



**Transforming  
Spaces.**

**Imbibing  
Excellence.**

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### Forward-looking Statement

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

The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified the information independently.

# Transforming Spaces. Imbibing Excellence.

As Asia's one of the largest laminates manufacturers, Stylam Industries Limited (Stylam) is known for creating industry benchmarks. Our world-class manufacturing and rigorous testing processes enable us to deliver differentiated products that meet global standards in quality, design and innovation.

With the pandemic disrupting the business environment, we used the time to reflect, organise, analyse, strategise and come back stronger. As economic activities gathered momentum in the second half, we recorded a sharp rebound in our operational as well as financial performance. Our monthly sales touched its highest ever level in March 2021. In further recognition of our excellence in foreign trade, we were upgraded to a Three Star Export House status. Also, our products now bear the coveted NSF mark, which provides an additional layer of assurance on safety. We exited the year recording one of the best margins in a decade, which reflects the growing share of value-added products in our overall sales.

We are also horizontally expanding into the plywood business, which provides a significantly larger opportunity landscape to drive the next leg of growth. An exciting future awaits, as we take confident strides to continue creating significant value for our stakeholders.

# Transforming for the next growth phase

At Stylam Industries Limited (Stylam), the global pandemic stress tested our business model to the maximum during FY21. However, we not only managed to maintain our revenues, but also significantly increased profitability through prudent measures encompassing shift to more value-added products, exports focus, and robust cost-saving initiatives.

## Stable revenues despite external challenges

**3%** growth in revenues despite two washout months owing to pandemic restrictions in domestic and international markets

Exports accounted for **69%** in sales mix, up from **62%**

## Delivering exponential shareholder value

**5X** growth in market capitalisation to **INR 1,183 cr** (March 31<sup>st</sup>, 2021)

## Fortifying balance sheet

Robust cashflow of **INR 79 cr** from operating activities

Cash balance increased by **148%** from last fiscal

Repaid debt of **INR 59 cr**

## Operating leverage playing out

**210 bps** increase in contribution margin to 48.1%

**280 bps** and **740 bps** expansions in operating and PAT margins, driven by robust cost-saving initiatives

## Bringing Vision 2025 closer to reality

Double revenues; increase capacity utilisation as capacity expansion in place

Augment share of value-added products

Expand domestic and international presence to widen our reach

Expanding horizontally to foray into the Plywood market

On course to be net debt-free by the end of FY22

18 [Read more](#)

22 [Read more](#)

Corporate identity

# Crafting spaces into beautiful memories

At Stylam, our extensive range of decorative laminates, specialty surfaces, PU+ lacquer coating, solid surfaces and compact laminates has become synonymous to high quality across India as well as Europe, the Far East, the Middle East and America. Available in a variety of lengths, thicknesses, sizes and colours, our products undergo rigorous testing and quality checks at par with global standards.

We are known for our uniform and superior sanding that ensures best bonding with substrates. We provide our users the option to choose from multiple finishes in high gloss, metallic, anti-bacterial, chalkboard, FR, electrostatic, magnetic, mirror, translucent, and chemical retardant laminates.

**14.3 mn sheets**

Annual production capacity

**1,200+**

Laminate designs

**120**

Textures and finishes

**65+ countries**

Global presence

**1,200+**

Strong workforce

## 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.

## Factsheet

Asia's largest single-location manufacturing laminate plant

India's largest laminate producer with a robust pan-India channel partner network

Largest capacity of hydraulic press in India, with 28 daylight openings in multiple sizes

'Three Star' export house with presence in 65+ countries

Strong brand recall in Europe – one of the world's most quality conscious markets

Global pioneer of the 'hot coating process' of PU+ lacquer coating on thin laminates made with a patented technology by KLEIBERIT and BARBERAN

Pioneer of solid acrylic surfaces in India, setting up the first production line to manufacture these products along with an additional line for non-porous modified acrylic solid surface

## Milestones

# Building on the legacy of delivering excellence

Beginning our journey in 1991, we have created a differentiated space for ourselves in both domestic and international markets. As we take confident strides in our next growth journey, we remain committed to adding value to life through our products that address our customers' evolving tastes and aspirations.

FY91

Incorporated as Golden Laminates Limited

FY95

Listed on the BSE (Bombay Stock Exchange) within just four years of operations

FY96

Recognised as an Export House by the Government of India

FY01

Expanded its presence as a global entity

FY10

Renamed as Stylam Industries Limited

FY12

Became the first Indian company to introduce HPL exterior cladding called 'Fascia'

FY13

- Introduced VIOLAM, our premium sub-brand
- Fascia HPL exterior cladding became the top-selling brand

FY15

Foundation laid for Asia's largest laminate manufacturing plant in Manak Tabra, Haryana

FY17

- Largest manufacturing unit at Panchkula, Haryana setup
- Became India's first manufacturer to launch restroom cubicles and lockers under the Cuboid brand
- Launched multiple products including premium range of special surfaces

FY18

Became the first Indian manufacturer to introduce acrylic solid surfaces under the GRANEX brand

FY19

Became the first Indian manufacturer to start using the world's first hot coating process machine

FY20

- Introduced the Short Cycle Press technique for making PreLam Board in both Anti Finger and High Gloss finishes
- Introduced modified solid surfaces

FY21

- Started work on the overall design, development and introduction of new innovative product ranges for the building materials industry, horizontally expanding into the Plywood business
- Received T-2 recognition from the Authorized Economic Operator (AEO) programme, under the aegis of the World Customs Organisation.
- Stock split 1:2

FY22\*

Listed on the NSE (National Stock Exchange) on August 2<sup>nd</sup>, 2021

\*Note: Post-balance sheet development

Presence

# Catering to vivid preferences globally

We have created a strong presence and recall value across the four continents we serve through our world-class manufacturing units. Further, we are widening our reach and presence in existing markets while expanding to cover new regions especially in international markets.

**65+ countries**

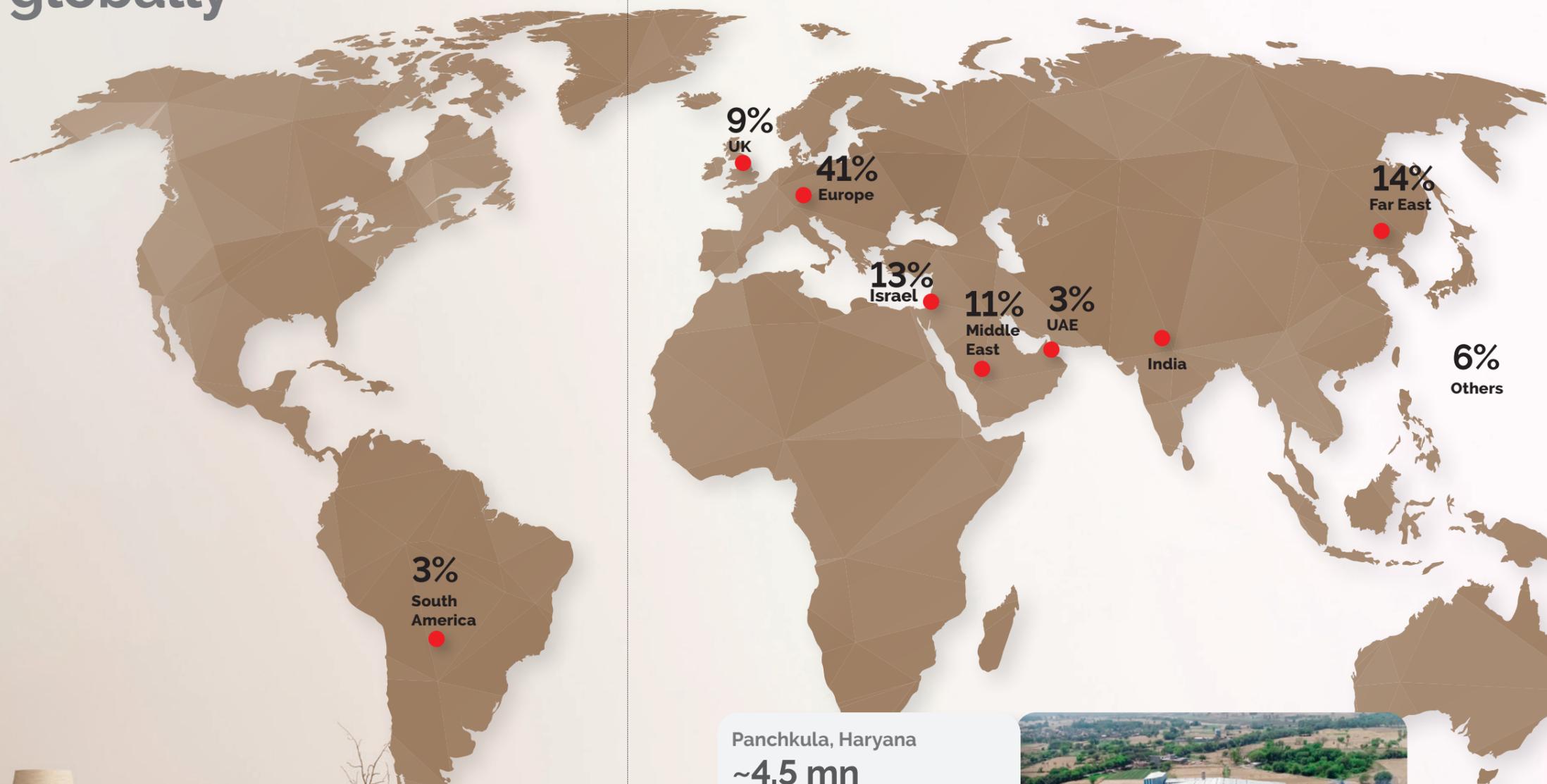
Global presence

**69%**

Export Revenue Share



FY21 – Exports breakup



Panchkula, Haryana  
**~4.5 mn sheets**  
 Annual laminates capacity

Manak Tabra, Haryana  
**~9.8 mn sheets**  
 Annual laminates capacity

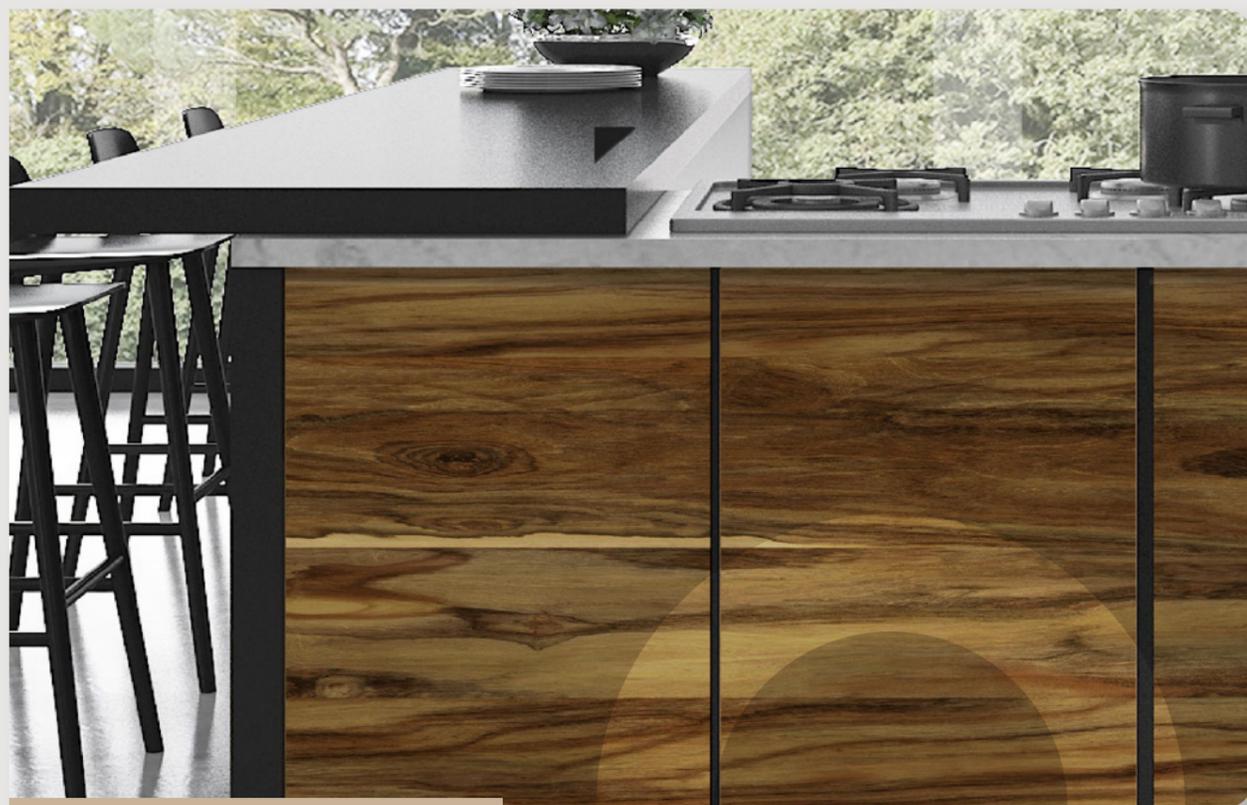


Manaktabra, Haryana

Product profile

# Adding value to life every day

We strive to serve our diverse customers with world-class quality products. Our laminates are designed and developed to cater to the evolving design aesthetics. Our innovative value-added products enable our customers to add layers of safety and uniqueness to their space.



## Decorative laminates

### USP

- **High-quality affordable** products made by fusing together heat and pressure
- **Classy and decorative all-purpose** laminates

### Key variety and application

**All-purpose application** are used to **add style** and be used for wooden claddings; linings of walls and columns; lift linings; doors, shelves and storage units; vanity units' tabletops, work tops, desks and counters; office partitions; cubicles; store fittings; home and office furniture.



## Compact laminates

### USP

- Developed using an indigenous process, the laminates are hard and **resistant to a wide range of chemicals and atmospheric agents.**
- Provide **flexibility of choice** to the end-user, as their high flexural and tensile strength make them suitable for saw cutting, drilling, machining and punching as per requirement.

### Key variety and application

**Cuboid – Customised range of products** for heavy traffic areas where functionality and durability matter the most including restroom cubicles and lockers.

**+Guard – Chemical-resistant laminates** for chemical, analytical, micro-biological, healthcare, pharmaceuticals and educational laboratories.

**Fascia – Resistant to weather changes** and developed to retain their shape, colour and durability in all weather conditions and can be used for exterior cladding.

**Fire-retardant grade laminates** that can fully extinguish the flame source, thus eliminating the risk of toxic smoke. Especially crafted for use in fire-prone areas including kitchens and high footfall areas like airports, hotels, hospitals, schools and commercial buildings.

**Multi-purpose industrial laminates** are available in the options of all brown, black and sandwiched design core. They are so designed as to have stable geometry in high temperatures and have minimal deformation when subjected to loads. In addition, they have a high strength-to-weight ratio and also have properties that **do not deteriorate with age** and thus fit for use in industrial settings.

## Product profile



### PU+ lacquer coating

#### USP

- Our innovative process using the hot coating of PU+ lacquer touching on thin laminates gives it a  **durable surface finish**
- India's first state-of-the-art machinery equipped with cutting-edge German technology produces  **immaculately finished quality laminates with unmatched surface benefits** like anti-fingerprint, high-gloss and a combination of both properties

#### Key variety and application

- **Touch Me – Anti-fingerprint laminate** is a preferred choice across wide variety of surfaces including use in hospitality sector, classrooms, commercial offices and kitchens.
- **GlossPro+ – High-gloss laminate** are not only attractive with their three times higher than any other ordinary high-gloss laminate, but are also **stain resistant** and best suited for kitchen, dining and kids' room in households along with bar area, restaurants, reception, and conference rooms in commercial areas.
- **GlossPro + Touch Me – Pre-lam boards** offer the double advantage of **anti-stain and anti-fingerprint**, coupled with high-gloss finish similar to the GlossPro+ – High-gloss laminate. They are best suited for high use surface in homes such as bed, sofa, wardrobes, cabinets cupboards, tables, and doors. They also add value to workstations, railway backside cushion base and display panels in commercial spaces.



### Solid surfaces

#### USP

- Our solid surface laminates using a non-porous, low-maintenance material mimics the appearance of a granite, marble, stone and other naturally occurring materials
- They are developed to be simple in use and can be joined nearly invisibly by a trained craftsman
- We provide the country with the first extensive range of high-quality solid surfaces laminates

#### Key variety and application

**Granex – Acrylic** solid surfaces with their undulating, virtually seamless, organic shapes and bold effects of colour and translucency offers customers a wide range of **latest designs along with an option to customise** their own designs. This new addition is best used in commercial space like healthcare, food service, hospitality, office buildings and schools along with designed home spaces.

**Marvella – Modified** solid surfaces in true-spirit to their name, provide perfect **exquisite décor options**. Manufactured at our fully-automated plant using world-class German technology, which is the first-of-its-kind in the country, comes in spellbinding patterns with long-lasting sturdiness. They are created especially for application as kitchen tops and cladding, bathroom vanity counter, wash counter, bathroom cladding, tabletops, windowsills and frames, decorative cladding and false ceiling usage.

## Product profile

### Specialty surfaces

#### USP

Our specialty surfaces are the world's premium range of value-added decorative surfaces that give an edge to our customer's interiors.

#### Key variety and application



**Magnetic laminates** bring fun and practical elements to our quality designs using a high-technology hybrid. A virtually indisputable addition to any commercial project, they can be written on with chalks or special board markers, and can be easily attached directly on the existing laminate using magnets. They are ideal for applications in environments such as retail, education, commercial and residential papers, stickers, and so on.



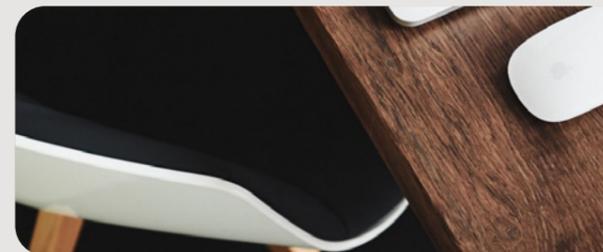
**Mirror laminates** add enormous value to the interiors while being durable and a semi-rigid sheet for easy fabrication and handling. They are designed to be used for kitchen tops and cladding, bathroom vanity counter, wash counter, bathroom cladding, tabletops, windowsills and frames, decorative cladding and false ceiling usage.



**Metallic laminates** are made using high-quality metallised aluminium foil specially imported from Europe. They have bright and reflective surface aspects, which render the ambience with a modern and sleek look. Also available in premium metallic laminates range, they are used across industries such as hospitality, interior design, gaming and entertainment, and retail signage display furniture. They can also be used for kitchen, home furniture, tabletops and worktops, edge bands, skiting boards, doors, interior wall cladding, mirror tiles and white boards.

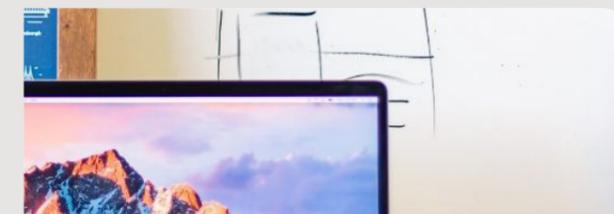


**Electrostatic Dissipative (ESD) laminates** are specially developed to diffuse static electricity to protect electronics and other static-sensitive devices from electric charges that could cause damage during manufacturing or assembly. They also have the inherent property of being resistant to dirt and dust particles. Thus, they are best used for workstations where static-sensitive electronic components are manufactured, hospitals and medical facilities, among others.



**Syncro laminates** are designed in sync with décor paper pattern to provide an exact replica of the design that you see. These laminates are a favourite among architects, designers and house owners who prefer excellence and want to add an edge in their interiors. Along with usage in work surfaces, cabinets, flooring, panels, countertops and interior walls in houses, they can be used in high-end commercial spaces.

**Chalk/marker laminates** provide durability to the surface and can be used as a surface for dry and wet erase markers. Their inherent property makes them best for office meeting rooms, boards for patients, memo boards, athletic facilities and cafeteria menu boards.



**Post forming laminates** has been exclusively designed for use on surfaces where the laminate is required to roll in a simple radius over the edges of a substrate. They enhance the decorative property of the edges of any regular laminate since they leave no seams around corners. This makes them apt for places with uneven corners like shutters, countertops, cabinet doors, storage cabinet doors and shelving systems.

**Digital laminates** provide architects and designers creative leverage with customised printed laminates, incorporating themes ranging from nature and sports to food and romance. They can be used across the board and add a special aesthetic appeal to interior décor walls, partition walls, multi-purpose furniture stands, kids' room, exhibition pictures and doors.



**Unicore laminates** are a unique combo of identical colours with core-layered decorative surfaces. They can be used to add decorative element to the house and across the hospitality industry.

**Flicker laminates** are available in two colours silver and copper, exhibiting a sparkle that surpasses serenity. They are used for kitchen counters, bathrooms, decorative units, clubs and showrooms along with the events industry.



## Managing Director's message

# Progressing on the path of excellence



Dear Stakeholders,

FY21 was an extremely difficult year for humanity as a whole, with the COVID-19 pandemic taking significant toll on life and livelihood across the world. As we prepared to leave the worst behind and adapt to the new normal, a more intense second wave of the pandemic hit India hard. Through these challenging times, the relentless effort and determination of the frontline health and social workers stood out as a beacon of hope, and I convey my sincerest gratitude to them for not only keeping us safe but also helping the economy move forward.

We started FY21 amid the nationwide lockdown, with operations coming to a standstill. As we restarted gradually in May, our foremost priority was to ensure the health and well-being of our employees, and other direct and indirect stakeholders. We focused on creating a safe workplace for our people, adhering to the COVID protocols announced by central and state government authorities. Further, we ensured COVID-appropriate behaviour at our premises.

As a responsible corporate citizen committed to community development, we undertook various initiatives to create awareness on COVID-19 and its preventive measures, and distributed safety kits. Activities related to our CSR intervention areas of improving primary healthcare and building appropriate elder care facilities continued, with CSR spend of

**INR 1.18 crore.**

### Robust performance amid challenges

In the domestic market, demand was sluggish in the first half, due to the pandemic. The resumption of economic activities post lockdown led a gradual recovery. We focused on the exports market during the onset of the pandemic due to lack of domestic demand. Exports accounted for 69% of the full year revenue at INR 328 crore – our highest ever. We believe that this is a result of our focus on increasing brand visibility and growing share of value-added products. The pandemic-triggered headwinds notwithstanding, we grew our revenue by 3% to INR 476 crore, driven by a sharp recovery in demand following the gradual unlocking. As an impact of the multiple initiatives on the cost front, we were able to report an EBITDA growth of 19% to INR 95 crore, with our EBITDA margin growing by 280 bps to 20%. PAT grew by 192.40% to INR 5,530.42 lakh reduced our debt by 51% to INR 59.20 crore, and are on track to be debt-free by the end of FY22.

### Providing an additional layer of safety assurance

Our products undergo rigorous safety and quality control checks, which enables us to meet the most stringent standards worldwide, especially in the European Union. During the year under review, we added another feather in the cap by securing the NSF certification for laminates and acrylic, making our products to carry the coveted NSF mark and providing our customers an additional layer of safety assurance. Further, we obtained the T-2 certificate under the AEO programme, which will give us higher level of facilitation in both import and export, providing a competitive edge and ease of operations for us and our international partners.

### Immense opportunities in core markets

We believe there is immense growth prospects across our markets be it laminates and its allied products or plywood. The primary long-term growth drivers remain strong across the globe and the industry has shown resilience to the headwinds even during these unprecedented times. Strong demand revival is being seen as people spend more time at home and look for aesthetically designed spaces. Domestically, increasing urbanisation along with government focus on providing **Housing for All** and building world-class infrastructure as it envisions to build a USD 5 trillion economy by 2025 and is expected to drive growth especially in residential and public spaces which need a face-lift.

