,651,515
Total Gross Income	2,595,039,343	2,219,079,830
C Less: Excise Duty		
-Domestic	95,164,822	56,198,522
-Export	<u>5,752,470</u>	<u>21,167,463</u>
Total Excise Duty	<u>100,917,292</u>	<u>77,365,985</u>
<b>Net Revenue from Operations</b>	<b><u>2,494,122,050</u></b>	<b><u>2,141,713,845</u></b>

16. Other Income	FY 2015-16	FY 2014-15
Misc Income *	6,405,378	2,864,982
Profit on Sale of Fixed Assets	<u>61,555</u>	<u>7,703</u>
<b>Total Other Income</b>	<b><u>6,466,933</u></b>	<b><u>2,872,685</u></b>

\* Ref Note No.25.9

17. Cost of Materials Consumed	FY 2015-16		FY 2014-15	
	Amount	% of Consumption	Amount	% of Consumption
Imported	765,803,404	55.58%	758,479,904	59.59%
Indigenous	<u>612,070,406</u>	44.42%	<u>514,278,683</u>	40.41%
Total	<b><u>1,377,873,810</u></b>	100.00%	<b><u>1,272,758,587</u></b>	100.00%

<b>17.1</b>	<b>Particulars of Material Consumed</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
	Paper & Others	926,006,473	768,136,100
	Chemicals	<u>451,867,337</u>	504,622,487
	Total	<u><u>1,377,873,810</u></u>	<u><u>1,272,758,587</u></u>
<b>18.</b>	<b>Purchase of Stock-in-Trade</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
	Purchase	76,960,990	39,829,217
<b>19.</b>	<b>(Increase)/Decrease in Finished Goods, Stock-in-progress and Stock-in-trade</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
	Inventories ( At close)		
	Finished Goods/ Stock-in-Trade	130,073,692	100,342,674
	Stock-in-progress	<u>4,235,341</u>	<u>3,358,035</u>
		134,309,033	103,700,709
	Inventories ( At commencement)		
	Finished Goods/ Stock-in-Trade	100,342,674	90,604,352
	Less: Excise Duty	6,249,019	4,771,236
	Stock-in-progress	<u>3,358,035</u>	<u>5,420,554</u>
	<b>Total</b>	<u><b>(36,857,343)</b></u>	<u><b>(12,447,039)</b></u>
<b>20.</b>	<b>Employee Benefits Expense</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
	Salary and Wages	170,091,132	120,065,652
	Contribution to Provident and Other funds	4,418,139	2,978,908
	Staff Welfare	3,623,460	1,885,892
	Other Employee Benefits	<u>8,568,825</u>	<u>6,215,910</u>
	<b>Total</b>	<u><b>186,701,556</b></u>	<u><b>131,146,362</b></u>
<b>21.</b>	<b>Finance Costs</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
	Interest expenses	42,770,118	35,678,241
	Other borrowing costs	13,171,533	10,527,143
	Net Loss on foreign currency transactions and translations	<u>8,692,906</u>	<u>3,093,004</u>
	<b>Total</b>	<u><b>64,634,557</b></u>	<u><b>49,298,387</b></u>
<b>22.</b>	<b>Depreciation and amortizations expense</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
	Depreciation and Amortisation	<u>46,476,165</u>	<u>41,992,929</u>
	<b>Total</b>	<u><b>46,476,165</b></u>	<u><b>41,992,929</b></u>

23. Other Expenses		FY 2015-16	FY 2014-15
<b>a. Manufacturing Expenses</b>			
Stores & Packing Materials*	172,477,743	159,624,189	
Excise Duty	11,629,046	6,249,019	
Electric Power, Fuel and Water	122,628,039	105,127,997	
Repair to Building	3,618,102	3,378,683	
Repair to Machinery	<u>7,480,035</u>	<u>5,553,471</u>	
* Ref Note No.25.1		317,832,965	279,933,359
<b>b. Selling and Distribution Expenses</b>			
Export Expenses	55,789,581	73,278,327	
Distribution Expenses	31,713,107	10,133,027	
Business Promotion Expenses	39,645,364	20,399,156	
Export Commission	35,502,918	35,273,404	
Commission, Rebate & Discount *	31,035,859	17,257,255	
Certification Expenses	<u>1,786,116</u>	<u>2,096,121</u>	
* Ref Note No.25.10		195,472,945	158,437,291
<b>c. Establishment Expenses</b>			
Rent	17,623,956	7,941,825	
Insurance	2,296,911	3,102,885	
Payment to Auditors	130,000	130,000	
Other Repairs	5,987,239	3,251,892	
Computer Expenses	4,183,115	689,878	
Professional fees	3,422,008	1,619,533	
Rates & Taxes	1,436,284	969,273	
Travelling Expenses	16,615,523	11,497,680	
Director Travelling Expenses	9,531,735	6,738,534	
Loss on Sale of Fixed Assets	440,505	-	
Charity and Donation	352,800	104,100	
Corporate Social Responsibility	403,158	-	
Misc. Expenses *	<u>12,271,656</u>	<u>8,501,772</u>	
		<u>74,694,891</u>	<u>44,547,372</u>
<b>Total</b>		<b><u>588,000,801</u></b>	<b><u>482,918,022</u></b>