### Strategically focusing on capitalising opportunities

We plan to strategically focus on five key areas to capitalise on the immense growth opportunity in the market and fulfil our Vision 2025. Firstly, we will be leveraging our expanded capacity which has a potential

of INR 1,200 crore p.a., strategically focusing on improving our capacity utilisation to double our revenue by 2025. Secondly, we will be concentrating on enhancing our premium value-added product share to further improve our margins. Thirdly, we will be expanding our reach and brand association, entering newer markets across the globe and creating an expansive network across India to cater to the growing demand. Fourthly, having created a mark for ourselves in the laminate segment, we have decided to enter the plywood segment anchoring on our strong industry presence in existing business segments. Fifthly, while we grow our topline, we will judiciously remain focused on reducing our debt to become debt-free, strengthening our margins and balance sheet.

### Foraying into attractive plywood segment

We are expanding horizontally into the INR 25,000 crore plywood market, which we believe is a natural progression of our laminate business. The organised section of the markets has started seeing benefits of the GST and recent e-way bill implementation, demanding improved prices especially in the premium segment. A greenfield project with an investment of INR 60 crore is being setup at Manak Tabra, Haryana. The business is being setup as a separate entity under our wholly-owned subsidiary Stylam Panels Limited. It will be run as an independent unit, while simultaneously leveraging on our expertise in the plywood segment and our robust distribution network. We envision to create a mark for ourselves in the premium plywood market launching innovative value-added products, in addition to catering to the industrial commercial segment and mass consumption market.

### In conclusion

To improve market liquidity for our shareholders, we announced a 1:2 stock split. We have also recently, in August 2021, completed all necessary formalities and are listed on the NSE.

I would like to extend my sincerest gratitude to our employees, customers, partners, business associates and our stakeholders for their continued faith and cooperation. Each one of them has been an integral part of our exciting and enriching journey, and we hope they will continue bestowing us with their unrelenting support. As we relentlessly pursue to create value for our stakeholders and build a sustainable business, we look forward to a brighter and stronger future.

Warm Regards

**Jagdish Gupta**  
Managing Director

## Key Performance Indicators

# Performing to excel

### Revenue (INR in crore)



▲ **3.03%** y-o-y growth  
▲ **10.12%** 5-year CAGR

Despite an unprecedented environment, closure of operations, and supply chain challenges especially in the first half, we recorded a marginal growth in revenue.

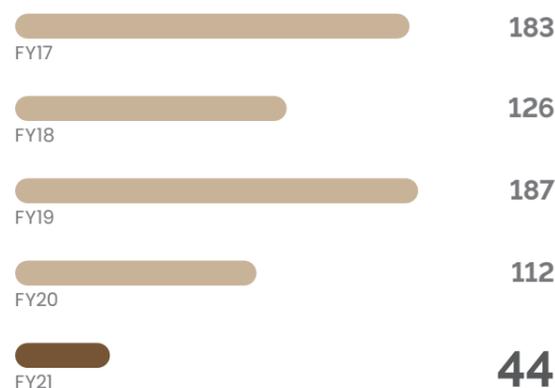
### Return on Capital Employed (in %)



▲ **50%** y-o-y growth  
▲ **8.45%** 5-year CAGR

We saw a considerable jump in ROCE reflecting our enhanced efficiency at profitably allocating capital under our control.

### Net Debt (INR in crore)



▲ **(60.71)%** y-o-y growth  
▲ **(24.46)%** 5-year CAGR

We used our healthy cash flow generation to reduce our net debt by 60%+.

### Net Worth (INR in crore)



▲ **27.45%** y-o-y growth  
▲ **27.55%** 5-year CAGR

With our reducing debt and strong internal accruals, we have been able to create substantial value for our shareholders.

### EBITDA (INR in crore)



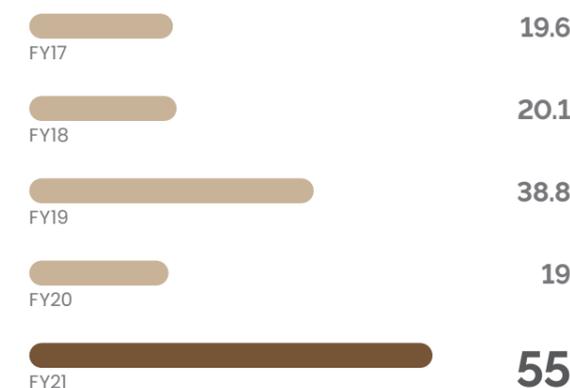
### EBITDA Margin (in %)



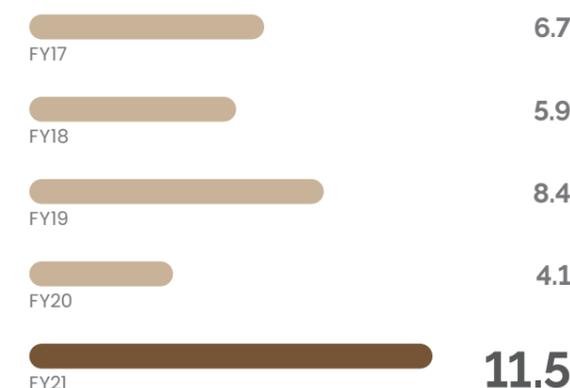
▲ **18.75%** y-o-y growth  
▲ **15.6%** 5-year CAGR

Our constant focus on cost optimisation and multiple initiatives taken during the year enabled us to improve our performance, despite rising raw material prices in the last quarter.

### PAT (INR in crore)



### PAT Margin (in %)



▲ **189.47%** y-o-y growth  
▲ **22.92%** 5-year CAGR

Our reduced debt cost led to a reduction in finance cost by 45.45% y-o-y.

## Trends and opportunities



# Expanding landscape of opportunities

The COVID-19 pandemic did create some headwinds with real estate projects being stalled, people deferring non-essential purchases, and changes to the way of life with a hybrid work model. The challenges in the operational environment have brought some changes in the trends in the industry, while some trends have shown strength and remain persistent.



### Global trends<sup>1</sup>

The global decorative laminates market has been expanding buoyed from demand due to increasing population and urbanisation leading to increased demand in real estate and is expected to reach USD 72.1 billion by 2030. Some of the drivers in the global market are:

**Augmented demand for anti-bacterial laminates** in gymnasiums, restaurants and other high footfall places. ↗

Inclination toward **better lifestyle** and rise in interest in home interior and remodelling especially in young adults who are ready to explore the **DIY mode**. ↗

**Increased consumer demand** for aesthetically appealing interiors and furniture especially work and study desks as people spend more time in their homes and working remotely. ↗

Rapid growth of the residential sector in urban as well as semi-urban areas and **rise in reconstruction and renovation activities** in regions of North America and Europe are estimated to contribute significantly to the overall market growth.

**Increasing demand for interior decoration** in indoor commercial places like gymnasium and indoor sports area.

**Preferred over other decorative choices** due to low maintenance, ease of availability, low installation and maintenance costs.

↗ Emerging

1. <https://www.transparencymarketresearch.com/decorative-laminates-market.html>

### Indian market

The Indian market for us, going forward, would include laminates, allied products and plywood, which have a considerably similar end market. The driving factor for the segments will be the rising demand from the application user with increase government focus on providing Housing for All and infrastructure development. One of the biggest enablers going forward will be the demand for a better standard of living be it laminates or plywood, at home, offices and across commercial buildings as Indians become more demanding in terms of aesthetics of both exterior and interiors.



### Urbanisation<sup>2</sup>

By the turn of the decade, India is expected to become the world's most populous country, and is currently at the cusp of the Demographic Dividend period. This golden period is expected to last over the next few decades, and is expected to lead to increased income and in turn demand for better quality of life, and homes. Along with the demand for residential sector there is expected to be an increase in demand for office spaces and commercial centres as a result of increased working population across the country especially in Tier I and Tier II cities which will see expansion as satellite towns.

**40%**

Projected urban population in India by 2030 as compared to 34% in 2018

**600-800 mn sq metre**

Urban space to be built every year till 2030

### Government focus on infrastructure<sup>4</sup>

The Indian government has announced multiple big-ticket projects aiming to take India's infrastructure to the next level. The project worth billions of dollars includes development in aviation, commercial and social infrastructure for an overall economic growth. This huge infrastructure push is expected to lead to increase in demand for specialised and decorative laminates in public facing places which are designed by professional interior designers and given a face-uplift. For instance at airports, hospital, financial institutions, and government offices.

**USD 1.83 bn**

Invested to develop 100 Airports by 2026

### Increased demand for housing<sup>3</sup>

Long-term drivers like young earners, increased and dual income, shift toward nuclear families continues to drive the growth in the housing market, especially in the affordable housing segment. The government impetus in the form of continuation of the tax holiday for developers and additional tax benefit pertaining to interest paid on affordable housing loans to the extent of INR 1.5 lakh extended till the end of FY22 is further aiding growth in the segment. As home buyers increasingly look for comfort and higher quality of life, especially with the hybrid work from home models, and people spending more time at home, the demand for aesthetically designed spaces will only rise in the future.

**62.88 lakh**

Sanctioned houses yet to be added under PMAY

### Plywood opportunity landscape

The **INR 25,000 crore** plywood market is the biggest component of the wood panel market. The Indian consumption is 80:20 in favour of plywood usage, but unfortunately the market has limited organised players. Even though the organised players have seen faster growth over the last few years, the number of players with any substantial market share and pan-India presence remains handful. The growth opportunity in the market is tremendously driven, especially in the premium plywood segment, by increased preference for luxury products in the young population.

2. <https://www.livemint.com/news/india/40-of-indian-population-will-live-in-urban-centres-by-2030-hardeep-singh-puri-11597743030787.html>; <https://nudm.mohua.gov.in/about/>; <https://content.knightfrank.com/research/1901/documents/en/india-urban-infrastructure-report-2020-indian-real-estate-residential-office-6914.pdf>

3. <https://www.ibef.org/industry/cement-india.aspx>; [https://www.indiabudget.gov.in/doc/budget\\_speech.pdf](https://www.indiabudget.gov.in/doc/budget_speech.pdf); <https://pmaymis.gov.in/>

4. <https://www.investindia.gov.in/sector/aviation>

## Strategy – Vision 2025



# Strategic roadmap for growth acceleration

By 2025, we envision to double our revenue, be debt-free and create a mark in the plywood industry, as we focus on improving our utilisation, product mix and expanding our reach. Our future growth strategy has been designed to leverage our core strengths, to create consistent and sustainable value for our stakeholders.

### Double revenues; increase capacity utilisation

We are focusing on further improving our capacity utilisation and adopting a lean operation model. This will help us serve a larger audience as we expand our footprint across the globe and domestic market, by leveraging our recently undertaken capacity expansions. As restriction lift and things normalise, we are confident of an increase in capacity utilisation of our allied products including the acrylic sheets segment. We are operationally ready to cater to the increase demand in the market and are strategically focusing on improving our market penetration.

**10.12%**

5-year revenue CAGR

### Augment share of value-added products

Our products are renowned across the world for their superior quality and safety standards, and are designed to meet the evolving needs. This has enabled us to strengthen our presence in one of the most quality-conscious European markets. We are also the sole manufacturer of anti-fingerprint and high-gloss thin laminates. Further, our anti-fingerprint laminates do not require daily cleaning and maintenance. They also have an anti-bacterial coating for high-use, rough-use areas at homes as well as commercial places like restaurants and hospital, among others. Recently, our products were certified to carry the NSK mark of assurance, which reinforces our quality and safety standards. We will be focusing on leveraging our higher ticket size and strong value-added portfolio in our product mix to enhance our margins.



### Expanding horizontally into the plywood market

We are entering the plywood business. A natural extension to our laminate business, the plywood and allied product business would enable us to leverage our core strengths for a fast and seamless horizontal expansion of our portfolio. Our strong distribution network and brand association in the country, will help reduce the gestation period of the business. We are setting up a greenfield project which is expected to be completed over the course of the next year under the wholly-owned subsidiary Stylam Panels Limited. We envision to become a leading player in the domestic premium plywood segment along with mass consumption and the industrial commercial segments.

Estimated outlay  
**INR 60 cr**

### Expand domestic and international presence to widen our reach

We plan to further strengthen our domestic presence with a wider reach and a stronger brand connect. We are interacting with our dealers, distributors and business partners to create a strengthened relationship. Our teams are constantly in touch with architects and on-ground designers to understand their requirements and onboard them as we expand our network to increase our presence across the country.

We are a renowned name in the international laminates market and are working on expanding our coverage by entering newer exports regions, while increasing business with existing partners including USA. Our status has recently been **upgraded to Three Star Export House**, as per the Foreign Trade Policy, validating our excellence in international trade and contribution to the country's foreign trade. We have also received T-2 recognition from the Authorized Economic Operator (AEO) programme, under the aegis of the World Customs Organisation and the same has been **certified** under the AEO by the Indian customs. This will aid in increasing our footprint in the EU with faster processing and clearance of cargo, deferred payment of duty, along with direct port delivery and entry.

Export House status upgraded to  
**3 Star**

### On track to become net debt-free by the end of FY22

We have reduced our net debt substantially over the past few years. Going forward, we are going to use our healthy cash flow to not only repay our debt but also finance all our upcoming planned expansions through internal accruals. This enables us to not only strengthen our solvency metrics but also keep us well-positioned to capitalise on future growth opportunities.

**50%**

Reduction in debt in FY21

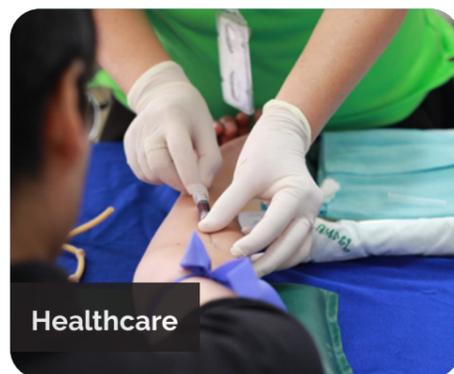
**0.5**

Net debt to EBITDA vs. 1.4 in FY20

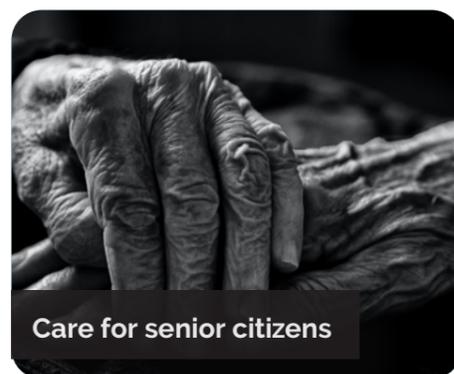
Corporate social responsibility

# Working for a better tomorrow

We are committed to playing a larger role towards making a tangible difference for the communities we work with. Our corporate citizenship charters structured interventions focused on pressing social concerns in the following areas:



Healthcare



Care for senior citizens



Education



Hunger, malnutrition and health



Promoting sports



### Highlights of FY21

The year was a difficult one for people around the world. We served the society to the best of our ability through our multiple initiatives:

**Healthcare** – Monetary aid for infrastructure development and equipment support by providing USG and EGC machines to hospitals in Chandigarh and Panchkula, Haryana

**Care for senior citizens** – Co-partnered in setting up of an old-age home to serve the growing aging population of the country

**Disaster management** – Supported the local communities during the COVID-19 pandemic by educating the masses on COVID-19 safety measures. Distributed COVID essential items such as masks, gloves and sanitisers among others, in the local community

**Education** – Distribution of study materials to institutions for underprivileged children

**Hunger, malnutrition and health** – Distribution of food cooked in hygienic manner through a van donated by us to an NGO

**Promoting sports** – Strengthened sports ecosystem by extending financial support to amateur sports federations

**INR 1.18 cr**

CSR spend

## Governance

# Demonstrating excellence

We believe in upholding the highest standards of corporate governance for creating long-term value for our stakeholders. It is our robust corporate governance policy that has enabled us to maintain consistent, competitive, profitable and responsible growth.

Our philosophy is based on simple principles of ethical and transparent business operations and accountability of the Board and management to instigate trust among the stakeholders. As industry leaders, we believe it is our responsibility to also set benchmarks in corporate governance and thus we implement the best practices across the globe.

In line with our core principles, Mr. Jagdish Gupta, our founding member and Managing Director will pass on the mantle of Chairperson to Mr. Satpal Garg, our Independent Director, further enhancing the Board's credibility and independence.



**Jagdish Gupta**  
Managing Director

Mr. Jagdish Gupta, the co-founder of Stylam, has been at the forefront of the Company's growth, constantly developing new business strategies across geographies. He has been instrumental in making Stylam an industry leader and in introducing new initiatives while incorporating the best corporate governance practices and promoting the highest level of integrity and probity.

He provides overall guidance, direction and strategy to the Company while also looking after its international markets.



**Manit Gupta**  
Executive Director

Mr. Manit Gupta is a chemical engineer and holds an MBA degree.

He was appointed as the Director in 2012. He heads the international marketing division and looks after other commercial management aspects of the Company.



**Sachin Bhatla**  
Executive Whole-time Director  
(Technical)

Mr. Sachin Bhatla is an engineer by qualification, with a rich experience across various technical roles and operations.

Associated with Stylam for more than 16 years, he was promoted to the designation of Director – Technical in 2018. He looks after the technical advancement of Stylam.



**Manav Gupta**  
Executive Whole-time Director

Mr. Manav Gupta is computer engineer and holds an MBA degree.

He was appointed as the Director in 2012. He heads domestic marketing and sales at Stylam and looks after general administration and raw material sourcing.

# Management Discussion and Analysis



## Macro-economic scenario

### Global economy review

Just about a year ago when the World Health Organization (WHO) declared COVID-19 a pandemic and various countries imposed strict lockdowns, a deep despondency and risk psychosis became pervasive.

Its impact on the economic front, too, has been significant. The slowdown across economies witnessed in 2019 exacerbated further in 2020 by the shock delivered by the pandemic.

As a result, the global GDP is believed to have contracted by ~3.3% in 2020, with all major economics moving into the negative territory. Governments and Central Banks across the globe fashioned measures in the form of additional public expenditure, foregone revenues, capital injections and facilitating additional avenues of lending adding up to USD 16 trillion or 15.3% of world GDP.

**~3.3%**

Global GDP contraction in 2020

### Indian economy review

The Indian economy too witnessed similar stress, with the nationwide lockdown from end March 2020 bringing business activities to a standstill for the major part of April and May 2020. A calibrated policy stimulus began with direct assistance in cash and kind to the economically distressed and progressively broadened into a comprehensive package to provide support to the various sectors of the economy in 2021. It cumulated to 15.7% of GDP including liquidity and other measures taken by the Reserve Bank of India. In the first wave, the pandemic fury was at its peak in Q1 (FY21) leading to a 24.4% y-o-y, the deepest downturn amongst the G20 countries. In Q2, however, the contraction started to ease reflecting vigorous efforts to revive the economy with gradual relaxation of mobility restrictions, monetary and liquidity easing and fiscal support. By Q3 (FY21) India had pulled out from a technical recession and India's real GDP clocked a 0.4% growth in the October-December 2020 quarter on a y-o-y basis after a sharp fall in the first two quarters of FY21.

On the exchange rate front, post the initial bout of depreciation in the Indian currency in the beginning of the financial year, the currency has been relatively well supported on account of robust portfolio inflows in the economy as well as a better current account position.

### Outlook

The rollout of the vaccination drive across the major economies, including India, in the last quarter of FY21 has accorded a much-needed boost to sentiments around a sustained recovery of economic activity across the globe. Almost all major central banks have pledged to continue an accommodative monetary stance to reinforce the economic green shoots. Coupled with the base-effect, economic growth is expected to bounce back strongly in FY22, on the global as well as the domestic front. The global economy is projected to grow 6.0% in FY21 and 4.9% in FY22. Indian economy is expected to expand 8.3% in FY22.

## Industry overview

### Indian laminates industry

**The growing use of decorative laminates in the non-residential sector is a key factor fueling the growth of the decorative laminates market.**

Rapid growth of the construction industry coupled with the improving standard of living of consumers is the key factor driving the demand for decorative laminates. Moreover, low installation and maintenance cost of decorative laminates are also driving its market demand. However, fluctuating raw material price is the key challenge faced by decorative laminate manufacturers.

Based on type, the general purpose segment of the decorative laminates market is expected to grow at the highest CAGR during the forecast period. Decorative laminates are being rapidly adopted in various applications, as they have excellent properties such as impact resistance, ease of cleaning, hygiene, scratch resistance, and heat resistance. These properties make it suitable for direct applications on plywood, aluminum, plaster, concrete, steel, fiber reinforced plastic, and gypsum board. General purpose decorative laminates are a stiff, hard, thin, abrasion-resistant strong material that has durability and excellent aesthetic appeal.

### India furniture market size, demand, opportunity and growth outlook 2021

Furniture has been a matter of aesthetics from a necessity in modern times. Furniture has its application in households as well as commercial setups. Be it a small storage compartment things to modular kitchens and workplace infrastructure, furniture has gained its importance over the course of time.

India is rapidly growing in this sector, especially after the liberalisation. There has been a significant rise in the import of furniture to cater to domestic demands in India. The retail sector for the same is constantly transforming for better management of the growing market. Along with furniture, there is also a huge surge in furniture surface market, especially the laminates.

### Market size of the furniture industry

The size of the Indian furniture market spread across all the metropolitan cities is estimated to be over INR 60,000 crore. The wooden furniture industry alone covers INR 60 crore in the market. Surprisingly 85% of the wooden furniture industry covers handcrafted furniture that contributes to the luxury of people and ethnic representation of the communities in India. The laminate market alone covers a market of USD 2.8 billion along with flooring and furniture. (according to 2019 reports). Indian furniture industry provides employment to millions of people in the country, which is a clear indication of its huge market size.

## INR 60,000 cr

Estimated size of the Indian furniture market in metropolitan cities

### Growth trends

The increasing per capital income has led to an improvement in the quality of life, aiding the growth of the furniture market, especially the demand of household furniture. The market of furniture surfaces is rising higher as people choose better furnishing of their furniture. It is expected that the USD 2.8 billion laminate market will now expand at 6.4% CAGR between 2020-2027.

### Global laminate industry outlook

The global decorative laminates market reached a value of USD 38.3 billion in 2020. Looking forward, the market to exhibit moderate growth during the next five years.

Decorative laminates refer to specially designed laminated sheets that are used as furniture surface materials, flooring, or wall paneling.

Decorative laminates are preferred over veneers, paints, and coatings on account of their durability, cost-effectiveness, long shelf-life, and improved aesthetic value. Owing to this, they are majorly used for decorating and protecting cabinets, walls, furniture, flooring, etc.

The rising consumer living standards supported by their increasing per capita expenditure on home decor is one of the key factors driving the market growth for decorative laminates. In line with this, there is a growing inclination towards aesthetically appealing designs in home interiors and corporate office spaces, which is also catalysing the product demand.

Recently the demand for ready-to-assemble (RTA) flooring, furniture and cabinets have witnessed a significant rise, owing to which the need for decorated laminates is also increasing across the globe.

Additionally, there is a rising demand for decorative laminates in hotels, hospitals, shopping malls, airports, educational institutions, and other commercial infrastructures due to the wide availability of designs, colors, textures, etc. Apart from this, the rapid utilisation of decorative interior products in gymnasiums, convention centres, indoor sports clubs, auditoriums, etc., further fuels the market growth.

Moreover, several refurbishment and remodeling activities in residential and commercial sectors of the developed regions have further propelled the demand for decorative laminates.

On the other hand, rapid urbanisation and rising infrastructural developments, across the emerging economies have led to the construction of modern housing projects, thereby encouraging the use of high-end and premium products, such as decorative laminates. The above-mentioned factors will continue to fuel the growth of the global decorative laminates market in the coming years.

Despite of the pandemic, High-Pressure Laminate (HPL) retains a certain space in the market, but owing to scarcity of high-end products there is a large scope of capturing a considerable market share in the Global "Decorative HPL Market".

The High-Pressure Laminate (HPL) market was valued at USD 6,314.5 million in 2020 and is projected to reach USD 8,285.6 million by 2027, at a CAGR of 4.0% during 2021-2027.

**However COVID-19 has affected global economy in the following ways:**

By creating supply chain and market disruptions

By adversely affecting financial markets and firms

By directly affecting production and demand

**Demand drivers**

Lending an elegant touch to all products, laminates are available in numerous design patterns, colours and textures.

The demand for these products is driven by

- Increase in population accompanied by the expansion in economy leading to increase in per capita income: Though the unprecedented COVID-19 pandemic that has nearly stalled all economic

activities in 2020, but India is expected to bounce back in 2021 with a robust 6% growth rate

- An increase in disposable income: As per the National Bureau of Statistics, India's annual disposable income was over 1,600 billion in 2015. Rise in disposable income is likely to positively influence customers to spend on home decor, furniture, and furnishings
- Rapid urbanisation: Population and economic growth has fostered urbanisation in India and the number of urban towns and cities has drastically increased. This growth is expected to continue in the years to come and India has to step up its game in order to catch up with changing business dynamics
- Increasing residential construction: Industry is thriving on the government's attempt for low cost housing and infrastructure development
- Increase in applications/advancement in technology:
  - Post formable laminates - are used in kitchens and offices where a neater look is required
  - Anti-bacterial laminates- are used in places like hospitals and restaurants where hygiene is extremely important
  - Cubicles - are used as bathroom cubicles and divider panels
  - Digital laminates - are used largely in decoration of walls etc. in which patterns can be created according to the customer's choice
  - Metallic laminates - real metal foils are used such as copper, steel or aluminum to provide a metallic finish as per customer requirements.
- Low installation and maintenance cost-scratch resistant, easy to clean, affordable,

**Challenges faced by the Company and plan of action adopted to overcome the challenges**

Challenges: The Company deals in a very competitive market as laminate industry is fragmented, there may be 200+ manufacturers in India with manufacturing capacity of about 39 million sheets per month. The industry is growing more in volumes and less in values.

The main competitors are the companies forming part of the unorganised sector and companies that are on the verge of transiting to the organised sector from an unorganised unit, where pricing plays a key role.

Plan of action: The Company supports the idea of innovation and believes in constant upgradation and enhancement and therefore to overcome the challenges posed by various internal and external threats, the Company always endeavors to focus on production of special category of laminate such as laminates with anti-bacterial, fire retardant properties etc., and promote its institutional sales along-with retail sales through distributors/dealers.



**Acrylic solid surface industry**

**Acrylic solid surface** is an ideal choice for new or renovation of interior projects as it is built to last a lifetime as it is the most durable solid surface material on the market today. It is a hard, non-porous material that is non-toxic, non-carcinogenic. The key benefits are that it is stain resistant, durable and easy to maintain, patterns and designs, antimicrobial and abundance of colors and visual textures ranging from solid colors to marbled, sparkling, or granite effect.

The acrylic sheets are adoring to residential or commercial spaces. They are designed to add newness to interior and exterior appeal to modern-age infrastructure.

It is commonly suitable for use in a fancy fabrication work for instance thermoforming. It is issued for seamless countertops, tub/shower walls, vanity tops, kitchen sinks, laboratory benchtops, and vanity basins, in various industries including healthcare, lodging, banks, boutiques, and restaurants.

Acrylic solid surface material is preferred where water and food will get in contact, where demand for hygiene is really high.

**Global acrylic solid surface market**

The acrylic solid surface market is driven by an increase in demand from residential and commercial building, followed by a rise in disposable income of the individuals, growth in industrialisation and urbanisation and increase in demand coupled with the significant innovation in technology.

Global acrylic solid surface market size is projected to reach USD 1,986.3 million by 2026, from USD 1,470.4 million in 2020, at a CAGR of 5.1% during 2020-2026.

**Growth drivers**

Remarkable popularity garnered by acrylic solid surfaces for both interior and exterior applications is attributable to:

- Increasing construction of residential buildings and houses, coupled with growing number of residential renovation works across several countries is one of the vital driving factors for the growth of acrylic solid surface in global market
- Increase in the number of commercial establishments including hotels, restaurants, malls, retail stores and another factors, is expected to boost the market as they can be extensively used like a countertop material
- Its anti-bacterial properties makes it highly suitable for healthcare settings like hospitals, doctors' offices, hospices and retirement homes.

## Real estate sector

Real estate sector is one of the most globally recognised sectors. It comprises of four sub-sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

### Global outlook

#### V-shaped economic recovery

2021 will likely mark the beginning of the next new real estate market cycle as the pick-up in economic growth begins to flow more broadly through to real estate fundamentals, which will continue to recover

at different speeds. 2021 will hopefully and likely be the year of recovery vs. recession, vaccine vs. virus and reflection vs. deflation.

Global economy will enter the next phase of the V. According to Morgan Stanley Research, global GDP will return to its pre-COVID path (i.e. what it would have been in absence of the COVID-19 shock) by Q4 FY21. In the near term, growth will continue to be constrained by lockdown measures, predominately in the U.S. and Europe, but will likely rebound from Q2 onwards as vaccines are rolled out to the broader population which will help drive a more complete re-opening of economies around the world.

2021 global growth of 6.4% is expected (following a contraction of 3.4% in 2020) to be driven by a global synchronous recovery.

### India

#### ADVANTAGE INDIA

Robust demand	Attractive opportunities	Policy support	Increasing investments
<ul style="list-style-type: none"> <li>According to Savills India, real estate demand for data centres is expected to increase by 15-18 million sq. ft. by 2025.</li> <li>The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs.</li> </ul>	<ul style="list-style-type: none"> <li>As per ICRA estimates, Indian firms are expected to raise &gt;INR 3.5 trillion (USD 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth USD 29 billion to date.</li> <li>Co-living market size across India's top 30 cities is expected to grow more than double to reach USD 13.92 billion by 2025 from the current size of USD 6.67 billion.</li> </ul>	<ul style="list-style-type: none"> <li>Driven by increasing transparency and returns, there's a surge in private investment in the sector.</li> <li>Indian real estate attracted USD 5 billion institutional investments in 2020, equivalent to 93% of transactions recorded in the previous year.</li> <li>The real estate segment attracted private equity investments worth INR 23,946 crore (USD 3,241 million) across 19 deals in 04 FY21</li> </ul>	<ul style="list-style-type: none"> <li>Driven by increasing transparency and returns, there's a surge in private investment in the sector.</li> <li>Indian real estate attracted USD 5 billion institutional investments in 2020, equivalent to 93% of transactions recorded in the previous year.</li> </ul>

Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies.

By 2040, real estate market will grow to INR 65,000 crore (USD 9.30 billion) from INR 12,000 crore (USD 1.72 billion) in 2019. Real estate sector in India is expected to reach a market size of USD 1 trillion by 2030 from USD 120 billion in 2017 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

### Road ahead

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth INR 1.25 trillion (USD 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022,



estate sector was already stressed and still continues to remain so. Customers' resistance in testing a new product or replacing the existing supplier is also a challenge in itself.

**Steps taken to overcome the challenge:** The revenue is increasing from period to period. It is established that marketing fundamental is to understand the product and audience before creating plans. The Company has hired marketing personnel who understand this product and its market strategy.

### Quality

Product being new in the market, quality remains a big concern due to its novelty and unfamiliarity.

**Steps to overcome the challenge:** The product is manufactured in the Company's state-of-the-art facility with highest standards so as to warrant maximum resource utilisation and minimal wastage. The Company has obtained quality accreditation from recognised agencies. Samples have been sent to prospective customers and no complaints have been reported on the quality.

### Technical resources

As this is the first line that has been set up in the country to manufacture acrylic solid surfaces, finding and hiring technical resources for its manufacture was another taxing task.

To overcome the technical hindrances, the Company resorted to technical advices from the project supplier and hired a team of foreign technicians having immense experience of advising the established players.

The manufactured products were accepted in the domestic and international market though the volume was not significant. However, taking into consideration the foreseeable advancement of the real estate sector and adoption of extensive marketing strategies, demand of the product is expected to escalate and hence generating more revenue.

### Opportunities

- The Company seeks to create market of the newly established product line by exploiting its existing network, domestic as well as overseas.
- The product would promote Prime Minister Modi's initiative of 'Made in India's in-house manufacturing of the product will lead to import substitution and reduce dependence on imports, which in turn would save foreign currency outflow and contribute to national economy.
- The Company aims to establish a new domestic market of the solid surfaces as the given product has a lot of potential. Therefore, the Company is now focused on promoting the solid surfaces amongst its customers as would also benefit the customers by saving them from bearing importation costs/duties and maintaining bulk inventories.

under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.

The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

## ~10 million units

### Current urban housing shortage in India

The growing flow of FDI in Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards. Indian real estate is expected to attract a substantial amount of FDI in the next two years with USD 8 billion capital infusion by FY22.

## Key challenges faced by the Company

### General

**1<sup>st</sup> challenge:** The application of the product is divided between commercial and residential applications. Cost of the product is a major limiting factor amongst other factors such as global economic situation.

As in the previous year, global economy remained sluggish and affected the real estate sector, domestic real estate sector also passed through many ups and downs due to NBFC crisis resulting into liquidity squeeze, developers' defaults and bankruptcies.

**Ray of hope:** The rise in demand of offices and residential spaces will indirectly support to push demand of product.

**2<sup>nd</sup> challenge:** In addition to the above, being the first to manufacture solid acrylic surfaces in India, it became difficult to launch a new product as real

**Plywood**

The Company has announced to extending its product foray by entering into the plywood segment. The greenfield project will strengthen the Company's positioning in interior and exterior solutions.

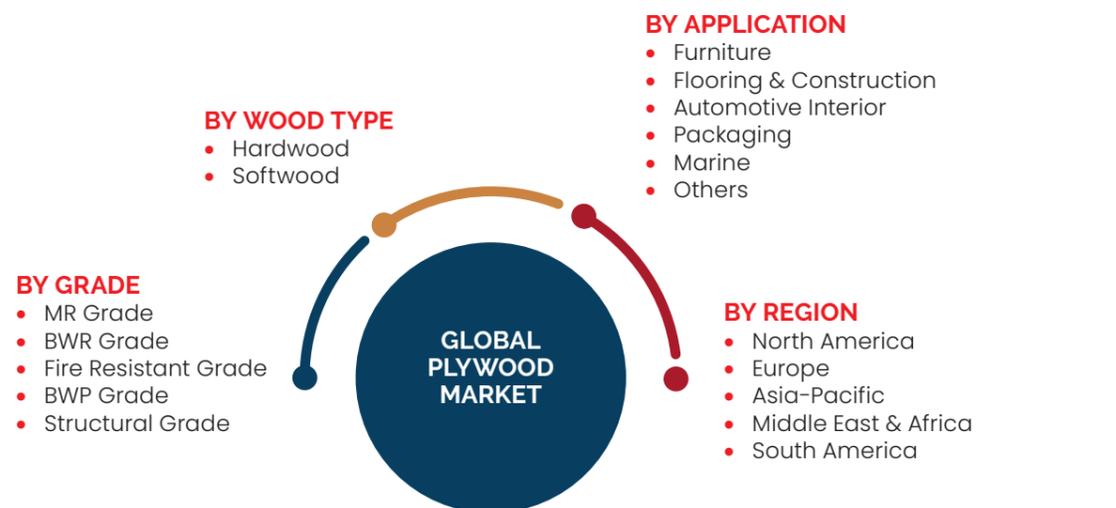
Management is evaluating various aspects before the final takeoff. The Company has envisaged cost outlay of approx. INR 60 crore on this project.

Plywood market size is anticipated to register a CAGR of 6.1% between 2020 and 2027 and reach an approximate value of USD 108.1 billion in 2027.

Increasing demand for easy-to-install and ready-made furniture are fueling the growth of the plywood market. In urban areas, consumers prefer to buy durable and lightweight furniture, which further fuels the market's growth. Environmental preservation bodies also extend their support for

timberland development, which subsequently serves environmental and economic purposes.

Plywood has gained popularity over the years due to its good strength, flexibility, workability, and re-usability. There are numerous factors that are propelling the plywood market share. Some of these entail the increasing need for ready-made and easy-to-install furniture, growing need for chequered plywood for automotive flooring, people's increasing disposable income, consumer's changing inclination, expanding construction sector, increasing construction activities both for commercial and residential purposes, increasing preference for well-designed walls, home ceilings, and floors, and robust population growth. The additional factors adding market growth include the growing preference for branded plywood, increasing use in structural design companies, and in the marine industry.



**Risk and mitigation**

**Market demand**

Economic slowdown and subdued infrastructural development may lead to low demand in the country. Nevertheless, Government's push to infrastructure and housing will give a boost to product's consumption. Further, GDP is expected to take a V-shaped recovery in FY22 after an expected decline in FY21, resulting from the probable impact of infamous COVID-19.

**Competition**

As laminate industry in India is a myriad aggregation of small and large players, organised and unorganised sector, competition from small and unorganised players may affect business.

However, the Company's philosophy of upgrading itself as per the changing business dynamics and its ability to modify would help the Company to have an edge over the other market players.

**Inflation and cost of production**

The Company remains exposed to risks relating to inflation and volatility of prices especially that of raw material particularly crude and coal, hence, the change in their prices can significantly impact the production costs.

To de-risk, the Company has established specific exhaustive policies viz. strategic sourcing, procurement of raw materials and stores at economical cost without compromising on its quality.

**Currency risk**

A significant part of the raw materials and capital equipment are imported by the Company. Hence, adverse movement in the local currency vis-à-vis other currency can have an impact on the Company's financials.



The Company in order to overcome such uncertainties, closely monitors the exposure while hedging. However, unhedged foreign currency exposure has a natural hedge thereby eliminating majority of foreign exchange risk.

**Interest rate risk**

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

**Statutory compliance risk**

In the past few years, the country has seen wide-ranging changes to various laws and regulations that the Company needs to adhere to. Many of these laws are new and have not been subjected to judicial scrutiny and interpretations.

The Company takes steps to adhere to all laws in its true spirit. Teams within the Company monitor changes to laws and regulations and proactively take steps to change underlying processes so as to ensure compliance.

**Information technology risk**

Various IT applications used by the Company are exposed to the inherent risks posed by internet. Also, with the new and emerging cyber-attacks and hacking threats, the information security risk has increased. The Company uses back up procedures and stores information at two different locations. Systems are upgraded regularly with the latest security standards.

**Pandemic risk**

The whole world faced the wrath of COVID-19 in the later part of the year, as a consequence of which the whole system got disrupted. The Company too was not immune to the havoc caused by the infamous pandemic.

To deal with this never faced situation, the Company promptly made suitable arrangements to facilitate

its employees with a proper setup, enabling them to work from home. A help desk was setup to provide guidance, support and counselling to its employees.

Though both the plants of the Company was absolutely closed pursuant to Central Government's lockdown orders, the Company allowed its factory workers to stay at the worker's quarters in factories and also made necessary food arrangements for its workers.

However, business operations at one of its plants resumed in late April after taking all the necessary safety measures as directed by the Government.

The other plant still remains closed as the area is not sufficient to practice social distancing therefore, as a socially responsible citizen, the Company has decided to not resume its operations at the other plant till the situation gets better.

**Opportunities**

**Domestic front**

There is a shift in consumer's behavior as consumers seem to be opting for quality products offered by the organised players. Also India's move to boycott Chinese products post border standoff with China will benefit the Indian manufactures and will encourage them to become self-reliant, thus enabling them to prospect business opportunities that were left unexplored.

**Global front**

In the light of the controversies questioning China of obfuscation and failure on its part to alert the world of the true scale of the COVID-19 outbreak, European Union, USA and the major economies of the world have unified to boycott Chinese products, thereby paving way for India and other nations to strengthen its manufacturing capacities and thus creating enormous scope of industrial growth.

**Internal control systems**

The Company has established internal control systems in line with its size, operations and complexity. These systems cover all the key areas of the business that are verified and tested at regular intervals by certified auditors as well as internal auditors. The internal

control system ensures measurability and verifiability, reliability of accounting management efficiency and management information. The system also ensures compliance with all applicable laws and regulations, protection of the Company's assets and identification of critical risk areas to address them effectively.

**Performance at a glance of last 10 years – Standalone**

Performance for the year	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Revenue	104.2	140.2	184.9	213.8	249.4	294.3	338.0	460.6	462.2	475.8
% Growth	25%	35%	32%	16%	17%	18%	15%	36%	0%	3%
EBITDA	10.2	12.7	20.5	22.4	30.1	46.8	51.6	79.9	79.6	95.3
EBITDA Margin	10%	9%	11%	10%	12%	16%	15%	17%	17%	20%
Other income	0.4	1.2	2.0	0.7	0.7	0.1	0.0	1.6	1.0	4.8
Depreciation & Amortisation	2.8	3.1	3.3	4.2	4.7	5.7	10.8	18.2	21.0	23.2
EBIT	7.7	10.8	19.2	18.8	26.2	41.2	40.8	63.3	59.6	77.0
EBIT Margin	7%	8%	10%	9%	10%	14%	12%	14%	13%	16%
Finance Cost	3.6	4.7	6.7	4.9	6.5	10.0	7.7	11.4	10.9	6.0
PBT	4.2	6.2	12.5	13.9	19.7	31.2	33.1	51.9	48.7	71.0
PBT Margin	4%	4%	7%	6%	8%	11%	10%	11%	11%	15%
Extra-ordinary items- Expense									15.2	
PAT- Reported	2.8	4.1	9.4	9.4	12.2	19.6	20.1	38.8	18.9	55.3
PAT Margin - Reported	3%	3%	5%	4%	5%	7%	6%	8%	4%	12%
PAT- Adjusted	2.8	4.1	9.4	9.4	12.2	19.6	20.1	38.8	34.1	55.3
PAT Margin - adjusted	3%	3%	5%	4%	5%	7%	6%	8%	7%	12%
Interest coverage Ratio	2.2	2.3	2.9	3.8	4.0	4.1	5.3	5.5	5.5	12.8

The financial results summary for the FY17 are prepared in accordance with IND-AS and financial results for the other financial years are prepared as per the prevailing GAAP.

The Company has received approval from the NCLT, Chandigarh Bench on February 11<sup>th</sup>, 2020 in respect of a Scheme of Amalgamation with Golden Chem-Tech Limited (Transferor company). Appointed date as per the Scheme is October 1<sup>st</sup>, 2017, and accordingly the figures for year 2018 and 2019 have been restated.

In year 2020, the Company has sold IT property located at Panchkula Technology Park, Panchkula, Haryana at value of INR 34 crore. The book value of the property was INR 49 crore. The loss on sale of property is considered under extra-ordinary items as these not related with the business of the Company.

PAT Margin Adjusted denotes the value after ignoring the effect of loss on sale of the mentioned property.

Financial Position	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Share Capital	7.3	7.3	7.3	7.3	7.3	7.3	8.5	8.5	8.5	8.5
Other Equity	16.4	20.5	27.3	36.7	49.0	69.2	138.1	177.0	195.8	251.2
<b>Shareholder's Fund</b>	<b>23.7</b>	<b>27.8</b>	<b>34.7</b>	<b>44.0</b>	<b>56.3</b>	<b>76.5</b>	<b>146.6</b>	<b>185.5</b>	<b>204.3</b>	<b>259.7</b>
Loan funds	44.2	66.2	73.3	81.7	117.0	184.0	162.0	189.0	118.5	59.2
Trade Payables	8.0	7.9	14.3	13.1	21.0	18.4	34.2	27.4	35.5	51.5
Other Liabilities	7.1	11.5	9.0	10.6	16.7	24.2	31.8	36.2	37.1	37.0
<b>Total Liabilities</b>	<b>83.0</b>	<b>113.5</b>	<b>131.3</b>	<b>149.4</b>	<b>211.0</b>	<b>303.1</b>	<b>374.6</b>	<b>438.1</b>	<b>395.3</b>	<b>407.4</b>
Gross Block	51.2	53.9	77.0	79.2	91.3	120.1	223.5	252.0	283.1	296.6
Net Block	30.9	30.7	50.7	48.7	56.3	79.7	173.3	184.5	195.0	187.8
CWIP	2.9	18.4	20.4	30.7	55.4	108.7	0.9	12.7	11.2	0.0
Property held for sale							49.0	49.0		
Inventory	25.0	31.1	24.6	25.5	43.2	53.9	60.9	66.2	66.7	71.9
Debtors	15.4	20.5	26.3	33.6	40.2	46.9	57.2	78.9	87.4	98.8
Cash & Bank Balances	1.0	1.2	3.6	1.9	1.5	1.4	4.3	2.2	6.1	15.1
Other Assets	7.9	11.5	5.7	9.1	14.4	12.6	28.9	44.6	28.9	33.7
<b>Total Assets</b>	<b>83.0</b>	<b>113.5</b>	<b>131.3</b>	<b>149.4</b>	<b>211.0</b>	<b>303.1</b>	<b>374.6</b>	<b>438.1</b>	<b>395.3</b>	<b>407.4</b>

Return Ratios	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
ROE	12.7%	15.8%	29.9%	23.8%	24.2%	29.6%	18.0%	23.4%	17.5%	23.8%
ROCE-Pre Tax	12.8%	13.5%	19.5%	16.5%	17.7%	19.1%	14.5%	18.7%	17.3%	24.8%
ROCE-Post Tax	8.5%	8.8%	14.2%	10.9%	10.8%	12.0%	8.7%	13.9%	12.0%	18.0%
Gearing Ratio	1.5	1.7	1.9	1.9	2.0	2.2	1.8	1.6	1.5	1.2
Net Debt/ Equity	1.8	2.3	2.0	1.8	2.1	2.4	1.1	1.0	0.5	0.2
FA Turnover Ratio	2.2	2.7	2.8	2.7	2.9	2.8	2.0	1.9	1.7	1.6
Inventory Days	72	73	55	43	50	60	62	50	53	53
Debtor Days	48	47	46	51	54	54	56	54	66	71
Creditor Days	30	21	22	23	25	24	28	24	25	33
Cash Conversion Cycle	89	99	79	70	79	90	90	80	93	91

**Return on Capital Employed:** Return on Capital Employed (RoCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a company is generating profits from its capital. It is calculated by dividing profit before exceptional items and tax by average capital employed during the year.

**Debtors Turnover:** The above ratio is used to quantify a company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

**Inventory Turnover:** Inventory Turnover is the number of times a company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory.

**Interest Coverage Ratio:** The Interest Coverage Ratio measures how many times a company can cover its current interest payment with its available earnings. It is calculated by dividing PBIT by finance cost.

**Debt Equity Ratio:** The ratio is used to evaluate a company's financial leverage. It is a measure of the degree to which a company is financing its operations through debt versus wholly-owned funds. It is calculated by dividing a company's total liabilities by its shareholder's equity.

**EBITDA Margin (%):** Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a company produces from its operations. It is calculated by dividing the EBIT by turnover.

**Net Profit Margin (%):** The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover.

CAGR	5 years	10 years
Revenue	10%	16%
EBITDA	15%	25%
EBIT	13%	26%
PAT	23%	35%



## Directors' Report

Your Directors are pleased to share the Business Performance for the Audited Financial Statements for the ended March 31<sup>st</sup>, 2021.