<b>24. Earnings Per Share (EPS)</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
Net profit after tax as per Statement of Profit and Loss attributable to equity shareholders	121,477,442	93,928,516
Weighted Average number of equity shares used as denominator for calculating EPS	7,316,200	7,316,200
Basic and Diluted Earning Per Share	16.60	12.84
Face Value per Equity Share	10.00	10.00

**25. Additional Information**

<b>25.1 Value of Stores and Packing Materials Consumed</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
Stores Consumed	94,282,077	77,882,333
Packing Material Consumed	<u>78,195,666</u>	<u>81,741,857</u>
	<b><u>172,477,743</u></b>	<b><u>159,624,189</u></b>
<b>25.2 Value of Imports calculated on C.I.F basis</b>		
Raw Materials	868,081,258	766,192,667
Components and spare parts	22,308,732	15,646,965
Capital Goods	52,558,253	
<b>25.3 Payments to Auditors as</b>		
<b>A As Auditor</b>		
Statutory Audit Fees	105,000	105,000
Tax Audit Fees	<u>25,000</u>	<u>25,000</u>
Total	<b><u>130,000</u></b>	<b><u>130,000</u></b>
<b>25.4 Expenditure in foreign currency on:-</b>		
Travelling & Exhibition Charges	5,775,464	5,383,394
Testing & Technical Fees	1,779,723	1,625,480
Bank Charges	5,908,804	3,807,267
Interest	14,367,031	11,045,116
Commission on Exports	32,327,014	35,273,404
<b>25.5 Earnings in Foreign Currency</b>		
Export of Goods calculated on FOB Basis	1,733,953,308	1,575,282,340

**25.6 Related Party Disclosures**

As per Accounting Standard 18, the disclosures of transactions with the related party are given below:

i. Key Management Personne;

S.No.	Name of Related Party	Relationship
1	M/s Golden Chemtech Private Limited	Enterprises over which Key Managerial Personnel are able to exercise significant influence

2	Mr.Jagdish Gupta (Managing Director)	Managerial Personnel & Their relatives
3	Mrs.Usha Gupta (Director)	Key Managerial Personnel & Their relatives
4	Mr.Manit Gupta (Director)	Key Managerial Personnel & Their relatives
5	Mr.Satish Gupta (Executive Director)	Key Managerial Personnel & Their relatives
6	Mrs.Pushpa Gupta (Wife of Executive Director)	Key Managerial Personnel & Their relatives
7	Mr.Manav Gupta (Director)	Key Managerial Personnel & Their relatives
8	Ms.Nidhi Gupta (Daughter of Managing Director)	Key Managerial Personnel & Their relatives
9	Ms.Dipti Gupta (Daughter of Executive Director)	Key Managerial Personnel & Their relatives

**ii Transactions during the year with related parties**

( Figures in Rs.)

Sr.	Nature of Transactions	Subsidiaries	Associates	Key Managerial Personnel	Entities over which Control is exercised	Total
Advance Taken	As at 31st March 2015	-	-	120,241,459	-	120,241,459
		-	-	(87,491,459)	-	(87,491,459)
	Taken during the year	-	-	101,089,933	-	101,089,933
		-	-	(43,850,000)	-	(43,850,000)
	Repaid during the year	-	-	32,042,576	-	32,042,576
		-	-	(11,100,000)	-	(11,100,000)
	As at 31st March 2016	-	-	189,288,815	-	189,288,815
		-	-	(120,241,459)	-	(120,241,459)
	Purchase of Material	-	-	-	35,614,983	35,614,983
		-	-	-	(8,011,861)	(8,011,861)
Sale of Material	-	-	-	3,366,804	3,366,804	
	-	-	-	(1,528,463)	(1,528,463)	
Payment of salaries	-	-	16,240,000	-	16,240,000	
	-	-	(14,590,000)	-	(14,590,000)	
Payment of Interest	-	-	19,432,809	-	19,432,809	
	-	-	(12,481,890)	-	(12,481,890)	
Rent Paid				12,000,000	12,000,000	
				(7,200,000)	(7,200,000)	

Note: Figure in brackets represents corresponding amounts of previous years

**25.7 Segment reporting:**

Company's operations predominantly comprise of only one segment i.e. Laminates.