### Financial Performance Summary

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	475.84	462.15	475.84	462.15
Earnings before Interest, Taxes & Depreciation	95.30	79.59	95.35	79.63
Less: a) Finance Cost	6.02	10.90	6.02	10.90
b) Depreciation	23.15	20.98	23.15	20.98
Add: Other Income	4.79	0.97	4.79	0.97
Profit before exceptional items and tax	70.92	48.68	70.97	48.72
Less: Exceptional Items*	-	15.21	-	15.21
Profit before tax	70.92	33.47	70.97	33.51
Less: Tax Expense	15.67	14.60	15.67	14.60
Profit for the Period	55.25	18.87	55.30	18.91
Share of Profit/(Loss) of associate company	(0.14)	(0.23)	-	(0.23)
Add: Other Comprehensive Income/(Expense) (Net of Taxes)	0.11	0.08	0.11	0.08
Total Comprehensive Income	55.22	18.72	55.41	18.76
Opening balance in Retained Earnings	195.75	177.04	195.79	177.04
Closing balance in Retained Earnings	250.97	195.75	251.20	195.79

INR in crore

\*Loss on sale of property located at Information Technology Park, Panchkula., treated as Exceptional Item

The year started with an unprecedented nation-wide lockdown due to pandemic which negatively impacted the economic activities across the globe. Post relaxation of lockdown economic activities gradually started picking up from mid May 2020. Company backed by manufacturing strength, robust supply chain management and strong distribution network made a strong come back. The recovery was led by consumer segments of the business followed by pick up in industrial segments.

Since second half of the year, input costs have been on the rise. The Company is managing the same with constant monitoring and swift decisions in line with the market dynamics. EBIDTA margins improved YoY (20.0% in FY21 vs 17.2% in FY 20) on account of cost optimisation and operating leverage. However, as Company generated healthy cash-flows, a significant part of the borrowings was repaid within same fiscal year.

#### Our Approach

In the beginning of FY21 when the situation warranted, entire company's focus was on all round improvement of efficiency. As domestic operations remain disturbed the company focused more on the international operations.

When the opportunity presented in H2 with pent up demand, the company made a comeback in domestic operations. The operations were taken to full scale,

factories were ramped up to full capacities, supply chain strengths ensured continued availability of stocks at all levels.

#### Operations

As we entered 2021, the outlook was uncertain & no specific expectations for growth were set, however as the year progressed, the company surpassed the 2020 base year revenue. Company has achieved revenue of INR 475.84 crore as against INR 462.15 crore recorded in the previous year. Exports, including export incentives, contribute 69% of total revenue.

During the year, operating margins improved significantly to INR 95.30 crore from INR 79.59 crore in the previous year.

#### COVID -19 impact

The outbreak of the deadly COVID-19 virus and the ensuing lockdown imposed across the country affected business operations. However, towards later part of the year consequent to significant opening of the economic activity across the nation the demand picked up compared to that during the initial period of Covid-19.

India is currently experiencing a massive second wave of Covid-19 infections. However, we expect no major changes in the economic activity as the nation is preparing to face the Pandemic with vaccines and preparedness.

Moody's Investors Services said the escalating second wave of coronavirus infections in India present a risk to its growth forecast of 13.7% for FY22 as the re-imposition of virus management measures will curb economic activity and could dampen market and consumer sentiment.

"The announced countermeasures to combat the second wave – some of which are due to remain in place at least until the end of June – risk weakening the economic recovery. However, the targeted nature of containment measures and rapid progress on vaccinating the population will mitigate the credit-negative impact,".

#### Outlook

The global Laminates market has been garnering remarkable momentum in the recent years. Low-ticket product categories are well positioned for a recessionary environment and the steadily escalating demand due to improvement in purchasing power is projected to bode well for the global market. Also, Global laminate boards' market in coming years is anticipated to rise owing to rising demand for boards with durability and resistance.

Besides, building material products are benefiting from resilience in new home construction and residential repair and remodel activity. In domestic market demand trends continued though regional lockdowns are creating challenges. Demand revival is led by Tier-II and Tier-III cities as Tier II and III towns offers reasonable land prices along with emergence of many industries (including sunrise sectors and start-ups), better road-and-air connectivity, spacious homes and need of people wanting to stay close to their hometowns, which is expected to fuel the next leg of growth of building materials companies. Further, general shift of preference from unorganised sector to organised sector due poor availability of products by the un-organised sector, will support the growth of the organised sector.

#### Product Extension and Expansion

The company has planned for product extension under greenfield project by entering in Plywood and allied wood products under the flagship of wholly owned subsidiary (WOS) Stylam Panels Limited

In order to preserve precious liquidity all non-critical Capital Expenditure for the year were truncated, however, all essential and critical expansion plans were fully supported.

#### Credit Rating

During the year under consideration, CARE has carried out a credit rating assessment of the Company for both short term and long term exposures and has re-affirmed rating and has improved the outlook from 'Stable' to 'Positive'.

The Rating of the company is as under:

Facilities	Rating
Long term facilities	Care 'A'-
Short term facilities	Care 'A2'

#### Subsidiary and Associate and its performance

Asia Pacific Region holds the largest share in the global market of laminates and allied building materials and on the basis of rational forecasts Southeast Asia region is predicted to be the fastest growing region due to a bounce in construction activities, thus, Company with a view to explore more potential markets, incorporated a Wholly owned subsidiary (WOS) named Stylam Asia-Pacific Pte. Limited in Singapore on the September 16<sup>th</sup>, 2019. Howbeit, subsidiary has not yet commenced its business operations.

The company has also purchased 34% shares of Alca Vstyle Sdn Bhd.(Alca) Incorporated in Malaysia. These shares were purchased from existing shareholders. Alca is engaged in the business of trading of commercial and industrial furniture & fixtures.

The statement in form AOC-1 containing the salient features of the financial statements of subsidiary/ associate company/joint venture pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 is attached as "Annexure-I" to this Report

The company has incorporated wholly owned subsidiary (WOS) Stylam Panels Ltd in India to explore the opportunity by way of greenfield project in Plywood and allied wood based products.

#### Dividend

The Company with a view to expand its business and oscillate its direction towards growth in the best way possible, has barred itself from recommending dividend during the year under review.

With the improvement in the working capital and liquidity position of the company, Board of Directors at their meeting held on July 15<sup>th</sup>, 2021, has approved payment of Interim Dividend of INR 2.50/- per equity share of face value of INR 5/- each for the financial year 2022.

#### Reserve

After all appropriations and adjustments, the closing balance of the retained earnings for FY 2021, stood at INR 250.97 crore.

#### Consolidated Financial Statements

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company prepared in accordance with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Indian Accounting Standard 110 have been provided in the Annual Report.

### Material Changes and Commitments

There have been no other material changes viz:

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

that occurred during the concerned financial year or subsequent to closure of the financial year under consideration till the date of the report

However, the company has incorporated wholly owned subsidiary (WOS) Stylam Panels Ltd in India in which it has invested an amount of INR 1,00,00,000/- (INR One Crore only) towards equity capital of WOS.

### Change in nature of business, if any

There was no change in the nature of business of the Company during the financial year ended March 31<sup>st</sup>, 2021.

### Sub-division of equity shares

The Board of Directors at its meeting held on February 9<sup>th</sup>, 2021 approved a proposal to sub-divide the face value of equity shares of the Company from INR 10/- to INR 5/- per share. The Company received approval of the shareholders for sub-division of shares on March 15<sup>th</sup>, 2021.

The record date fixed for sub-division of shares was April 15<sup>th</sup>, 2021.

In the case of shares held in dematerialised form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares before subdivision.

The existing share certificates of the equity shares of the face value of INR 10/- (Rupees Ten Only) each in the physical form shall be deemed to have been automatically cancelled and be of no effect from the Record date, and no letter of allotment shall be issued to the allottees of the new equity shares of INR 5/- (Rupees Five only) each on sub-division and the Company without requiring the surrender of the old/ existing share certificate(s), directly issue and dispatch the new share certificates of the Company, in lieu of such old/existing share certificates.

Accordingly, Clause V of the Memorandum of Association of the company shall stand modified.

There is no change in the paid-up share capital of the Company consequent upon sub-division of the face value of the equity shares.

### Share capital

Pursuant to approval of shareholders at the EGM held on March 15<sup>th</sup>, 2021, for sub-division of shares for face value of INR 10/- each to INR 5/- each. The paid-up equity share capital as on March 31<sup>st</sup>, 2021, stood at INR 8.47 crore, divided into 1,694,860 equity shares of face value of INR 5/- each

- A) Issue of equity shares with differential rights**  
The Company did not issue equity shares with differential rights during the financial year 2020-21.
- B) Issue of sweat equity shares**  
The Company did not issue sweat equity shares during the financial year 2020-21.
- C) Issue of employee stock options**  
The Company did not issue stock options during the financial year 2020-21.
- 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.

### Maintenance of Cost Records

Pursuant to sub-section (1) of Section 148 of the Companies Act, 2013, the maintenance of Cost Records as specified by the Central Government is not required by the Company and accordingly such records are not made and maintained by the Company.

### Accreditation

- Company received the following accreditation
- Company has been accredited T-2 recognition under Authorised Economic Operator (AEO) programme, under the aegis of World Customs Organisation.
  - Company has obtained certification from NSF International, USA, for High Pressure Decorative Laminates and Solid Acrylic Surface Products. NSF is the US based leading global provider of public health and safety-based risk management solutions.

### Deposits

During the year under review, the Company neither accepted any fresh Deposit nor renewed any existing deposits from the public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### 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 following the principles of total quality management, continues to be certified under ISO 9001: 2015 certifications for the complete range of laminates manufactured.

### Occupational, Health, Safety and Environment

The Company has effectively deployed policies on Safety, Occupational Health & Environment at all locations and constantly focuses on improving the effectiveness of system processes.

### Brand Visibility

During the year under review, the Company has conducted various programs viz Architects' meet, Distributors meet, Dealers meet to build a connection with its customers and dealers so to promote brand visibility and generate demand

### TV Commercial

During the year under review the company has for the first time entered for media platform through TV commercials on niche channels.

Company was also associate sponsor of King XI for the 2020 season IPL series.

The objective was to create brand awareness.

### Live Digital Events

The company always like to maintain a transparent channel of communication with stakeholders. We were quick to adapt to the new normal where physical meetings weren't feasible, so we switched to digital platforms and continued our dialogue to keep them informed and engaged.

### Human Resources

The Company recognises 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. The Company invested in formal and informal training coupled with on-the-job training. We drive sustainable growth and have been instrumental in bringing in thought leadership in building strong employee relations. The Company is focused on building a high performance culture with a growth mindset. Developing and strengthening capabilities for all employees remained Company's an ongoing priority. The Company maintains momentum on building speed and simplification in ways of working.

### Directors and Key Managerial Personnel Change in Directorate

#### Elevation of Independent Director as Chairman of Board

Sh Satpal Garg, was co-opted as a Non-Executive Independent Director of the Company. Mr.Garg fulfills all the criteria as given under Section 2(47) & 149(6) read with Rule 5 of Companies (Appointment and Qualification of Directors) Rules, 2014

Ensuring effective functioning of board and to attach more value to the quality of corporate governance structures, Mr.Garg has been appointed as Chairman of the Board wef June 16<sup>th</sup>, 2021 under the provisions of Section 149(6)(b)(ii) of the Companies Act, 2013.

### Resignations of Independent Directors

- Ms.Sonia Goyal, Independent Director of the company, has resigned from the board on personal grounds on January 25<sup>th</sup>, 2021. She has confirmed that there were no material reasons other than stated in her resignation letter.

The Board places on record appreciation for her thoroughness, dedication and commitment

- Ms. Purva Kansal, Independent Director of the company, has resigned from the board due to her other commitments and pre-occupations on March 27<sup>th</sup>, 2021. She has confirmed that there were no material reasons other than stated in her resignation letter. She was holding position of members with various committees Audit Committee, stakeholder Relationship Committee, Nomination and Remuneration Committee and Sexual Harassment Committee.

Company has immensely benefitted from her guidance. The Board places on record appreciation for her thoroughness, dedication and commitment

### Retirement by Rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment(s) therefore the time being in force) and the Articles of Association of the Company, Mr. Manit Gupta (DIN: 00889528) and Mr.Sachin Bhatla (DIN 08182443) were appointed as directors liable to retire by rotation at the ensuing Annual General Meeting and are eligible offer themselves for re-appointment. The Board recommends their appointment.

The details of Directors being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking your approval to the re-appointment of Directors are also included in the Notice.

### Declaration by Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 so as to qualify themselves to act as Independent Director under the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and

Disclosure Requirements) Regulations, 2015 and the relevant rules.

### Appointment of Company Secretary and Compliance Officer

In accordance with the provisions of Section 203 of the Companies Act, 2013, the company has appointed Mr. Karan Mehra as Company Secretary and Compliance Officer of the Company, with effect from May 18<sup>th</sup>, 2021 in place of Ms. Srishty Chaudhary who resigned as Company Secretary and Compliance Officer of the company on March 17<sup>th</sup>, 2021, for pursuing external opportunities.

### Board Meetings

During the year under review, the Board of Directors of the company met 10 (ten) times, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The details of constitution of the Board and its Committees are given in the Corporate Governance Report which forms part of this Annual Report.

### Board Evaluation

Performance evaluation of the individual Directors as well as the Board is done on the basis of the Nomination and Remuneration, Evaluation policy that has been framed by the Nomination and Remuneration Committee.

The Board of Directors are responsible for

- defining goals and framing strategies for achieving those goals;
- framing roles of board, committees, key managerial persons and employees;
- setting internal financial control systems;
- analyzing risks and effective risk measure to mitigate those risks;
- implementing corporate governance practices;
- responding to the problems or crisis that emerge;
- communication with employees and others;
- updation with latest developments in regulatory environments and the market in which the Company operates;
- contribution of the Board for ensuring that the Company adheres to the statutory and regulatory compliances as applicable to the Company;
- discharging of governance and fiduciary duties;
- handling critical and dissenting suggestions; etc.

The parameters for performance of evaluation of Board are

- attendance at the Board meetings;
- Participation and contribution in Board meetings and committee meetings;

- domain knowledge, vision, strategy;
- information regarding external environment;
- raising of concerns;
- Contribution towards the formulation and implementation of strategy for achieving the goals of the Company;
- Conduct and Integrity;
- Updation of skills and knowledge;
- Compliance with Code of Business Ethics and Code of Conduct of the Company; etc.

The Directors expressed their satisfaction with the evaluation process.

### Audit Committee

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of the Listing Regulations.

All the members of the Audit Committee are financially literate and have experience in the financial management.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter-alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information;
- reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- reviewing management discussion and analysis of financial condition and results of operations;
- reviewing Related Party Transaction Policy of the Company;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems.

The terms of reference of the Audit Committee and other details have been provided in the Corporate Governance Report.

### Enterprises Risk Management Framework

The Board has formed a Risk Management Committee ('RMC') to frame, implement and monitor the risk management plan for the Company and ensure its effectiveness and to develop a policy for actions associated to mitigate the risks as well as identify new and emergent risks.

The RMC seeks to minimise the adverse impact of risks on business objectives and capitalise on opportunities. The RMC is chaired by an Independent Director. The Audit Committee has an additional oversight in the areas of financial controls.

The Company has a well-defined risk management framework in place to ensure appropriate identification, measurement, mitigation and monitoring of business risks and challenges across the Company. The Company's success as an organisation largely depends on its ability to identify opportunities and leverage them while mitigating the risks that arise while conducting its business. Further, the Board is apprised of any procedure that may threaten the long term plans of the Company.

Company's sustainable focus remain on leveraging next generation technology, supports an enterprise-wide view of risks and compliance, enabling a more holistic approach towards informed decision making. Risks are assessed and managed at various levels with a top-down and bottom-up approach covering the enterprise, the Strategic business units, the geographies and the functions.

All business heads are responsible to ensure compliance with the policies and procedures laid down by the Management. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The Management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

### Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is in alignment with provisions of Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 19 of the Listing Regulations.

The Committee, inter alia, identifies persons who are qualified to become directors and who may be appointed in senior management.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter-alia, includes:

- recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determine remuneration of all the Executive Directors and Key Managerial Personnel, i.e. salary, benefits, bonuses etc.;
- carry out evaluation of each Director's performance and performance of the Board as a whole;
- recommend to the Board, all remunerations, in whatever form, payable to Senior Management.

The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

### Stakeholders' Relationship Committee

The composition of the Nomination and Remuneration Committee is in alignment with provisions of Section 178(5) of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 20 of the Listing Regulations. The Committee, inter alia, reviews the grievance of the security holders of the Company and redressal thereof. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report

### Corporate Social Responsibility

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

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

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

The Company has contributed INR 89.17 lakh towards various CSR activities during the year and increased/ scaled up its CSR intervention in the areas prescribed in the Company's CSR policy.

As a socially responsible Company, the Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives. The Company has identified projects where contribution will be meaningful for the economic uplift of the society. Preference was given to allocate and spend higher amount on activities pertaining to local area and areas around the Company's factories. However, being in early years of implementation of CSR, the Company has faced practical problems as regards to co-ordination and consensus amongst the beneficiaries, local villagers, gram panchayats and other related agencies to carry out the identified projects.

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#### Statement in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

The Directors had laid down Internal Financial Controls procedures to be followed by the Company which ensure compliance with various policies, practices and statutes in keeping with the organisation's pace of growth and increasing complexity of operations for orderly and efficient conduct of its business. The internal control framework is commensurate with the size and operations of the business and is in line with requirements of the Act.

The Audit Committee of the Board, from time to time, evaluated the adequacy and effectiveness of internal financial control of the Company.

- The Company has a well-defined delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company has workflows to ensure adherence to the delegation of authority
- The Company periodically tracks all amendments to Accounting Standards and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. All resultant changes to the policy and impact on financials are disclosed after due validation with the Audit Committee
- Access to assets is permitted only in accordance with management's general and specific authorisation. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
- Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.
- The Company gets its Standalone financial statements limited reviewed/ audited every quarter by its Statutory Auditors. International subsidiary provide information required for consolidation of accounts in the format prescribed by the Company. The accounts of the subsidiary and joint venture company are audited and certified by their respective Statutory Auditors for consolidation.
- To have better internal financial control company has implemented integrated ERP System at all the business verticals.

#### Vigil Mechanism/ Whistle Blower Policy

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

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

The policy is available on Company's website.

#### Risk Management Policy

The Company operates in a volatile, uncertain, complex and ambiguous business environment. The environment brings mix of opportunities and uncertainties impacting the Company's objectives. Risk Management, which aims at managing the impact of these uncertainties, is an integral part of the Company's strategy setting process. The Company regularly identifies these uncertainties and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact the Company's long-term goals.

Mitigation plans to significant risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

#### Policy on Prevention of Sexual Harassment at Workplace

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

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

#### Remuneration of Directors and Key Managerial Personnel

The remuneration paid to Directors is in accordance with Nomination and Remuneration Policy formulated in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Listing Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of Director and Key Managerial Personnel is set out in **Annexure V**

#### Nomination and Remuneration Policy

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

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

#### Related Party Transactions

All related party transactions that were entered during the financial year were in the ordinary course of business and on arm's length basis. There were no materially significant related party transactions

entered into by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

All related party transactions are placed before the Audit Committee for approval and prior omnibus approval is also obtained from the Audit Committee for the related party transactions which are of repetitive nature and can be foreseen.

The policy on materiality of related party transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company. The required form AOC-2 has been appended as "Annexure III" to this report.

Further the disclosures related to related party transactions are also detailed in Note No. 29 of Notes to Accounts of Financial Statements for the year ended March 31<sup>st</sup>, 2020.

#### Director's Responsibility Statement

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

- in preparation of annual financial statements for the financial year ended March 31<sup>st</sup>, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- the proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### Insurance

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

#### Listing

The equity shares continue to be listed on Bombay Stock Exchange Limited (BSE). The Company has paid annual listing fee for the financial year 2021-22.

Company has received listing nod from National Stock Exchange Limited (NSE). Company has decided to list its shares on NSE platform from August 2<sup>nd</sup>, 2021.

#### Loans, Guarantees or Investments

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

- given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,
- given any guarantee or provide security in connection with a loan to any other body corporate or person and
- 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.

#### Auditors and Auditors' Report Statutory Auditors

The shareholders of the company at the 27<sup>th</sup> Annual General Meeting (AGM) held on September 28<sup>th</sup>, 2018, have approved appointment of M/s Mittal Goel & Associates, Chartered Accountants (Firm Registration No. 017577N), as the Statutory Auditors of the of the Company pursuant to Section 139 of Companies Act, 2013 from the date of conclusion of 27<sup>th</sup> AGM till the conclusion of 31<sup>st</sup> AGM to be held in 2022.

#### Statutory Auditors' Report

The observations of Statutory Auditor in its reports on standalone and consolidated financials are self-explanatory and therefore do not call for any further comments.

#### Details in respect of frauds reported by auditors

There were no instances of fraud reported by the auditors.

#### Cost Auditors

The company was not required to appoint Cost Auditor for the financial year ended March 31<sup>st</sup>, 2021.

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sanjiv K Goel, Practising Company Secretary, to undertake Secretarial Audit of the Company for the period of 5 (five) years till financial year 2025-26.

The Secretarial Audit Report in Form MR-3 for the financial year ended March 31<sup>st</sup>, 2021 is annexed herewith as "Annexure-IV".

The Secretarial Audit Report for the year ended March 31<sup>st</sup>, 2021 does not contain any qualification, reservation or adverse remark.

#### Internal Auditors

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 at factory, branches and corporate offices with the objective of evaluating and continuously improving 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 and Board of Directors and corrective action, as deemed necessary is taken. Company has also laid down procedures and authority levels with suitable checks and balances encompassing the entire operations of the Company.

#### Extract of the Annual Report

The extract of the Annual Return of the Company as on March 31<sup>st</sup>, 2021 in Form No. MGT – 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out in the "Annexure IV" of this report.

#### Corporate Governance

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

All the Committees of the Board of Directors meets at regular intervals as required in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Your Board of Directors has taken all necessary steps to ensure compliance with all statutory and listing requirements. The Directors and key managerial personnel of your Company have complied with the approved 'Code of Ethics for Board of Directors and Senior Executives' of the Company.

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

#### Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the financial year 2020-21, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate statement in the Annual Report.

#### CEO and CFO Certification

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification as specified in Part B of Schedule II thereof is annexed to the Corporate Governance Report. The Managing Director & CEO and the Chief Financial Officer of the Company also provide quarterly certification on Financial Results while placing the Financial Results before the Board in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Compliance with Code of Ethics for Board of Conduct for Directors and Senior Management Personnel

The Managing Director & CEO of the Company has given a declaration that all Directors and Senior Management Personnel concerned have affirmed compliance with the code of conduct with reference to the financial year ended on March 31<sup>st</sup>, 2021. The declaration is annexed to the Corporate Governance Report.

#### Disclosure regarding compliance of applicable Secretarial Standards

The Company has complied with all the mandatorily applicable secretarial standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

#### Fraud Reporting u/s 143(12)

The Company has complied with all the provisions of Section 143 of the Companies act, 2013. Hence, no fraud was reported by the Auditors of the Company to the Audit Committee or the Board of directors.

#### 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.

#### Detail of Significant and Material Orders Passed by Regulators or Courts of Tribunals Impacting the Going Concern Status and Company's Operation in Future

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

#### Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo

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

#### Compliance with applicable Secretarial Standards

The Company has duly complied with all applicable Secretarial Standard as issued by ICSI during the year under review.

#### Acknowledgement

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

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

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

On behalf of the Board,

Place: Chandigarh  
Date: July 28<sup>th</sup>, 2021

Sd/-  
**Jagdish Gupta**  
Managing Director  
Din: 00115113

Sd/-  
**Manit Gupta**  
Director  
00889528

## Annexure-I

## Form AOC-1

## Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/Joint Ventures

[Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries	Amount in INR
1 Name of the subsidiary	Stylam Asia Pacific Pte Ltd, Singapore
2 Date of Incorporation	September 16 <sup>th</sup> , 2019
3 Reporting period of the subsidiary	March 31 <sup>st</sup> , 2021
4 Reporting currency and Exchange rate as on the last date of the relevant Financial year	US\$ (INR 73.50)
5 Share Capital	7,220.00 *
6 Reserve & Surplus	(-) 9,35,424.00
7 Total Assets	2,27,188.50
8 Total Liabilities	7,01,015.50
9 Investments	-
10 Turnover	-
11 Profit / (Loss) before taxation (including Other Comprehensive Income)	(-) 5,45,242.00
12 Provision for taxation	-
13 Profit / (Loss) after taxation (including Other Comprehensive Income)	(-) 5,45,242.00
14 Proposed Dividend	-
15 % of shareholding	100%

\* quoted at rate applicable at time of acquisition of shares

## Notes:

- The operation from subsidiary is yet to start.
- None of the subsidiaries which have been liquidated or sold during the year

Part "B": Associates and Joint Ventures (JV)	Amount in INR
1 Name of the Associates	Alca Vstyle Sdn.Bhd., Malaysia
2 Latest audited Balance Sheet Date	February 29 <sup>th</sup> , 2020
3 Shares of Associate/Joint Venture held by the Company on the year end	34% in paid up capital
a Number of Shares	340,000 ordinary shares at Face value of MYR 1/- each
b Amount of Investment in Associate/Joint Venture,	58,44,848.00
c Extend of Holding %	34%
4 Description of how there is significant influence	No significant influence
5 Reason why the associate/joint venture is not consolidated	The company has consolidated accounts of Alca Vstyle Sd, Bhd., which has accounted for its share of profit in the Joint venture company
6 Net worth attributable to Shareholding as per latest audited Balance Sheet	
a As per latest audited balance sheet i.e February 29 <sup>th</sup> , 2020	(-) 218,73,853.00
7 Profit / (Loss) for the year (including Other Comprehensive Income)	
i Considered in Consolidation	(-) 13,53,275.00
ii Not Considered in Consolidation	(-) 26,26,945.00

- Names of joint ventures which are yet to commence operations - NIL
- Names of joint ventures which have been liquidated or sold during the year - NIL

## Annexure-II

## Annual Report on Corporate Social Responsibility (CSR) Activities

## 1. Scope of CSR Activities

In adherence to section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, approved a CSR Policy of the Company.

The CSR initiatives of the Company aim towards inclusive development of the communities around the vicinity of its plants and registered office.

Company under its CSR program had done interventions in the areas of (i) education, by providing material to academic institution providing education to underprivileged children; (ii) healthcare with monetary contribution, providing material to institutions providing primary health care services; (iii) care for senior citizens, co-partner in setting up of old age homes for senior citizens; (iv) Hunger, malnutrition and health, contribute towards eradicating extreme hunger, malnutrition, promoting healthcare and sanitation (v) promoting sports by extending financial support to sports association (vi) disaster management with aim to support during covid-19 pandemic.

## - Education

The backbone of social development is education. It has been accorded priority as a part of company's CSR project to provide better education facilities to resource-stressed slums, and rural schools, by strengthening the infrastructure.

Infrastructure: company has constructed and repaired classrooms, to facilitate basic hygiene facilities in institution providing education to underprivileged children.

## - Healthcare

The healthcare in India is ailing at an alarming rate. Company's health initiatives started with a need to provide basic access to primary healthcare services to the community around. Company has made monetary contribution to institutions providing healthcare services.

## - Care for Senior Citizens

As per the last Census of 2011, the population of elderly people in India is around 104 Mn (roughly 8.6 per cent of total population) out of which 73 Mn reside in rural places while remaining 31 Mn are in urban areas. The Central Government has initiated

several welfare policy measures for benefit of elderly people. However, ground reality as per various studies shows that much more needs to be done in terms of tangible benefits to elderly people. Situation of many elderly people remains grim both in terms of their physical / financial needs as well as mental health. Company under its CSR policy initiated to support the senior citizens of the society.

Company has contributed with organisation setting up old age homes for senior citizens.

## - Hunger, malnutrition and health

Company believe in the importance of investing in nutrition as accelerator to inclusive opportunity for a healthy growth, and as enabler of better life. Company is committed to fight hunger and malnutrition. Company monetary contributed for a van purchased by Charitable Trust. The van is dedicated to carrying the cooked food items in the most hygienic manner.

## - Promoting Sports

Company realised that sports activities are essential for promotion for healthy and disciplined life among youth. Company sees Investment in sports as nation building, community development, empowerment, skill development, investment in health." In a bid to strengthen the sports ecosystem, company has monetary contributed amateur federation for sports as their CSR initiatives.

## - Disaster Management

To mitigate and manage the impact of COVID-19, company has plants and periphery villages were sanitised to prevent spread of infection, provided face masks, soaps and hand wash at migrant labour colonies.

## 2. 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 is uploaded on the website of the Company.

## 3. Composition of the CSR Committee

As on March 31<sup>st</sup>, 2021, the Corporate Social Responsibility Committee comprised of 3 (Three) Members of the Board, 2 (Two) of which were Executive Director and 1 (One) of which was Independent. The Chairman of the Committee is an Independent Director.

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not applicable for the financial year 2020-21

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Nil

8. (a) CSR spent or unspent for the financial year

Amount in INR					
Total Amount spent for the Financial Year 2020-21	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount unspent	
	Amount	Date	Name of the Fund	Amount	Date
89,17,000/-	Nil	Nil	Nil	Nil	Nil

Total amount spent during the Financial year 2020-21 is INR 117,72,075/- (as per detail mentioned under section(c)). The amount includes INR 89,17,000/- incurred for the financial year 2020-21 and INR 28,55,075/- incurred from unspent amount in the financial year 2019-20

(b) Details of CSR amount spent against ongoing projects for the financial year:

Amount in ₹										
S.No	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project Duration	Amount allocated for the project (in INR )	Amount spent in the current financial Year (in INR )	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR )	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency
Nil										

6. Average net profit of the Company for last three financial years: INR 44,55,38,905/-

7. (a) Two percent of average Net profit of the company as per section 135(5): INR 89,10,778/.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) : INR 89,10,778/-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Amount in ₹										
S. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project State Distt	Amount spent in the current financial Year (in INR )	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR )	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	Name	CSR Regd.,-if regd
1	<b>Supporting education of underprivileged children</b>	(ii)								
	Contribution for the infrastructure support for a School		Yes	Haryana Panchkula	210,613/-	Nil	Direct	-	-	
	Contribution through NGO for promoting education and child welfare		Yes	Delhi Delhi	50,000/-	Nil	Implementing Agency	CRY	-	
2	<b>Promoting Healthcare</b>	(ii)								
	Provide material and monetary contribution to Jan Sewa Charitable Trust for setting up of testing laboratory		Yes	Haryana Panchkula	77,70,189/-	Nil	Direct	-	-	
	Provide material and monetary contribution to Dharam hospital for setting up testing lab for providing free lab facilities to poor patients		Yes	Chandigarh Chandigarh	19,57,016/-	Nil	Direct	-	-	
3	<b>Setting up old age homes, day care centers and such other facilities for senior citizens</b>	(iii)								
	Supply of material and labor charges for Old age home		Yes	Haryana Panchkula	30,000/-	Nil	Direct	-	-	
	Supply of material and labor charges for Old age home		Yes	Chandigarh Chandigarh	2,65,000/-	Nil	Direct	-	-	
	Supply of material and labor charges for Old age home		Yes	Chandigarh Chandigarh	3,86,000/-	Nil	Direct	-	-	

S. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (in INR)	Amount transferred to Unspent - Direct CSR Account for the project as per Section 135(6) (in INR)	Mode of Implementation		Mode of Implementation		Amount in ₹
				State	Distt			(Yes/No)	(Yes/No)	Name	CSR Regd.,-if regd	
4.	<b>Eradicating hunger, poverty and malnutrition</b>	(i)	Yes	Uttar Pradesh	Vrindavan	4,87,771/-	Nil	Direct	-	-	-	
	Monetary contributed for a van purchased by Charitable Trust for carrying cooked foods											
5.	<b>Contributing to promote nationally recognised sports</b>	(vii)	Yes	Chandigarh	Chandigarh	2,20,000/-	Nil	Direct	-	-	-	
	Contribution to Amateur Judo Association of India											
6.	<b>Covid care support</b>	(xii)	Yes	Haryana	Panchkula	3,95,486-	Nil	Direct	-	-	-	
	Sanitised periphery villages and distribution of face masks etc.											
<b>Total</b>						<b>117,72,075/-</b>						

**(c) Excess amount to set-off, if any**

S.no.	Particulars	Amount in INR
1	Two percent of average net profit of the company as per section 135(5)	89,10,778/-
2	Total amount spent for the Financial Year	117,72,075/-
3	Excess amount spent for the financial year [(2)-(1)]	28,61,297/-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	CSR amount remain unspent in the preceding financial year*	28,55,075/-
6	Amount available for set off in succeeding financial years [(3)-(4)-(5)]	6,222/-
		Or say Nil

\*Due of outbreak of covid-19 pandemic and consequent nationwide lockdown, company was not able to spent amount of INR 28,55,075/- in the preceding financial year i.e 2019-20. The amount was spent in this financial year.

**8. (a) Detail of unspent CSR amount of the preceding three financial years**

S. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VI of Section 135 (6) if any,			Amount remaining to spent in the succeeding financial year
				Name of the fund	Amount	Date of transfer	
Nil							

**(b) Details of CSR amount spent against ongoing projects for the preceding three financial years:**

S. No.	Project ID	Name of the project	Financial year in which project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project Completed / Ongoing
Nil								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
15-03-2021	18,17,700/-	Dharam hospital, Chandigarh	Ultrasound scanner
31-03-2021	4,87,771/-	Priya Dham, Varanasi, U.P.	Van

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable****12. Responsibility Statement**

The CSR Committee hereby affirms that:

The Company has duly formulated a CSR Policy Framework which includes formulation of a CSR Theme, CSR budget and roles and responsibilities of the Committee as well as the various internal committees formed for implementation of the CSR policy;

The Company has constituted a mechanism to monitor and report on the progress of the CSR programs;

The activities undertaken by the Company as well as the implementation and monitoring mechanisms are in compliance with its CSR objectives and CSR policy.

On behalf of the Board,

Sd/-  
**Jagdish Gupta**  
Managing Director

Sd/-  
**Satpal Garg**  
Chairman of CSR Committee

## Annexure-III

## Form AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

- Details of contracts or arrangements or transactions not at arm's length basis: Nil
- Details of material contracts or arrangement or transactions at arm's length basis are given below:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Alca Vstyle Sdn. Bhd., Malaysia	Arrangement for sale of products	From November 22 <sup>nd</sup> , 2019, the date of acquisition of shares and subsequent years	From November 22 <sup>nd</sup> , date of acquisition of shares, sale for INR 5,36,42,606/- on mutually agreed terms.	12.08.2019	N.A
2	Stylam Asia Pacific Pte Ltd, Singapore	Arrangement for Expenses	For the financial year 2019-20 and subsequent years	During financial year 2019-20 paid INR 397,402/- towards incorporation expenses.	12.08.2019	N.A

## Annexure-IV

Form No. MR-3  
Secretarial Audit Report

For the financial year ended – March 31<sup>st</sup>, 2021

Pursuant to section 204(i) 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 authorised 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<sup>st</sup>, 2021 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:

- 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<sup>st</sup>, 2021 according to the provisions of:
  - The companies Act, 2013 (the Act) and the rules made there under;
  - The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made there under;
  - The Depositories Act, 1996 and the Regulations and Bye Laws framed there under;
  - 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;
  - The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
- 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;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 - **Not applicable as there was no reportable event during the financial year under review;**
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014- **Not applicable as there was no reportable event during the financial year under review;**
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-  
**Not applicable as there was no reportable event during the financial year under review;**
- 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;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -  
**Not applicable as there was no reportable event during the financial year under review;**
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 -  
**Not applicable as there was no reportable event during the financial year under review;**

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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 1<sup>st</sup>, 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 1<sup>st</sup>, 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:

- (i) 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.

- (ii) 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.
- (iii) 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.

I have not found any material event during the year under review which has major bearing on the Company's affairs in pursuance of any of the laws, rules, regulations or guidelines covered by this audit.

**Sanjiv Kumar Goel**  
FCS No.2107  
C P No. 1248  
PR No. 873/2020

Place: Chandigarh

**Form No. MGT 9**  
**Extract of Annual Return**  
As on financial year ended – March 31<sup>st</sup>, 2021

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

**I. Registration & Other Details**

1. CIN	L2021CH1991PLC011732
2. Registration Date	28-10-1991
3. Name of the Company	STYLAM INDUSTRIES LIMITED
4. Category/Sub-category of the Company	Public Company
5. Address of the Registered office & contact details	SCO -14, Sector-7-C, Madhya Marg, Chandigarh-160019 Ph.No. +0172-5021555
6. Whether listed Company	Yes
7. Name Address & contact details of the Registrar & Transfer Agent if any.	Link intime India Private Ltd Noble Heights, 1 <sup>st</sup> Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Phone: +91 11 4141 0592, 93, 011-49411000 Email- sunil.mishra@linkintime.co.in

**II. Principal Business Activities of the Company**

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Laminates and Allied products	16219	100

**III. Particulars of Holding, Subsidiary and Associate Companies**

	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares Held	Applicable section
1	Stylam Asia Pacific Pte Ltd, #30 Cecil Street, 91-08 Prudential Tower, Singapore	201930769G	Wholly owned subsidiary	100%	2(87)(i) & (ii) of the Companies Act, 2013
2	Alca Vstyle Sdn.Bhd., Lot 978-D, Kampung Baru Sungai Buloh, 47000 Sungai Buloh, Selangor, Malaysia	752099-M	Associate (Joint Venture Company)	34%	2(6) of the Companies Act, 2013
3*	Stylam Panels Limited, Regd off. 1576, Sector 18, Chandigarh	U2021CH2021PLC043761	Wholly owned subsidiary	100%	2(87)(i) & (ii) of the Companies Act, 2013

\*Pursuant to approval of Board on 16-06-2021, Stylam Panels Ltd is incorporated on 06-07-2021 as WOS of the company. The purpose of the company is to explore the opportunity by way of greenfield project in Plywood and allied wood products.

**IV. Share Holding Pattern (Equity Share Capital Break up as Percentage of Total Equity)****(a) Category-wise shareholding**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - April 1 <sup>st</sup> , 2020				Shareholding at the end of the year - March 31 <sup>st</sup> , 2021				Change in percent
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Shareholding of Promoter and Promoter Group</b>										
<b>[1] Indian</b>										
(a)	Individuals / Hindu Undivided Family	43,07,334	-	43,07,334	52.75	46,27,784	-	46,27,784	54.61	1.87
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>		<b>43,07,334</b>	<b>-</b>	<b>43,07,334</b>	<b>52.75</b>	<b>46,27,784</b>	<b>-</b>	<b>46,27,784</b>	<b>54.61</b>	<b>1.87</b>
<b>[2] Foreign</b>										
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		<b>43,07,334</b>	<b>-</b>	<b>43,07,334</b>	<b>52.75</b>	<b>46,27,784</b>	<b>-</b>	<b>46,27,784</b>	<b>54.61</b>	<b>1.87</b>
<b>(B) Public Shareholding</b>										
<b>[1] Institutions</b>										
(a)	Mutual Funds / UTI	-	-	-	-	3,36,390	-	3,36,390	3.97	3.97
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	2,27,568	-	2,27,568	2.79	43,468	-	43,468	0.51	-2.27
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	3,15,696	-	3,15,696	3.87	4,15,596	-	4,15,596	4.90	1.04
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1)</b>		<b>5,43,264</b>	<b>-</b>	<b>5,43,264</b>	<b>6.65</b>	<b>7,95,454</b>	<b>-</b>	<b>7,95,454</b>	<b>9.39</b>	<b>2.73</b>
<b>[2] Central Government/ State Government(s)/ President of India</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub Total (B)(2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>[3] Non-Institutions</b>										
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto INR 1 lakh.	8,42,442	1,78,933	10,21,375	12.51	5,88,749	1,74,233	7,62,982	9.00	-3.50
(ii)	Individual shareholders holding nominal share capital in excess of INR 1 lakh	8,72,747	15,000	8,87,747	10.87	9,43,056	15,000	9,58,056	11.31	0.43
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(c)	Any Other (Specify)									
	Hindu Undivided Family	49,182	-	49,182	0.60	27,418	-	27,418	0.32	-0.28
	Foreign Companies	8,50,000	-	8,50,000	10.41	8,50,000	-	8,50,000	10.03	-0.38
	Non Resident Indians (Non Repat)	35,881	2,000	37,881	0.46	34,897	-	34,897	0.41	-0.05
	Non Resident Indians (Repat)	1,76,366	-	1,76,366	2.16	1,46,260	-	1,46,260	1.73	-0.43
	Foreign Portfolio Investor (Individual)	47,477	-	47,477	0.58	17,500	-	17,500	0.21	-0.37
	Clearing Member	16,822	-	16,822	0.21	11,134	-	11,134	0.13	-0.07
	Bodies Corporate	1,68,752	60,000	2,28,752	2.80	1,82,545	60,000	2,42,545	2.86	0.06
<b>Sub Total (B)(3)</b>		<b>30,59,669</b>	<b>2,55,933</b>	<b>33,15,602</b>	<b>40.60</b>	<b>28,01,559</b>	<b>2,49,233</b>	<b>30,50,792</b>	<b>36.00</b>	<b>-4.60</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>		<b>36,02,933</b>	<b>2,55,933</b>	<b>38,58,866</b>	<b>47.25</b>	<b>35,97,013</b>	<b>2,49,233</b>	<b>38,46,246</b>	<b>45.39</b>	<b>-1.87</b>
<b>Total (A)+(B)</b>		<b>79,10,267</b>	<b>2,55,933</b>	<b>81,66,200</b>	<b>100.00</b>	<b>82,24,797</b>	<b>2,49,233</b>	<b>84,74,030</b>	<b>100.00</b>	<b>-</b>
<b>(C) Non Promoter - Non Public</b>										
<b>(C1) Shares Underlying DRs</b>										
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
<b>(C2) Shares Held By Employee Trust</b>										
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
<b>Total (A)+(B)+(C)</b>		<b>79,10,267</b>	<b>2,55,933</b>	<b>81,66,200</b>	<b>100.00</b>	<b>82,24,797</b>	<b>2,49,233</b>	<b>84,74,030</b>	<b>100.00</b>	<b>-</b>

**Note:****Shareholding as on April 1<sup>st</sup>, 2020**

- The effect of 307830 No of shares issued to promoters and promoters group on account of approval of Scheme of Amalgamation not factored in the shareholding as on April 1<sup>st</sup>, 2020, where September 18<sup>th</sup>, 2020.
- Promoter had purchased 15898 No of shares from the open market before the closing of the last financial year i.e March 31<sup>st</sup>, 2020 but those shares were transferred in the name after April 1<sup>st</sup>, 2020.
- The effect of subdivision of shares from face value of INR 10/- each to INR 5/- each has not been taken in the above shareholding as the approval of subdivision of shares with Bombay Stock Exchange (BSE) was received on April 12<sup>th</sup>, 2021 after the close of financial year.

**ii. Share-holding of Promoters**

Sr No	Shareholder's Name	Shareholding at the beginning of the year - April 1 <sup>st</sup> , 2020			Shareholding at the end of the year - March 31 <sup>st</sup> , 2021		
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares
1	Jagdish Gupta	9,88,728	12.11	6.12	10,73,181	12.66	-
2	Satish Gupta	8,68,963	10.64	6.12	8,68,963	10.25	-
3	Usha Gupta	7,12,875	8.73	-	7,14,250	8.43	-
4	Pushpa Gupta	5,50,970	6.75	-	7,85,539	9.27	-
5	Manit Gupta	4,12,198	5.05	-	4,12,224	4.86	-
6	Rattan Devi	3,85,700	4.72	-	3,85,700	4.55	-
7	Nidhi Gupta	1,84,100	2.25	-	1,84,100	2.17	-
8	Dipti Gupta	1,70,700	2.09	-	1,70,700	2.01	-
9	Saru Gupta	33,100	0.41	-	33,127	0.39	-
<b>Total</b>		<b>43,07,334</b>	<b>52.75</b>	<b>12.25</b>	<b>46,27,784</b>	<b>54.61</b>	<b>-</b>

**Note:**

Refer to Note mentioned under Section (IV)(i)

**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 - 01.04.2020	43,07,334	52.75
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)	Nil	
At the End of the year - 31.03.2021	46,27,784	54.61

**Note:**

Refer to Note mentioned under Section (IV)(i)

**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 31.03.2020)	Buy / Sale	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding at end of the year (31.03.2021)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>LIGHTHOUSE EMERGING INDIA INVESTORS LIMITED</b>		-	-		
	At the beginning of the year		8,50,000	10.41		
	Changes during the year		-	-		
	At the end of the year				8,50,000	10.41
<b>2</b>	<b>MANAV GUPTA</b>					
	At the beginning of the year		3,55,400	4.19		
	Changes during the year		-	-		
	At the end of the year				3,55,400	4.19
<b>3</b>	<b>INDIA 2020 FUND II, LIMITED</b>					
	At the beginning of the year		2,00,000	2.36		
	Changes during the year	Buy	85,697	1.01		
		Buy	14,203	0.17		
	At the end of the year				2,99,900	3.54

S. No.	Name of the top 10 Shareholder of the Company (As on 31.03.2020)	Buy / Sale	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding at end of the year (31.03.2021)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>4</b>	<b>QUANT MUTUAL FUND - QUANT ACTIVE FUND</b>					
	At the beginning of the year		-			
	Changes during the year	Buy	4,320	0.05		
		Buy	3,455	0.04		
		Buy	5,194	0.06		
		Buy	8,216	0.10		
		Buy	6,402	0.08		
		Buy	4,717	0.06		
		Buy	5,945	0.07		
		Buy	2,827	0.03		
		Buy	18,166	0.21		
		Buy	7,200	0.09		
		Buy	3,740	0.04		
		Buy	1,500	0.02		
		Buy	16,548	0.20		
		Buy	4,486	0.05		
		Buy	1,550	0.02		
		Buy	629	0.01		
		Buy	1,646	0.02		
		Buy	2,300	0.03		
		Buy	5,800	0.07		
		Buy	3,100	0.04		
		Buy	4,500	0.05		
		Buy	1,000	0.01		
		Buy	5,000	0.06		
		Buy	2,000	0.02		
		Buy	1,000	0.01		
		Buy	100	0.00		
		Buy	800	0.01		
		Buy	1,400	0.02		
		Buy	1,350	0.02		
		Buy	900	0.01		
		Buy	2,100	0.02		
		Buy	2,494	0.03		
		Buy	1,400	0.02		
	At the end of the year				1,31,785	1.56
<b>5</b>	<b>MADHULIKA AGARWAL</b>					
	At the beginning of the year		-			
	Changes during the year	Buy	41,000	0.48		
		Buy	40,500	0.48		
		Buy	36,974	0.44		
	At the end of the year				1,18,474	1.40
<b>6</b>	<b>SURESH KUMAR AGARWAL</b>					
	At the beginning of the year		-			
	Changes during the year	Buy	81,500	0.96		
		Buy	33,000	0.39		
	At the end of the year				1,14,500	1.39