**25.8 Contingent Liabilities and commitments to the extent not provided for**

**A. Contingent Liabilities**

Guarantees given to Bank in respect of Bills Discounting facility- Rs.42.74 Lacs (Previous Year Rs.157.16 Lacs)  
Letter of credit established but material not received amounting to Rs 239.40 Lacs

**B. Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)  
Rs.2170.00 lacs (Previous Year Rs 715.00 Lacs)

**C. Disputed Demands**

Disputed Demand of Statutory Dues in Appeal with Income Tax Authorities Rs 114.18 Lacs (Previous Year Rs.15.70 Lacs)

25.9	<b>Details of Miscellaneous Income</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>
	Commission Received	6,471	140,953
	Interest Received on FDR's	602,646	1,833,502
	Insurance Claim Received A/c	3,408,644	40,570
	Misc. Income	2,387,617	456,286
	Profit on SHIS License Purchased	-	393,671
	<b>Total</b>	<b><u>6,405,378</u></b>	<b><u>2,864,982</u></b>
25.10	<b>Details of Commission, Rebate &amp; Discount</b>		
	Commission -C&F	11,869,507	3,870,483
	Rebate & Discount	13,421,744	8,250,267
	Trade Schemes - Sales	4,946,730	842,964
	Cash Discount	727,176	2,121,690
	Special Discount	70,702	2,171,852
	<b>Total</b>	<b><u>31,035,859</u></b>	<b><u>17,257,255</u></b>
25.11	<b>Details of Miscellaneous Expenses</b>		
	Other Misc Expenses	377,874	405,622
	Festival Expenses	1,420,422	1,051,247
	Recruitment Expenses	210,660	126,296
	Swach Bharat Expenses	414,325	-
	Loss on Sale of MEIS Licence	213,041	-
	Printing & Stationery	1,128,187	456,929
	Office & General Expenses	3,097,092	1,244,486
	Postage & Telegram	2,074,926	2,192,863
	Membership & Subscription	166,855	195,419
	Telephone Expenses	2,506,369	1,279,094
	Electricity Charges	473,657	344,951
	Interest & Penalty	188,249	1,204,864
	<b>Total</b>	<b><u>12,271,656</u></b>	<b><u>8,501,772</u></b>

See accompanying notes forming part of the financial statements

As per our report of even date attached

FOR SUNIL K. SOOD & CO.  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

SUNIL K SOOD  
PROPRIETOR  
Membership No. 81778

JAGDISH GUPTA  
MANAGING DIRECTOR

SATISH GUPTA  
EXECUTIVE DIRECTOR

DATE : 26.05.2016

MANAV GUPTA  
WHOLE-TIME DIRECTOR-CFO

SANJEEV VAID  
DGM-F&A

SONIA ARORA  
COMPANY SECRETARY  
Membership No. 25863

## 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): ..... Email Id: .....

Registered address: ..... Folio/DP ID-Client ID No.:.....

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

(1) Name: .....Address: .....

Affix Re. 1/- Revenue Stamp
-----------------------------------

Email Id: .....Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Friday 30<sup>th</sup> Day of September, 2016 at Chandigarh Club Limited, Sector-1, Chandigarh at 10:00 a.m

Resolution No.	Resolution	Optional	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	Adoption of Financial Statement (Standalone & Consolidated), Board's Report and Auditors' Reports for the year ended March 31, 2016		
2	Reappointment of Ms. Usha Gupta, who retires by rotation		
3	Ratification of appointment of M/s Sunil K Sood , Chartered Accountants, as Statutory Auditors		
<b>SPECIAL BUSINESS</b>			
4	Ratification of remuneration of M/s. C.L.Bansal & Associates, Cost Accountants for financial year ending March 31, 2017		
5	Pursuant to Section 180(1)(c), to borrow funds for the limit not exceeding Rs.45cr in excess of paid-up capital and free reserves		
6	To increase remuneration of Sh.Jagdish Gupta, Managing Director to Rs.5,75,000/-		
7	To increase remuneration of Sh.Satish Gupta, Whole-Time Director to Rs.5,75,000/-		

Signed this ..... day of ....., 2016                      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 25th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