S. No.	Name of the top 10 Shareholder of the Company (As on 31.03.2020)	Buy / Sale	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding at end of the year (31.03.2021)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>7</b>	<b>QUANT MUTUAL FUND - QUANT SMALL CAP FUND</b>					
	At the beginning of the year		-			
	Changes during the year	Buy	13,700	0.16		
		Buy	963	0.01		
		Buy	4,869	0.06		
		Buy	10,857	0.13		
		Buy	1,052	0.01		
		Buy	6,090	0.07		
		Buy	2,500	0.03		
		Buy	1,000	0.01		
		Buy	1130	0.01		
		Buy	500	0.01		
		Buy	8,000	0.09		
		Buy	1,000	0.01		
		Buy	6,100	0.07		
		Buy	9,813	0.12		
		Buy	150	0.00		
		Buy	150	0.00		
		Buy	1,684	0.02		
		Buy	2,700	0.03		
		Buy	4,022	0.05		
		Buy	3,000	0.04		
		Buy	4,600	0.05		
		Buy	4,650	0.05		
		Buy	1871	0.02		
		Buy	2,000	0.02		
		Buy	3,500	0.04		
		Buy	1,700	0.02		
		Buy	400	0.00		
		Buy	1,100	0.01		
		Buy	1,100	0.01		
		Buy	700	0.01		
		Buy	840	0.01		
		Buy	800	0.01		
		Buy	1,080	0.01		
		Buy	1,100	0.01		
	At the end of the year				1,04,721	1.24
<b>8</b>	<b>MUKUL AGRAWAL</b>					
	At the beginning of the year		1,00,000	1.18		
	Changes during the year	Buy	1,100	0.01		
	At the end of the year				1,01,100	1.19
<b>9</b>	<b>UNIVERSAL GOLDEN FUND</b>					
	At the beginning of the year	70,414	0.83			
	Changes during the year	-	-			
	At the end of the year				70,414	0.83
<b>10</b>	<b>VISHAL GUPTA</b>					
	At the beginning of the year	46,708	0.55			
	Changes during the year	-	-			
	At the end of the year				46,708	0.55

**Note:**

- I. The percentage of shareholding for the beginning for the year had been changed after giving effect on the basis of post facto issue of shares pursuant to approval of scheme of amalgamation.
- II. The effect of subdivision of shares from face value of INR 10/- each to INR 5/- each has not been taken in the above shareholding as the approval of subdivision of shares with Bombay Stock Exchange (BSE) was received on April 12<sup>th</sup>, 2021 after the close of financial year

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

For Each of the Directors and KMP	Name of Director/ KMP		
	Jagdish Gupta	Manit Gupta	Manav Gupta
At the beginning of the year	9,88,728	4,12,198	3,55,400
Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Nil		
At the End of the year	10,73,181	4,12,224	3,55,400

**Note:**

Refer to Note mentioned under Section (IV)(i)

**V. INDEBTNESS**

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

Indebtedness at the beginning of the financial year	Secured Loans	Unsecured Loans	Deposits	₹ in Lakh
				Total Indebtedness
i) Principal Amount	9,178.62	2,668.59	-	11,847.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19.37	-	-	19.37
<b>Total (i+ii+iii)</b>	<b>9,197.99</b>	<b>2,668.59</b>		<b>11,866.58</b>
<b>Addition</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reduction</b>				
i) Principal Amount	3,586.47	2,345.50	-	5,931.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13.77	-	-	13.77
<b>Total (i+ii+iii)</b>	<b>3,600.24</b>	<b>2,345.50</b>	<b>-</b>	<b>5,945.74</b>
Net Change	<b>(3,600.24)</b>	<b>(2,345.50)</b>	<b>-</b>	<b>(5,945.74)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,592.15	323.09	-	5,915.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.60	-	-	5.60
<b>Total (i+ii+iii)</b>	<b>5,597.75</b>	<b>323.09</b>	<b>-</b>	<b>5,920.84</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 Amount
		Jagdish Gupta	Manit Gupta	Manav Gupta	Sachin Bhatla	
1	Gross Salary	1,26,00,000	26,25,000	64,80,000	16,86,254	2,33,91,254
	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	<b>Total = (1+2+3+4+5)</b>	<b>1,26,00,000</b>	<b>26,25,000</b>	<b>64,80,000</b>	<b>16,86,254</b>	<b>2,33,91,254</b>
	Ceiling as per the Act	10% of Net profit for all Executive Directors- Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Directors)				

**B. Remuneration to other directors:**

S.No	Particulars of Remuneration	Total Amount
1	Independent Directors 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>	Nil
	<b>Total (B) = (1+2)</b>	
	<b>Total Managerial Remuneration (A+B)</b>	
	Overall Ceiling as per the Act 1% of Net Profits of the Company for all Non-executive Directors	

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

S.No	Particulars of Remuneration	Company Secretary*	CFO	Total Amount
1	Gross salary	3,56,160	19,83,860	23,40,020
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	<b>Total (C) = (1+2+3+4+5)</b>	<b>3,56,160</b>	<b>19,83,860</b>	<b>23,40,020</b>

\* Ms. Srishty Chaudhary, Company Secretary and Compliance Officer, of the company on March 17<sup>th</sup>, 2021

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

On behalf of the Board,

Sd/-  
**Jagdish Gupta**  
Managing Director  
Din: 00115113

Sd/-  
**Manit Gupta**  
Director  
00889528

Place: Chandigarh  
Date: July 28<sup>th</sup>, 2021

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<sup>st</sup>, 2021.**

**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;
- Optimisation of motor and pumps;
- Implementation of LED lights for both plants;
- Optimisation of conservation of electricity by equipment modification/replacement/retrofitting;
- Achieving power factor standards nearing unity.

Energy Audit and audit for Steam has not been conducted during the year under review. But has planned for the next year. So, Energy Audit of the plant will be conducted in the coming year to look further scope of Energy Conservation. In similar way, audit of Steam and Condensate system will be conducted.

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 categorised under the following area of focus:

- Developing new products & designs for emerging applications;
- Improvement in manufacturing process;
- Upgradation of existing products with value added features to create product differentiation to retain market share;
- New technology CNC machine installed in cubical section for development of new dimensional products;
- Effective production scheduling;
- Establishing product credibility through international certification;
- Reduction in input pilferage;
- Continuous benchmarking of products against national/international competition.

The Company is putting in efforts to enhance the consumer experience and showcase its indigenous developments. Key features of new products were demonstrated to

architects, dealers and other customers both overseas and domestic.

Company is thinking to engage independent implementing agency for lean manufacturing in both the plants

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

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

**c) Future Plan of Action**

- To continue with the R&D for new products and better processes
- To improve the quality of existing products

**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;
- Analyzing feedback from users to improve products and services.

**b) Benefits of the steps adopted**

- Improvement in product quality;
- Promotion of Company's brand value;
  - Expanded product range;
- Entered into new geography.

**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 organised 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

	₹ in crore	
	2020-21	2019-20
<b>Earning on account of</b>		
FOB value of Export	293.94	289.05
Other Income	-	-
<b>Total</b>	<b>293.94</b>	<b>289.05</b>
<b>Outgo on account of</b>		
Raw Material	118.47	114.78
Components & Spare Parts	0.78	2.07
Capital Goods	0.47	11.01
Other Expenditures	9.58	4.30
<b>Total</b>	<b>129.30</b>	<b>132.16</b>

### Report on Corporate Governance – 2020-21

Pursuant to Part C of Schedule V of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

#### 1. Company's Philosophy

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

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

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

#### Corporate Governance and Ethics

As a Company we have always worked on the side of ethics and have shunned expediency in any form. We believe that if something is important enough to be done, it is important that we do it ethically. We supplement our traditionally held values of ethical behaviour and moral conduct with explicit rules and regulations that guide our efforts in financial, propriety, customer care and business excellence.

#### 2. Board of Directors

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

#### Composition

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

The constitution of the Board is given below:

Name of Director	Category	No. of other Directorships in Public Limited Companies	Membership of Other Board Committees
Jagdish Gupta**	Executive/ Managing Director	2	-
Manit Gupta	Executive/ Director	2	-
Sachin Bhatla	Executive/ Whole-time Director (technical)	0	-
Manav Gupta	Executive/ Whole-time Director	1	-
Satpal Garg**	Non-Executive/ Independent	0	-
Sonia Goyal	Non-Executive/ Independent	0	-
Purva Kansal*	Non-Executive/ Independent	0	-
Renu Sood*	Non-Executive/ Independent	0	-
Vinod Kumar	Non-Executive/ Independent	0	-
Sachin Kumar Bhartiya	Nominee	2	-

\*Mrs.Renu Sood & Ms.Purva Kansal resigned from board on January 25<sup>th</sup>, 2021 and March 27<sup>th</sup>, 2021 respectively.

\*\*To improve corporate credibility and governance the Board has appointed Mr.Satpal Garg, Independent Director to act as Chairman of Board in place of Mr.Jagdish Gupta, Executive and Managing Director wef June 16<sup>th</sup>, 2021. Mr.Gupta was holding position of Chairman of the Board since the incorporation of company. Mr.Garg has given his consent to act as Chairman of the Board.

## B. Chart/matrix setting out the Skills/Expertise/Competence of the Board of Directors

The matrix setting out the skills / expertise/competence of the Board of Directors is given below

S. No.	Experience / Expertise / Attribute	Comments	Status of availability with the Board
1	Leadership	Ability to envision the future and prescribe a strategic goal for the Company. Help company to identify possible road maps. Inspire and motivate the strategy and approach.	Yes
2	Knowledge/ Understanding of the Business of the Company	Should possess domain knowledge in businesses in which the Company participates. Role model in good governance and ethical conduct of business. The ability to leverage the developments in the appropriate for betterment of Company's business. To use the systems which enable the Company to effectively identify, asses and manage risks. Trade practices	Yes
3	Strategy Planning and implementation	To understand goals of the company Ability to plan and implement the strategies effectively & efficiently Equip to analyze necessary changes required due to existence of dynamic environment	Yes
4	Technical skills	Understanding the financial statements, financial controls Practices of the Company across its business line Marketing or other specific skills required for the effective performance of the Company	Yes
5	Attitude and Behavior	Should be Performance oriented Should be Independent Displaying of integrity and ethical standards Active contribution/ participation in discussions	Yes
6	Governance	Commitment in setting corporate governance practices Understanding to support compliance systems and governance policies. Knowledge of legal and regulatory aspects	Yes
7	Other Skills	To have decision making skills To have Leadership skills Ability, experience and knowledge on their respective fields/ core areas	Yes

The above list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) for it to function effectively, are available with the Board.

## C. Board Meetings and Attendance

During the financial year the Board of Directors met 10 (ten) times during the financial year, on the following dates:

01-05-2020	26-10-2020
29-06-2020	08-12-2020
24-07-2020	25-01-2021
27-08-2020	09-02-2021
04-09-2020	27-03-2021

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

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

Name of Directors	No. of Board Meetings		Annual General Meeting
	Held	Attended	
Jagdish Gupta	10	10	Yes
Manit Gupta	10	10	Yes
Manav Gupta	10	10	Yes
Sachin Bhatla	10	2	Yes
Sachin Kumar Bhartiya	10	2	Yes
Satpal Garg	10	7	Yes
Purva Kansal*	10	3	Yes
Sonia Goyal*	10	1	No
Vinod Kumar	10	2	No
Renu Sood	10	4	No

\*Ms.Sonia Goyal & Ms.Purva Kansal were resigned from office of Board of Directors (Independent) on January 25<sup>th</sup>, 2021 and March 27<sup>th</sup>, 2021 respectively.

## D. Independent Directors confirmation by the Board

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

As on March 31<sup>st</sup>, 2020, none of the Independent Directors was holding any shares of the Company.

## E. Information supplied to the Board of Directors:

During the financial year 2020-21, all necessary information, as required under the applicable provisions of the Act, 2013, Part A of Schedule II of the SEBI Listing Regulations and SS-1 ("Secretarial Standard on Meetings of the Board of Directors") and other applicable laws, rules and regulations were placed and discussed at the Meetings of the Board of Directors.

## 3. Committees of the Board

There are four Committees of the Board namely, the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The terms of reference of the Board Committees are in compliance with the provisions of the Companies Act, 2013, SEBI LODR Regulations and are also reviewed by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the Company Secretary in consultation with the respective Committee Chairperson. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below

**Audit Committee****Composition**

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 March 31<sup>st</sup>, 2021. The terms of reference of the Committee are same as are described in Regulation 18 of Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Attendance of Members at meetings was as under:

Name	Category	Position
Satpal Garg	Non-Executive/ Independent	Chairman
Jagdish Gupta	Executive/ Promoter	Member
Purva Kansal*	Non-Executive/ Independent	Member
Renu Sood*	Non-Executive/ Independent	Member

\*Board of Directors in their meeting held on March 27<sup>th</sup>, 2021 had accepted the resignation of Ms.Purva Kansal from the office of Directors (Independent) and Audit Committee. Board had appointed Mrs. Renu Sood, Director – Independent as Member of the Audit Committee.

CFO is permanent invitee to the Audit Committee.

Company Secretary acts as Secretary to the committee.

**Meeting and attendance during the year**

During the year, 4 (four) Audit Committee meetings were held on 20-06-2020, 24-07-2020, 26-10-2020, 05-01-2021

The Attendance of Members at meetings was as under:

Name	No. of Meetings held during the period	No. of Meetings Attended
Satpal Garg	4	4
Jagdish Gupta	4	4
Purva Kansal	4	4
Renu Sood*	-	-

Mrs. Renu Sood is appointed as member of Audit Committee wef 27-03-2021

**Terms of reference:**

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing with the management quarterly, half yearly, nine- months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
- Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Recommending the appointment, remuneration, terms of appointment and scope of Statutory Auditors of the Company and approval for payment towards any other service;
- Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing, with the management, the annual financial statements and the audit report before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of subsection (5) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;

- c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
  - Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, if any;
  - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
  - Discussion with internal auditors about any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends), if any, and creditors;
  - Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate;
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Review the management discussion and analysis of financial condition and results of operations;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls

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.

**Nomination & Remuneration Committee**

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director and Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

#### Terms of reference:

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

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
- Recommend to the Board appointment and removal of such persons;
- Formulate criteria for determining qualifications, positive attributes and independence of a director;
- Devise a policy on Board diversity;
- Formulation of criteria for evaluation of directors, Board and the Board Committees;
- Carry out evaluation of the Board and directors;
- Recommend to the Board a policy, relating to remuneration for the Directors and Key Managerial Personnel (KMP);
- Recommend to the Board, all remuneration, in whatever form, payable to senior management

#### Composition

The Nomination and Remuneration Committee comprises of 3 (three) Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee as on March 31<sup>st</sup>, 2021, is given below:

Name	Category	Designation
Satpal Garg	Non-Executive/ Independent	Chairman
Sonia Goyal*	Non-Executive/ Independent	Member
Purva Kansal**	Non-Executive/ Independent	Member
Vinod Kumar	Non-Executive/ Independent	Member
Renu Sood	Non-Executive/ Independent	Member

\* Ms.Sonia Goyal was resigned from office of Board of Directors (Independent) on January 25<sup>th</sup>, 2021. Board of Directors in their meeting held on January 25<sup>th</sup>, 2021 had accepted the resignation of Ms.Goyal. With the resignation she was ceased to member of Nomination and Remuneration Committee. Board of Directors had appointed Mr.Vinod Kumar, Director –Independent as member of the committee in place of Ms.Goyal.

\*\* Ms.Purva Kansal was resigned from office of Board of Directors (Independent) on March 27<sup>th</sup>, 2021. Board of Directors in their meeting held on March 27<sup>th</sup>, 2021 had accepted the resignation of Ms.Kansal. With the resignation she was ceased to member of Nomination and Remuneration Committee. Board of Directors had appointed Ms. Renu Sood, Director –Independent as member of the committee in place of Ms.Kansal.

Mr.Satpal Garg, Director- Independent, was holding the position of Chairman of the Nomination & Remuneration Committee, with his elevation as Chairman of the Board, he ceased to be Chairman of the Committee wef June 16<sup>th</sup>, 2021. The Committee in their meeting held on the date appointed Mr.Vinod Kumar-Director-Independent as permanent chairman of the Committee.

#### Meeting and attendance during the year

During the year, 3 (three) Nomination & Remuneration Committee meetings were held on 25-01-2021, 09-02-2021 and 27-03-2021

The Attendance of Members at meetings was as under:

Name	No. of Meetings held during the period	No. of Meetings Attended
Satpal Garg	3	3
Sonia Goyal	1	1
Purva Kansal	3	3
Vinod Kumar	3	2
Renu Sood	1	1

#### Performance Evaluation

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees.

#### Board and Individual Director

The parameters for performance evaluation of Board includes composition of Board, process for appointment to the Board, succession planning, handling critical and dissenting suggestions, attention to Company's long term strategy, evaluation of the governance levels of the Company, quality of discussions at the meeting, etc.

The parameters of the performance evaluation process for Directors, inter alia, includes, effective participation in meetings of the Board, understanding of the roles and responsibilities, domain knowledge, attendance of Director(s), etc.

Independent Directors were evaluated by the entire Board with respect to fulfillment of independence criteria as specified in the Listing Regulations and Companies Act, 2013 and their Independence from the Management. Additional criteria for evaluation of Chairman of the Board includes ability to co-ordinate Board discussions, steering the meeting effectively, seeking views and dealing with dissent, etc.

#### (i) Disclosures with respect to Remuneration

##### Executive Directors

The details of remuneration including commission to all Executive Directors for the year ended on March 31<sup>st</sup>, 2021 are as follows and the same is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013

Name	Designation	Salary	Commission	Provident Fund	Amount in ₹
					Perquisites and other allowances
Mr. Jagdish Gupta	Managing Director	12600000	-	-	-
Mr. Manit Gupta	Director	2625000	-	-	-
Mr.Manav Gupta	Whole Time Director	6480000	-	-	-
Mr.Sachin Bhatla	Director-Technical	1923254	-	-	-

##### Non-Executive Directors

There are no pecuniary relationships or transactions between the non-executive directors (including independent directors) and the Company. During the year, the company had not paid any amount to Non-Executive Directors.

#### (ii) Service contracts, notice period, severance fees

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.

#### (iii) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable

Company has not granted any stock option to its any of Directors.

#### Stakeholders Relationship Committee

The terms of reference and the ambit of powers of Stakeholders Relationship/ Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of shareholder correspondences, queries, grievances etc. are endeavored to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee.

**Terms of reference:**

The terms of reference of the Stakeholders Relationship Committee, as approved by the Board and amended from time to time, includes the following:

- Resolving the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company

**Composition**

The Stakeholders Relationship/ Grievance Redressal Committee comprises of 3 (Three) members of which, 2 (Two) are Non-Executive and Independent Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship/ Grievance Redressal Committee. The Composition of Stakeholders Relationship/ Grievance Redressal Committee as on March 31<sup>st</sup>, 2021, is given below

Name	Category	Designation
Satpal Garg	Non- Executive and Independent Director	Chairman
Jagdish Gupta	Executive and Promoter Director	Member
Purva Kansal*	Non- Executive and Independent Director	Member
Renu Sood	Non- Executive and Independent Director	Member

\* Board of Directors in their meeting held on March 27<sup>th</sup>, 2021 had accepted the resignation of Ms.Purva Kansal from the office of Directors (Independent) and Stakeholders Relationship Committee.

Board has appointed Mrs.Renu Sood, Director – Independent as Member of the Committee in place of Ms.Kansal wef 27-03-2021.

**Name and designation of compliance officer**

Mr.Karan Mehra, Company Secretary is the Compliance officer of the company.

**Number of shareholders' complaints received during the year**

The complaints are generally replied to within 15 days from the date of lodgment with the Company. During the year no grievance was reported.

**Number not solved to the satisfaction of shareholders**

Not applicable

**Number of pending complaints**

As at March 31<sup>st</sup>, 2021, no complaint was pending unresolved.

**Meeting and attendance during the year**

During the year 6 (six) meetings were held on 12-09-2020, 06-10-2020, 04-12-2020, 18-02-2021, 09-03-2021, 12-03-2021.

The Attendance of Members at meetings was as under:

Name	No. of Meetings held during the period	No. of Meetings Attended
Satpal Garg	6	6
Jagdish Gupta	6	6
Purva Kansal	6	6
Renu Sood*	-	-

\* Mrs. Renu Sood is appointed as Member of committee wef 27-03-2021

**Corporate Social Responsibility Committee**

Corporate Social Responsibility (CSR) Committee of the Company is constituted as per Section 135 of the Act, 2013. CSR Committee, inter alia, had formulated and recommended to the Board, a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act, 2013. The CSR Committee recommends the amount of expenditure to be incurred on the CSR activities and monitor the CSR activities undertaken by the Company from time to time.

**Terms of reference:**

The terms of reference of the CSR Committee are as follows:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

**Composition**

The Corporate Social Responsibility Committee comprises of 3 (three) members of which 2 (Two) are Executive Director, the Chairman being Non Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. The Composition of Corporate Social Responsibility Committee as on March 31<sup>st</sup>, 2021, is given below:

Name	Category	Position
Satpal Garg	Non- Executive and Independent Director	Member/Chairman
Jagdish Gupta	Executive and Promoter Director	Member
Manit Gupta	Executive Director	Member

**4. General Body Meeting**

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time	No. of Special Resolution Passed
27 <sup>th</sup>	31.03.18	Chandigarh Club, Sector-1, Chandigarh	28-09-2018	10:00 AM	Nil
28 <sup>th</sup>	31.03.19	Chandigarh Club, Sector-1, Chandigarh	30-09-2019	10:00 AM	5
29 <sup>th</sup>	31.03.20	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	29-09-2020	03:00 PM	Nil

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:

**Annual General Meeting held on September 30<sup>th</sup>, 2019**

- To approve Re-appointment of Mr. Satpal Garg as an Independent Director for a period of five years till the conclusion of 33<sup>rd</sup> AGM of the company to be held in 2023-24
- Authorisation of sell property situated at Plot No. 19, Sector -22, Panchkula Technology Park, Panchkula
- To approve alteration in Articles of Association of the Company and to incorporate on Appointment of Nominee Director in Articles of Association of the Company
- To approve re-appointment of Shri Jagdish Gupta as Managing Director, for a period of five years till conclusion of 33<sup>rd</sup> AGM of the company of the company to be held in 2023-24.
- To approve re-appointment of Mr.Manav Gupta as a Whole-Time Director for a period of five years upto June 25<sup>th</sup>, 2024.

**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.

**5. Means of Communication:****(a) Quarterly Results**

The Company publishes limited reviewed un-audited standalone & consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results both standalone & consolidated for the complete financial year.

**(b) Newspaper wherein results normally published**

The quarterly, half-yearly and annual financial results are published in Economic Times in English and Jansatta Hindi Chandigarh editions

**(c) Website, where displayed**

The financial results are also placed on the company's website www.stylam.com in the investors' sections.

**(d) Presentations made to institutional investors or to the analysts**

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook.

**6. Subsidiaries**

Details of the Subsidiaries and/or Joint Venture of the Company and their business activities are provided in the Directors' Report forming part of the Annual Report of the Company. The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the Listing Regulations as amended from time to time. The Policy was revised in line with the amendments made to the Listing Regulations.

**7. General Share-holder Information**

I. The 30<sup>th</sup> Annual General Meeting is proposed to be held for the Financial Year: April 1<sup>st</sup>, 2020 to March 31<sup>st</sup>, 2021.

II. Annual General Meeting for the Financial Year 2020-21 cp

Date	:	September 30 <sup>th</sup> , 2021 (Thursday)
Time	:	10:00 A.M.
Financial Calendar	:	The Financial year of the Company starts from April 1 <sup>st</sup> , of a year and ends on March 31 <sup>st</sup> , of the following year
Book Closure Date	:	Friday, September 24 <sup>rd</sup> , 2021 to Wednesday September 30 <sup>th</sup> , 2021 (both days inclusive)

**III. Tentative Financial Calendar for 2021-2022**

The financial year of the Company is for a period of 12 months from April 1<sup>st</sup>, 2021 to March 31<sup>st</sup>, 2022.

First Quarterly results	July, 2021
Second Quarterly/Half Yearly results	November, 2021
Third Quarter results	February, 2022
Annual Results	May, 2022
Annual General Meeting	September, 2022

**IV. Listing of Equity Shares on Stock Exchange and Stock Code/Symbol:**

- ISIN Code: INE239C01020
- Scrip Code: 526951
- Stock Exchange: Bombay Stock Exchange (BSE)
- Address: 25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

**V. Stock Market price data for the year on BSE**

Monthly high & low prices and volumes of the equity shares of the Company at the BSE Limited (Sensex) during financial year 2020-21 are as under:

Month	Open	High	Low	Close	No. of Shares
Apr 20	265.00	333.00	225.05	275.75	31,495
May 20	270.05	281.50	222.60	238.55	27,693
Jun 20	242.05	360.00	236.00	340.95	42,555
Jul 20	330.15	465.00	295.25	450.05	2,53,358
Aug 20	440.10	555.95	415.10	521.00	79,610
Sep 20	509.90	769.90	500.00	746.85	2,05,233
Oct 20	721.50	849.40	665.00	837.00	1,38,657
Nov 20	877.00	877.00	790.00	824.90	49,531
Dec 20	839.00	974.80	777.00	962.40	1,04,847
Jan 21	962.80	974.00	817.10	930.75	2,49,356
Feb 21	931.00	1,201.00	891.05	1,123.15	1,74,981
Mar 21	1,118.00	1,474.90	1,050.00	1,395.95	2,05,493

Source: www.bseindia.com

**VI. In case the securities are suspended from trading, the directors report shall explain the reason thereof**

Not Applicable.

**VII. Registrar to an issue and share transfer agent**

Link Intime India Private Limited  
Noble Heights, 1<sup>st</sup> Floor, Plot No. NH 2,  
LSC, C-1 Block, Near Savitri Market,  
Janakpuri, New Delhi-110 058  
Telephone: 011-41410592,93, 011-49411000  
Fax: 011-41410591  
Email: delhi@linkintime.co.in  
Website: www.linkintime.co.in

**VIII. Share transfer system**

Trading in equity shares of the Company through recognised Stock Exchanges can be done only in dematerialised form.

As per Regulation 40 of the Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in demat form with a depository.

In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/ her.

In case of request for dematerialisation of shares, confirmation of dematerialisation is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

**IX. Distribution of Shareholding as on 31.03.2021**

Range	No. of Shares	% age
1 – 500	346941	4.09
501-1000	132412	1.56
1001- 2000	114913	1.36
2001- 3000	99494	1.17
3001- 4000	40270	0.48
4001- 5000	67749	0.80
5001 – 10000	195022	2.30
10001 & above	7477229	88.24
<b>TOTAL</b>	<b>8474030</b>	<b>100.00</b>

**X. Shareholding pattern of the Company as on 31.03.2021**

Category	No. of Shares Held	%age of Shareholding
A Promoters	4627784	54.61
B Public Shareholding		
1 Institutions		
(i) Mutual Funds	336390	3.97
(ii) Alternate Investment Funds	43468	0.51
(iii) Foreign Portfolio Investor	415596	4.90
2 Non-Institutions	0	0
(i) Individuals	1721038	20.31
(ii) HUF	27418	0.32
(iii) Foreign Companies	850000	10.03
(iv) NRIs	181157	0.41
(v) FPI	17500	1.94
(vi) Clearing Members	11134	0.13
(vii) Bodies Corporate	242545	2.87
C Total Public Shareholding (1+2)	3846246	45.39
<b>TOTAL (A+C)</b>	<b>8474030</b>	<b>100.00</b>

**XII. 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 INE239C01020.

As on March 31<sup>st</sup>, 2021, 96.87% of the Company's total shares representing 7910267 No. of shares are held in dematerialised form and 3.13% representing 255933 No. of shares are in physical form.

Category	Number		% of total equity
	Shareholders	Shares	
Demat Mode			
NSDL	1598	7805094	92.11
CDSL	1451	419703	4.95
<b>Total</b>	<b>3049</b>	<b>8224797</b>	<b>97.06</b>
Physical Mode	517	249233	2.94
<b>Grand Total</b>	<b>3566</b>	<b>8474030</b>	<b>100.00</b>

**XIII. Plant Locations**

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

**XIV. 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:

**Address of correspondence with Company**

Stylam Industries Limited  
Registered Office : SCO 14, Sector 7-C,  
Madhya Marg  
Chandigarh -160019  
Telephone No.: 0172-5021555  
Email: info@stylam.com

**Address of correspondence with the Registrar and Transfer Agents**

Link Intime India Private Limited  
Noble Heights, 1<sup>st</sup> Floor,  
Plot No. NH 2, LSC,  
C-1 Block, Near Savitri Market,  
Janakpuri,  
New Delhi-110058  
Telephone: 011-41410592,93, 011-49411000  
Fax: 011-41410591  
Email: delhi@linkintime.co.in

**XV. 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 April 1<sup>st</sup>, 2020 to March 31<sup>st</sup>, 2021: Nil

E-mail ID for redressal of Investor Grievances: As per Listing Regulation 46 (k) 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

**8. Other Disclosures****(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

During the financial year 2020-21, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large.

**(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has not been penalised, nor have the stock exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

**(c) Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) with a view to regulate trading in securities by the Designated Persons (as defined in the said Code of Conduct) of the Company.

**(d) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee**

As per the requirement of the Companies Act, 2013 and Listing Regulations, the Company has framed and implemented 'Whistle Blower Policy' to establish vigil mechanism for directors and employees to report genuine concerns. This policy provides a process to disclose information, confidentially and without fear of victimisation, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company or violation of the Company's Code of Conduct or ethical policy. The whistle blowers may also lodge their complaints/concern with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The policy offers appropriate protection to the whistle blowers from victimisation, harassment or disciplinary proceedings. The Whistle Blower Policy is available on the website of the Company.

**(e) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(f) Policy on dealing with related party transactions**

The Company has not entered into any materially significant transactions with related parties during the financial year, which may have potential conflict with the interest of the Company at large. Suitable disclosures as required by the Ind AS 24 has been made in the notes to the Financial Statements. The details of the transactions with related parties are placed before the Audit Committee from time to time.

The Board of Directors has formulated a policy on related party transactions and also on dealing with related party transactions

pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, which has been uploaded on the Company's website.

**(g) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority**

On the basis of written representations/ declaration received from the directors, as on March 31<sup>st</sup>, 2021, M/s Sanjiv Kumar Goel, Practising Company Secretaries (Membership No. FCS 2107, secr No. 1248), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ MCA or any such authority and the same also forms part of this Report.

**(h) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof**

The Board accepted the recommendations of its Committees, wherever made, during the year.

**(i) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Details of complaints received and redressed during the Financial Year 2020-21:

- a. number of complaints filed during the financial year : Nil
- b. number of complaints disposed of during the financial year : N.A.
- c. number of complaints pending as on end of the financial year: Nil

**(j) Chairman cum Managing Director and CFO Certification**

The Chairman cum Managing Director and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying, inter alia, that the financial statements do not contain

any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Annual Report.

**(k) Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulations 17 to 27 and clauses (B) to (I) of Sub-Regulation (2) of Regulation 46**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Declaration signed by the Chief Executive Officer stating that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management**

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Havells' Code of Ethics is intended to provide guidance and help in recognising and dealing with ethical issues, mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company.

**(l) Compliance Certificate of the Auditors**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations and the same is annexed to this report.

**(m) Others**

The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.

During the year, there were no transactions of material nature with the Directors or the Management or relatives or the subsidiaries that had potential conflict with the interests of the Company

**Declaration by the Managing Director and CEO under Regulation 26(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Compliance with Code of Conduct**

To  
The Members,  
**Stylam Industries Ltd.**

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended on March 31<sup>st</sup>, 2021.

Place: Chandigarh  
Date: July 28<sup>th</sup>, 2021

**Jagdish Gupta**  
Managing Director & CEO

## Annexure-B

**Certificate of Non-Disqualification of Directors**

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Stylam Industries Limited**  
(CIN: L20211CH1991PLC011732)  
Regd. Office: S.C.O. 14, Sector 7 C,  
Chandigarh -160019

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Stylam Industries Limited having CIN: L20211CH1991PLC011732 and having registered office at S.C.O. 14, Sector 7 C, Chandigarh -160019 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31<sup>st</sup>, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment
1	Jagdish Gupta	00115113	28/10/1991
2	Satpal Garg	01074514	01/10/2004
3	Manav Gupta	03091842	27/06/2019
4	Manit Gupta	00889528	07/02/2015
5	Sachin Kumar Bhartiya	02122147	16/09/2019
6	Sachin Bhatla	08182443	23/07/2018
7	Vinod Kumar	08576194	30/09/2019
8	Renu Sood	02280975	13/06/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chandigarh  
Date: August 12<sup>th</sup>, 2021

**Sanjiv Kumar Goel**  
Membership No.: FCS 2107  
CP No.: 1248

## Annexure-C

**Certificate on Compliance with the Conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
**Stylam Industries Limited**  
(CIN: L20211CH1991PLC011732)  
Regd. Office: S.C.O. 14, Sector 7 C,  
Chandigarh -160019

I have examined all relevant records of Stylam Industries Limited ("the Company") for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31<sup>st</sup>, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Chandigarh  
Date: August 12<sup>th</sup>, 2021

**Sanjiv Kumar Goel**  
Membership No.: FCS 2107  
CP No.: 1248

## Annexure-D

**Independent Auditor's Certificate on Corporate Governance**

To  
The Members of  
**Stylam Industries Limited**

We have examined the compliance of conditions of corporate governance by Stylam Industries Limited for the year ended on March 31<sup>st</sup>, 2021 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations").

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.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31<sup>st</sup>, 2021.

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

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

**CA SANDEEP KUMAR GOEL**  
Partner  
M. No. 099212

Place: Chandigarh  
Date: July 28<sup>th</sup>, 2021

## Annexure-E

**Certification by Chief Executive Officer and Chief Financial Officer pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
**Stylam Industries Limited**

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

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31<sup>st</sup>, 2021 and to the best of our knowledge and belief, we state that:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. 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.
4. We further state that:
  - (a) significant changes in internal control over financial reporting during the year;
  - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and;
  - (c) instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Chandigarh  
Date: July 28<sup>th</sup>, 2021

sd/-  
**Jagdish Gupta**  
Managing Director & CEO

sd/-  
**Sanjeev Vaid**  
CFO

# Independent Auditor's Report

TO THE MEMBERS OF  
STYLAM INDUSTRIES LIMITED

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone financial statements of Stylam Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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 Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 statement.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

The Key Audit Matter	Auditor's Response
<p><b>Revenue Recognition</b></p> <p>The Company recognises revenue at the point of time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.</p> <p>In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer.</p> <p>The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognised in the correct period or that revenue and associated profit is misstated.</p>	<ul style="list-style-type: none"> <li>We performed process walk through to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements.</li> <li>Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.</li> <li>We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.</li> <li>We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements.</li> <li>In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised to revenue focusing on unusual or irregular transactions.</li> </ul>

The Key Audit Matter	Auditor's Response
<p><b>Fair value Measurement</b></p> <p>In FY 2019, company has capitalised receivable from one of its customer in Singapore.</p> <p>This capitalisation was done on the basis of scheme approved by High Court in Singapore.</p> <p>Owing to practical issues the shares so allotted to the company are assigned in favour of person resident of Singapore.</p> <p>The shares are listed in Singapore Stock Exchange (SGX)</p>	<ul style="list-style-type: none"> <li>We have performed analytical audit measures correctness of capitalisation transaction in the bookkeeping records.</li> <li>We have also assessed the appropriateness of the notes to the financial statements concerning the valuation.</li> <li>As regards the valuation calculations, the trading shares is suspended by SGX, we have assessed management judgement on the valuation and fair value is derived on the basis of input available i.e last stated price of shares.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of Standalone Financial Statement

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are

therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2021 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

- (h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**SANDEEP KUMAR GOEL**

Partner  
Membership No. 099212

Date: May 27<sup>th</sup>, 2021  
Place: Chandigarh

## Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 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<sup>st</sup>, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2021, 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 **Mittal Goel & Associates**  
Chartered Accountants  
Firm Reg. No. 017577N

**SANDEEP KUMAR GOEL**  
Partner  
Membership No. 099212

Date: May 27<sup>th</sup>, 2021  
Place: Chandigarh

## Annexure B to the Independent Auditor's Report

(Referred to in Paragraph 2 Under 'Report on other Legal and Regulatory Requirements' of our Report of Even Date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31<sup>st</sup>, 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as Right of Use Assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement
- ii. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. According to the information and explanations given to us, the Company has granted loans, unsecured, to one of its wholly owned subsidiary company, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31<sup>st</sup>, 2021 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as on March 31<sup>st</sup>, 2021 on account of disputes are given below:

Name of the statute	Amount (INR in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	81.94	AY 2013-14	ITAT
Income Tax Act, 1961	127.75	AY 2014-15	ITAT
Income Tax Act, 1961	241.46	AY 2017-18	CIT (Appeal)
Income Tax Act, 1961	1241.54	AY 2018-19	AO
Income Tax Act, 1961	3.32	AY 2019-20	CIT (Appeal)
Custom Duty	2,058.72	13-10-2017 to 10-01-2019	DRI
HPCB	21.09	2019	Punjab & Haryana High Court

\* Net of amount paid under protest

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to bankers and government. The Company did not have any outstanding dues to financial institutions and debenture holders during the year.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The company has not taken term loan during the period.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, 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 Act.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

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

**SANDEEP KUMAR GOEL**  
Partner  
Membership No. 099212

Date: May 27<sup>th</sup>, 2021  
Place: Chandigarh

## Balance Sheet

as at March 31<sup>st</sup>, 2021

	Note	INR in Lakh	
		As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	18,781.96	19,495.29
Capital work in progress		0.00	1,118.63
Investment Property	4	0.00	0.00
<b>Financial assets</b>			
Investments	5.1	149.85	149.85
Loans and advances	5.2	139.71	126.01
Other bank balances	5.6	0.00	0.00
Other non-current assets	7	282.99	167.70
		<b>19,354.50</b>	<b>21,057.49</b>
<b>Current assets</b>			
Inventories	8	7,184.86	6,673.05
<b>Financial assets</b>			
Trade receivables	5.4	9,864.27	8,738.75
Cash and cash equivalents	5.5	508.40	600.22
Other bank balances	5.6	1,005.34	11.32
Other financial assets	5.3	2.43	0.91
Other current assets	7	2,817.93	2,447.63
		<b>21,383.24</b>	<b>18,471.88</b>
<b>TOTAL ASSETS</b>		<b>40,737.74</b>	<b>39,529.37</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	847.40	847.40
Other equity		25,120.75	19,579.43
		<b>25,968.15</b>	<b>20,426.83</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	10.1	2,149.42	3,565.37
Other financial liabilities	10.4	0.00	0.00
Provisions	11	235.07	200.92
Deferred tax liabilities (net)	6	1,217.43	1,343.34
Other non current liabilities	12	654.23	657.84
		<b>4,256.15</b>	<b>5,767.48</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	10.2	2,110.99	5,853.49
Trade payables	10.3	5,149.31	3,551.23
Other financial liabilities	10.4	1,660.43	2,593.93
Other current liabilities	12	1,196.17	910.87
Provisions	11	73.25	79.46
Current tax liabilities (net)	13	323.29	346.08
		<b>10,513.45</b>	<b>13,335.06</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>40,737.74</b>	<b>39,529.37</b>
Basis of preparation, measurement and significant accounting policies.	1&2		

See accompanying notes to the financial statements  
As per our report of even date attached.

For **Mittal Goel & Associates**  
Chartered Accountants

**CA Sandeep Kumar Goel**  
Partner  
Membership No. 099212

**Jagdish Gupta**  
Managing Director

**Manit Gupta**  
Director

DATE : May 27<sup>th</sup>, 2021  
PLACE : Chandigarh

**Sanjeev Vaid**  
CFO

**Karan Mehra**  
CS & Compliance Officer

## Profit and Loss Account

for the period ended March 31<sup>st</sup>, 2021

	Notes	INR in Lakh	
		Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
<b>Income</b>			
Revenue from operations	14	47584.58	46214.84
Other income	15	478.93	97.43
<b>Total Income</b>		<b>48063.52</b>	<b>46312.28</b>
<b>Expenses</b>			
Cost of raw materials consumed	16	25120.33	24169.49
(Increase) / decrease in inventories	17	-493.30	714.27
Purchase of Stock in Trade		27.27	22.35
Employee benefit expenses	18	3825.49	3754.31
Finance costs	21	601.86	1090.38
Depreciation and amortisation expense	20	2314.95	2098.49
Other expenses	19	9569.45	9591.14
<b>Total Expenses</b>		<b>40966.04</b>	<b>41440.41</b>
<b>Profit before exceptional items and tax</b>		<b>7097.48</b>	<b>4871.86</b>
<b>Exceptional Items</b>			
<b>Profit before Tax</b>		7097.48	3350.61
<b>Tax expense</b>			
Current tax		1732.90	1296.78
Tax of Earlier Years		-36.26	163.91
MAT Credit Entitlement		0.00	
Deferred tax charge	6	-129.58	-0.91
<b>Total tax expense</b>		<b>1567.06</b>	<b>1459.78</b>
<b>Profit for the year</b>		5530.42	1890.84
Share of Profit/ (Loss) of associates and joint ventures		0.00	-22.82
<b>Other Comprehensive Income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/ (losses) on defined benefit obligations		14.56	10.81
Net (loss) gain on FVTOCI Investment		0.00	0.00
Deferred tax charge		-3.66	-3.15
Income tax effect		0.00	0.00
Other comprehensive income not to be reclassified to profit or loss in subsequent years (net of tax)		10.90	7.66
Other comprehensive income to be reclassified to profit or loss in subsequent years:		0.00	
Currency Hedging		-	-
Tax effect		-	-
Other comprehensive income to be reclassified to profit or loss in subsequent years (net of tax)		-	-
<b>Total Comprehensive Income for the year</b>		<b>5,541.32</b>	<b>1,875.68</b>
Earnings per equity share in INR computed on the basis of profit for the year	22		
Basic		32.63	11.16
Diluted		32.63	11.40
Significant accounting policies and key accounting estimates and judgements	1&2		

See accompanying notes to the financial statements  
As per our report of even date attached.

For **Mittal Goel & Associates**  
Chartered Accountants

**CA Sandeep Kumar Goel**  
Partner  
Membership No. 099212

**Jagdish Gupta**  
Managing Director

**Manit Gupta**  
Director

DATE : May 27<sup>th</sup>, 2021  
PLACE : Chandigarh

**Sanjeev Vaid**  
CFO

**Karan Mehra**  
CS & Compliance Officer

## Statement of Changes in Equity

for the period ended March 31<sup>st</sup>, 2021

### (a) Equity share capital

	Balance as at 01.04.2020	Changes during the year*	Balance as at 31-03-2021
	8,474,030.00	-	8,474,030

INR in Lakh

	Balance as at 01.04.2019	Changes during the year	Balance as at 31.03.2020
	8,166,200.00	307,830	8,474,030.00

INR in Lakh

\*\* Pursuant to approval of the Scheme of Amalgamation between Golden Chem-Tech Limited (Transferor Company) and Stylam Industries Limited (Transferee Company) by Hon'ble NCLT, Chandigarh Bench on February 11<sup>th</sup>, 2020, 307,830 Nos of equity shares of INR 10/- each have been allotted to the shareholders of the Transferor Company.

### (b) Other equity

Particulars	Reserve & Surplus					Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Other comprehensive Income	Equity component of compound financial instruments	
<b>Balance as at April 1<sup>st</sup>, 2019</b>	705.97	5023.50	11938.42	10.81	25.04	17703.74
Profit for the year			1890.84			1890.84
Transfer from other Comprehensive Income			10.81			
Transfer to Retained Earnings				-10.81		
Share of Profit/ (Loss) of associates and joint ventures			-22.82			-22.82
Other Comprehensive Income for the year				7.66		7.66
Other Transfers			7.08		-7.08	0.00
<b>Balance as at March 31<sup>st</sup>, 2020</b>	<b>705.97</b>	<b>5023.50</b>	<b>13824.34</b>	<b>7.66</b>	<b>17.95</b>	<b>19579.43</b>
<b>Balance as at April 1<sup>st</sup>, 2020</b>	<b>705.97</b>	<b>5023.50</b>	<b>13824.34</b>	<b>7.66</b>	<b>17.95</b>	<b>19579.43</b>
Profit for the year			5530.42		0.00	5530.42
Share of Profit/ (Loss) of associates and joint ventures			0.00		0.00	0.00
Other Comprehensive Income for the year		0.00	10.90		0.00	10.90
Other Transfers			5.02		-5.02	0.00
<b>Balance as at March 31<sup>st</sup>, 2021</b>	<b>705.97</b>	<b>5023.50</b>	<b>19370.68</b>	<b>7.66</b>	<b>12.93</b>	<b>25120.75</b>

INR In Lakh

### Nature and purpose of other equity

#### Capital Reserve:

Capital reserve is created on merger of Golden Chem-Tech Limited with the company, as per order of National Company law Tribunal. The amount represent the excess of net assets acquired over the cost of consideration.

#### Securities premium reserve:

The amount received in excess of face value of the equity share is recognised in securities Premium.

#### Retained Earnings:

Retained earnings are the profits that the company has earned till date.

#### Equity component of compound Financial Instrument.

The fair value change of the debt instruments measured at fair value through Equity component of compound financial instrument.

Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and loss Account.

## Statement of Changes in Equity

for the period ended March 31<sup>st</sup>, 2021

### Items of other Comprehensive income

Remeasurements of defined benefit obligation:

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

### Capital management

Equity Share Capital and other equity are considered for the purpose of company's capital management.

The company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the company is based on management's judgement of its strategic and day to day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

See accompanying notes to the financial statements

As per our report of even date attached.

For **Mittal Goel & Associates**

Chartered Accountants

**CA Sandeep Kumar Goel**

Partner

Membership No. 099212

**Jagdish Gupta**

Managing Director

**Manit Gupta**

Director

DATE : May 27<sup>th</sup>, 2021

PLACE : Chandigarh

**Sanjeev Vaid**

CFO

**Karan Mehra**

CS & Compliance Officer

## Statement of Cash Flow

for the period ended March 31<sup>st</sup>, 2021

	INR In Lakh	
	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
<b>A Cash Flow from operating activities:</b>		
<b>Profit/(loss) before extraordinary &amp; exceptional items and tax</b>	7,097.48	4,871.86
Adjustments for:		
- Unrealised foreign exchange loss/(gain) (net)	49.83	-109.05
- Finance costs	349.73	929.52
- Depreciation and amortisation expense	2,314.95	2,098.49
- Interest Income	-23.81	-22.88
- Loss/ (Gain) on sale of Fixed Assets (net)	-7.46	3.35
<b>Operating Profit before working capital changes</b>	<b>9,780.72</b>	<b>7,771.28</b>
Movements in working capital:		
Adjusted for:		
Trade & Other Receivables	-1,369.57	-719.99
Inventories	-511.81	-50.24
Trade & Other Payables	1,714.13	1,323.90
<b>Net cash generated from operations</b>	<b>9,613.47</b>	<b>8,324.95</b>
Payment of direct taxes (net)	-1,719.44	-1,734.58
<b>Net cash from operating activities (A)</b>	<b>7,894.03</b>	<b>6,590.37</b>
<b>B Cash Flow from investing activities:</b>		
Payment for Tangible Assets (including capital work in progress and capital advances)	-666.12	-17,223.52
Proceeds from sale of PPE	75.32	14,791.94
Proceeds from sale of Investment Property		3,377.00
Payment for investments in subsidiary and joint venture	-35.70	-58.52
Maturity/ (Investment) in fixed deposits	0.00	998.23
Proceeds/(Investment) from/ in other assets	22.01	-22.39
Proceeds/(Investment) from/ in other activities	30.53	19.05
Interest received	23.81	22.88
<b>Net cash from/ (used in) investing activities (B)</b>	<b>-550.15</b>	<b>1,904.67</b>
<b>C Cash Flow from financing activities:</b>		
Proceeds of long-term borrowings	0.00	
Repayment of long term borrowings	-2,349.45	-5,753.55
Proceeds/ (Repayment) from short-term borrowings	-3,742.50	-1,359.20
Borrowing costs paid		
- Interest paid	-349.73	-929.52
<b>Net cash from/ (used in) financing activities (C)</b>	<b>-6,441.68</b>	<b>-8,042.28</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>902.20</b>	<b>452.77</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>611.54</b>	<b>158.77</b>
<b>Cash and cash equivalents at the closing of the period</b>	<b>1,513.74</b>	<b>611.54</b>

## Statement of Cash Flow

for the period ended March 31<sup>st</sup>, 2021

	INR In Lakh	
	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
<b>Notes:</b>		
(i) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.		
(ii) Components of cash and cash equivalents included under cash and bank balances (note 5.5 & 5.6) are as under:		
Cash in hand	0.65	1.00
Balances with scheduled banks		
- On current accounts	449.93	544.38
- Deposits with original maturity of more than 3 months	810.20	1.51
- Deposits with original maturity of upto 3 months	69.79	64.65
Other Balance with bank	183.17	-
<b>Cash and cash equivalents</b>	<b>1513.74</b>	<b>611.54</b>

Repayment of Term loan for the year ended March 31<sup>st</sup>, 2021 is net of proceeds and repayment of loan during the year:

See accompanying notes to the financial statements  
As per our report of even date attached.

For **Mittal Goel & Associates**  
Chartered Accountants

**CA Sandeep Kumar Goel**  
Partner  
Membership No. 099212

**Jagdish Gupta**  
Managing Director

**Manit Gupta**  
Director

DATE : May 27<sup>th</sup>, 2021  
PLACE : Chandigarh

**Sanjeev Vaid**  
CFO

**Karan Mehra**  
CS & Compliance Officer

# Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

## 1. Company information

Stylam Industries Limited ("the Company") is a public limited company incorporated in India with its registered office located at Sco-14, Sector 7-C, Madhya Marg, Chandigarh, India. The Company is listed on the Bombay Stock Exchange (BSE). The Company is engaged in manufacturing of laminates, solid surface panels and allied products.

The manufacturing facilities of the company are located at Panchkula, Haryana, India

## 2. Basis of Preparation, Measurement and Significant accounting policies

### 2.1 Basis of Preparation and measurement

#### a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency')

The financial statements of the Company for the year ended March 31<sup>st</sup>, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 27<sup>th</sup>, 2021.

#### b) Basis of measurement

These Consolidated Financial statements are prepared under the historical cost convention unless otherwise indicated.

### 2.2 Key accounting estimates and judgements

The preparation of Financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses.

Estimates and 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.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property and plant and equipment, provisions, valuation of deferred tax liabilities, contingent liabilities and fair value measurements of financial instruments as discussed below.

Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

Continuous evaluation is done on the estimation. Actual results may differ from these estimates.

#### Estimation of uncertainties relating to the global pandemic from COVID-19 (COVID-19)

The outbreak of unprecedented COVID-19 pandemic has worsened the overall economic conditions and caused significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities throughout the country and therefore discernible adverse effect of the same could also be witnessed as far as business operations of the Company in terms of production and sales is concerned. While preparing the accompanying financial results, the Company's management was required to make judgements, estimates and assumptions that affected the application of policies and reported amounts of assets, liabilities, equity, income and expenses. While drawing assumptions about the possible future uncertainties that might occur in the global economic conditions, the Company, after taking into consideration the impact of the infamous pandemic, has evaluated both internal as well as external factors that can have an effect on the future performance of the company. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and does not anticipate any impairment to its financial and non-financial assets.

# Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

Though, given the uncertainty of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial results. The management will be closely monitoring the situation as it evolves.

### 2.3 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

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

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

### 2.4 Significant accounting policies

#### (a) Property, plant and equipment (PPE)

Property, plant and equipment  
*Freehold land is carried at cost.*

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

Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

Capital work in progress

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress."

Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

#### (b) Depreciation and amortisation methods, estimated useful lives and residual value

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

The useful life is as follows:

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

Depreciation in respect of additions to assets has been charged on pro rata basis with

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.

### (c) Intangibles

Intangible assets purchased and cost incurred thereon are initially measured at cost.

#### Amortisation

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. The estimated useful lives of intangible assets are assessed as 10 years.

### (d) De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

### (e) Non-current assets held for sale

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

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

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

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

### (f) Investments in Subsidiaries, and Associates

Investments in Subsidiary, and Associates are carried at cost less accumulated impairment losses, if any.

### (g) Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares,

components, consumables and stock-in-trade are carried at the lower of cost and net realisable value.

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

For valuation of raw materials, packing materials, stock-in-trade, stores, and consumables, FIFO method is used to determine cost.

Cost of finished goods and work-in-progress includes the cost of raw materials, plus an appropriate share of variable production overheads.

### (h) Financial instruments

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

#### Financial Assets

##### Initial Recognition and measurement

All financial assets are recognised at fair value.

##### Cash and cash equivalents

- Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. These balances with banks are unrestricted for withdrawal and usage.

- Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage

##### Recoverability of trade receivable

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

##### Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as forwards

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

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

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

##### Impairment of financial assets

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

##### Financial Liabilities

##### Initial recognition and measurement

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

##### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss

##### Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expire.

### (i) Impairment of non-financial assets

At each balance sheet date, the carrying amount of fixed assets is reviewed by the

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

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

### (j) Valuation of deferred tax liabilities

The Company reviews the carrying amount of deferred tax liabilities at the end of each reporting period.

### (k) Provision and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

### (l) Revenue recognition

#### Sale of products

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

at a point in time i.e., when the material is shipped to the customer or on delivery to the customer and there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from operations is disclosed net of GST.

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

### Government Grants

Export incentive entitlements are recognised as income when there is reasonable assurance to receive that company will comply with the conditions attached to them and it is established that incentive will be received.

Government grants relating to income are recognised in Profit & Loss Account on a systematic basis over the periods in which the Company recognises as expenses, the related costs for which grants are intended to compensate.

### Other Income

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

### (m) Expenditure

Expenses are accounted on accrual basis.

### (n) Employee benefits

The Company's retirement benefit obligation is subject to a number of judgement including discount rates, inflation and salary growth. Significant judgement is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party actuarial advice.

### Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee

benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

### Defined contribution plans

Contributions to defined contribution schemes such as provident fund, employees state insurance, labour welfare fund, are charged as an expense in Profit and loss account, based on the amount of contribution required to be made as and when services are rendered by the employees. These are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

### Retirement benefit obligations

Retirement benefit obligations are classified into defined benefits plans and defined contribution plans as under:

### Defined Gratuity Plans

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

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

### Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

### Actuarial valuation

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

### Re-measurement

Benefit plans in respect of retirement benefits are charged to the Other Comprehensive Income.

### (o) Income Taxes

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

### Current tax

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

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial

statements and the corresponding tax bases used in the computation of taxable profit.

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

### (p) Finance costs

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

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

Interest free loan taken from promoters and others has been derived on basis of fair value based on market rate of interest prevailing when loan and derived to the total tenure of loan. The interest for the period is charged to the Statement of Profit and Loss.

### (q) Foreign currencies transactions and translation

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the statement of profit and loss.

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### (r) Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity shareholders of the Company.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the financial year.

### (s) Business Combination

The company accounts for its business combinations in the nature of Merger, wherein all the assets and liabilities of the transferor company will become, after amalgamation, the assets and liabilities of the transferee company.

The consideration for the amalgamation receivable by those equity shareholders of the transferor company who agree to become equity shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares in the transferee company.

The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.

No adjustment is to be made to the book values of the assets and liabilities of the transferor company when they are incorporated in the financial statements of the transferee company except to ensure uniformity of accounting policies.

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 3.1 Property, plant and equipment

	Land- Freehold	Building -Factory	Building -Others	Plant and equipment	Office Equipments	Furniture & fixtures	Vehicles - Owned	Computer & Peripherals	Intangible	Total
<b>At amortised Cost</b>										
<b>Cost/Deemed cost as at April 1<sup>st</sup>, 2020</b>	2,014.73	4,730.07	369.11	18,265.13	1,141.18	282.52	830.46	201.68	475.72	28,310.61
Additions	0.00	0.00	0.00	1,613.58	1.98	0.00	41.65	12.26	0.00	1,669.46
Disposals	0.00	0.00	0.00	-270.47	0.00	0.00	-51.31	0.00	0.00	-321.78
Ind AS Measurements										0.00
<b>Cost/Deemed cost as at March 31<sup>st</sup>, 2021</b>	<b>2,014.73</b>	<b>4,730.07</b>	<b>369.11</b>	<b>19,608.24</b>	<b>1,143.15</b>	<b>282.52</b>	<b>820.80</b>	<b>213.94</b>	<b>475.72</b>	<b>29,658.30</b>
Additions										0.00
<b>Accumulated Depreciation</b>										
<b>Accumulated depreciation as at April 1<sup>st</sup>, 2020</b>	0.00	742.93	33.83	6,720.66	529.43	138.36	322.27	156.40	171.43	8,815.32
Charge for the Year	0.00	164.84	5.86	1,859.62	119.78	25.40	65.04	26.83	47.57	2,314.95
Disposals				-208.42	0.00		-45.50			-253.92
Ind AS Measurements										0.00
<b>Total accumulated depreciation as at March 31<sup>st</sup>, 2021</b>	<b>0.00</b>	<b>907.78</b>	<b>39.69</b>	<b>8,371.86</b>	<b>649.22</b>	<b>163.77</b>	<b>341.81</b>	<b>183.22</b>	<b>219.00</b>	<b>10,876.34</b>
<b>Net Block</b>										
<b>Net carrying value as at April 1<sup>st</sup>, 2020</b>	<b>2,014.73</b>	<b>3,987.14</b>	<b>335.28</b>	<b>11,544.47</b>	<b>611.74</b>	<b>144.16</b>	<b>508.19</b>	<b>45.28</b>	<b>304.29</b>	<b>19,495.29</b>
<b>Net carrying value as at March 31<sup>st</sup>, 2021</b>	<b>2,014.73</b>	<b>3,822.30</b>	<b>329.43</b>	<b>11,236.38</b>	<b>493.94</b>	<b>118.76</b>	<b>478.99</b>	<b>30.72</b>	<b>256.72</b>	<b>18,781.96</b>

#### Notes :

(a) The Company has adjusted exchange gains arising on long-term foreign currency loans amounting to INR 2,319 million (March 31<sup>st</sup>, 2016 : loss of INR 4,338 million) to the cost of property, plant and equipment. The Company does not have any other long-term foreign currency monetary items and hence, the amount of exchange loss deferred in the "Foreign Currency Monetary Item Translation Difference Account" is Nil (March 31<sup>st</sup>, 2016 : Nil).

(a) For lien/charge against property, plant and equipment refer note 10.1 and 10.2.

The block of Fixed Assets includes the assets of Golden Chem-Tech limited. After merger the assets of Golden Chem has been recognised as assets of the company.

(Refer Note No.28 Business combination)

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 3.1 Property, plant and equipment

	Land- Freehold	Building -Factory	Building -Others	Plant and equipment	Office Equipments	Furniture & fixtures	Vehicles - Owned	Computer & Peripherals	Intangible	Total
INR In Lakh										
<b>At amortised Cost</b>										
<b>Cost/Deemed cost as at April 1<sup>st</sup>, 2019</b>	1,745.17	4,397.23	369.11	15,863.44	1,156.43	282.52	717.78	195.18	475.72	25,202.58
Additions	269.56	332.84	-	2,401.69	4.06	-	143.97	6.50	-	3,158.63
Disposals				(19.31)			(31.29)			(50.60)
Ind AS Measurements										-
<b>Cost/Deemed cost as at March 31<sup>st</sup>, 2020</b>	<b>2,014.73</b>	<b>4,730.07</b>	<b>369.11</b>	<b>18,265.13</b>	<b>1,141.18</b>	<b>282.52</b>	<b>830.46</b>	<b>201.68</b>	<b>475.72</b>	<b>28,310.61</b>
Additions										-
<b>Accumulated Depreciation as at April 1<sup>st</sup>, 2019</b>	-	588.40	27.97	5,206.22	275.14	112.02	284.19	135.97	123.86	6,753.76
Charge for the year	-	154.54	5.86	1,514.44	119.01	26.35	59.47	20.43	47.57	1,947.67
Disposals				(15.53)			(21.39)			(36.93)
Ind AS Measurements				150.82						150.82
<b>Total accumulated depreciation as at March 31<sup>st</sup>, 2020</b>	-	<b>742.93</b>	<b>33.83</b>	<b>6,720.66</b>	<b>529.43</b>	<b>138.36</b>	<b>322.27</b>	<b>156.40</b>	<b>171.43</b>	<b>8,815.32</b>
<b>Net Block</b>										
<b>Net carrying value as at April 1<sup>st</sup>, 2019</b>	<b>1,745.17</b>	<b>3,808.83</b>	<b>341.14</b>	<b>10,657.22</b>	<b>881.29</b>	<b>170.51</b>	<b>433.60</b>	<b>59.21</b>	<b>351.86</b>	<b>18,448.83</b>
<b>Net carrying value as at March 31<sup>st</sup>, 2020</b>	<b>2,014.73</b>	<b>3,987.14</b>	<b>335.28</b>	<b>11,544.47</b>	<b>611.74</b>	<b>144.16</b>	<b>508.19</b>	<b>45.28</b>	<b>304.29</b>	<b>19,495.29</b>

#### Notes :

(a) The Company has adjusted exchange gains arising on long-term foreign currency loans amounting to INR 2,319 million (March 31<sup>st</sup>, 2016 : loss of INR 4,338 million) to the cost of property, plant and equipment. The Company does not have any other long-term foreign currency monetary items and hence, the amount of exchange loss deferred in the "Foreign Currency Monetary Item Translation Difference Account" is Nil (March 31<sup>st</sup>, 2016 : Nil).

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

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 3.1 Property, plant and equipment

	Land- Freehold	Building -Factory	Building -Others	Plant and equipment	Office Equipments	Furniture & fixtures	Vehicles - Owned	Computer & Peripherals	Intangible	Total
INR In Lakh										
<b>At amortised Cost</b>										
<b>Cost/Deemed cost as at April 1<sup>st</sup>, 2018</b>	1,678.02	4,177.52	358.27	13,578.97	1,147.90	268.44	765.54	194.23	184.46	22,353.33
Additions	75.92	219.71	10.84	1,968.91	8.53	14.09	41.17	1.89	291.26	2,632.30
Disposals	(8.76)	-	-	(60.08)	-	-	(88.92)	(0.94)	-	(158.70)
Ind AS measurements				375.64						375.64
<b>Cost/Deemed cost as at March 31<sup>st</sup>, 2019</b>	<b>1,745.17</b>	<b>4,397.23</b>	<b>369.11</b>	<b>15,863.44</b>	<b>1,156.43</b>	<b>282.52</b>	<b>717.78</b>	<b>195.18</b>	<b>475.72</b>	<b>25,202.58</b>
<b>Accumulated Depreciation as at April 1<sup>st</sup>, 2018</b>	-	441.08	22.27	3,827.22	170.09	86.80	279.95	106.42	90.85	5,024.68
Charge for the year	-	147.31	5.70	1,285.76	105.05	25.22	58.09	30.24	33.01	1,690.38
Disposals	-	-	-	(37.55)	-	-	(53.86)	(0.69)	-	(92.10)
Ind AS measurements	-	-	-	130.79	-	-	-	-	-	130.79
<b>Accumulated depreciation as at March 31<sup>st</sup>, 2019</b>	-	<b>588.40</b>	<b>27.97</b>	<b>5,206.22</b>	<b>275.14</b>	<b>112.02</b>	<b>284.19</b>	<b>135.97</b>	<b>123.86</b>	<b>6,753.76</b>
<b>Net Block</b>										
<b>Net carrying value as at April 1<sup>st</sup>, 2018</b>	<b>1,678.02</b>	<b>3,736.44</b>	<b>336.00</b>	<b>9,751.75</b>	<b>977.81</b>	<b>181.64</b>	<b>485.58</b>	<b>87.81</b>	<b>93.61</b>	<b>17,328.66</b>
<b>Net carrying value as at March 31<sup>st</sup>, 2019</b>	<b>1,745.17</b>	<b>3,808.83</b>	<b>341.14</b>	<b>10,657.22</b>	<b>881.29</b>	<b>170.51</b>	<b>433.60</b>	<b>59.21</b>	<b>351.86</b>	<b>18,448.83</b>

#### Notes :

(a) The Company has adjusted exchange gains arising on long-term foreign currency loans amounting to INR 2,319 million (March 31<sup>st</sup>, 2016 : loss of INR 4,338 million) to the cost of property, plant and equipment. The Company does not have any other long-term foreign currency monetary items and hence, the amount of exchange loss deferred in the "Foreign Currency Monetary Item Translation Difference Account" is Nil (March 31<sup>st</sup>, 2016 : Nil).

(a) For lien/charge against property, plant and equipment refer note 10.1 and 10.2.

The Block of Fixed Assets includes the Assets of the company Chem- Tech Limited. After merger the assets of Golden Chem-Tech limited has been recognised as assets of the company. Refer Note No. 28 about Business combination.

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 4. Investment Property

At Fair Market Value

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Property held for Sale	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 5. Financial assets

#### 5.1 Non-current investments

##### Un-quoted investment

	INR In Lakh		
	Nos of shares as at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Investment carried at fair value</b>			
<b>Equity Investment</b>			
-Un-quoted			
-Serrano Limited, Singapore* (fair value SGD 0.031 per share)	6575711	102.37	102.37
-Serrano Limited, Singapore** (fair value SGD 0.031 per share)	756199	11.77	11.77
-Un-quoted, Fully paid-up			
<b>Subsidiary</b>			
-Stylam Asia Pacific Pte Ltd - Equity shares of US\$ 1 each	100	0.07	0.07
Investment in Equity Instruments (at Cost)			
-Un-quoted, Fully paid-up			
<b>Associate</b>			
-Alca Vstyle Sdn. Bhd, Malaysia	340000	35.63	35.63
<b>Total investment</b>		<b>149.85</b>	<b>149.85</b>

- A. The company has formed wholly owned subsidiary with an authorised capital of USD100
- B. The company has acquired 34% stake in Associate company. This company is engaged in to trading of commercial and industrial
- Furnitures and fixtures
- C. Others

\*The company had trade arrangement with Serrano Ltd, Singapore (Serrano). Serrano owed INR 253.30 lakh failed to pay and thereafter went into liquidation. New Investor joined Serrano and had agreed with secured and unsecured creditors to settle their dues partly under Cash Distribution Scheme and partly under Shares Distribution Scheme. The Scheme of Arrangement was filed with High Court in Singapore under Section 210 of Singapore's Companies Act

Under Shares Distribution Scheme 6,575,711 No of shares (as on 31-03-2020 6,575,711 Nos) were allotted to the company. These shares are listed on Singapore Stock Exchange. As trading of shares were suspended these were considered as unquoted investment. When trading was suspended the share was valued at SGD 0.031 per share (as on 31-03-2020 SGD 0.031 per share), the same value is considered for arriving fair value of share.

\*\* Under the Scheme 756,199 Nos of shares were allotted to Golden Chem-Tech Limited (as on 31-03-2020 756,199 Nos). Pursuant to approval of Scheme of Amalgamation by Hon'ble NCLT, Chandigarh Bench, all investments of Golden Chem-Tech Limited will be treated as investments of the company.

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

When the distribution of shares were made, company did not have any presence in Singapore, but as per procedure in Singapore, allotment of Shares is allowed in dematerialised form, for which company needs to have presence in Singapore. So these shares were assigned in the name of individual person who is resident of Singapore. At that time it was mutually agreed that the person in concern shall hold shares as custodian on behalf of the company. Now as the company has formed WOS in Singapore, the company has initiated to get the shares registered in the name of WOS.

### 5.2 Loans and advances

(at amortised cost)

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Unsecured and considered good</b>				
Security deposits	139.71	126.01	-	-
	<b>139.71</b>	<b>126.01</b>	<b>-</b>	<b>-</b>

Security deposits are primarily in relation to public utility services and rental agreements

### 5.3 Other financial assets

(at amortised cost)

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Interest accrued	-	-	2.43	0.91
	<b>-</b>	<b>-</b>	<b>2.43</b>	<b>0.91</b>

### 5.4 Trade receivables

(at amortised cost)

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Unsecured, considered good</b>				
Trade receivables	-	-	9,864.27	8,738.75
	<b>-</b>	<b>-</b>	<b>9,864.27</b>	<b>8,738.75</b>

### 5.5 Cash and cash equivalents

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Cash in hand	0.00	0.00	0.65	1.00
<b>Balances with banks:</b>				
- On current accounts	0.00	0.00	449.93	544.38
- Deposits with original maturity of upto 3 months	0.00	0.00	57.82	54.84
	<b>0.00</b>	<b>0.00</b>	<b>508.40</b>	<b>600.22</b>

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 5.6 Other bank balances

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
- Deposits with original maturity of upto 3 months (pledged with Bank)	-	-	11.97	9.81
- Deposits with original maturity of more than 3 months	-	-	810.20	1.51
- other Balances with Bank	-	-	183.17	0.00
	-	-	<b>1,005.34</b>	<b>11.32</b>

INR In Lakh

Current earmarked bank balances represent deposits due for realisation within 3 months from the balance sheet date. These are primarily placed as margin money against issue of Letter of Credits.

### 6. Movement in deferred tax balances

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

Particulars	Opening balance	Recognised/ (reversed) in Profit & Loss	Other movements during the year	Recognised in OCI	Closing balance
<b>Deferred tax assets</b>					
Compensated absences & retirement benefits	63.35	14.25		-0.00	77.60
Expenses allowed for tax purposes when paid	8.65	-3.70		0.00	4.95
Derivative contracts fair valued on transition	0.00	0.00	0.00	0.00	
MAT credit entitlement/ (Utilisation)	0.00		0.00		0.00
Unabsorbed Depreciation	0.00		0.00		0.00
Adjustment due to change in Tax Rate in unabsorbed depreciation	0.00		0.00		0.00
<b>Total deferred tax assets</b>	<b>71.99</b>	<b>10.55</b>	<b>0.00</b>	<b>-0.00</b>	<b>82.55</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	1,397.03	-110.44			1,286.59
Others	18.30	-4.92			13.38
<b>Total deferred tax liabilities</b>	<b>1,415.34</b>	<b>-115.36</b>	<b>0.00</b>	<b>0.00</b>	<b>1,299.98</b>
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>-1,343.34</b>	<b>125.91</b>	<b>0.00</b>	<b>-0.00</b>	<b>-1,217.43</b>

INR In Lakh

### Reflected in Balance Sheet

	INR In Lakh	
	31-Mar-21	31-Mar-20
Deferred Tax assets	82.55	71.99
Deferred Tax Liabilities	1,299.98	1,415.34
Deferred Tax Liabilities (net)	1,217.43	1,343.34

INR In Lakh

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 7. Other Assets

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Unsecured and considered good				
Capital advances	231.50	123.28	40.00	0.00
Advance to Suppliers	0.00	0.00	267.13	231.32
Staff Advances	0.00	0.00	5.25	2.25
Other Advances	30.14	30.72	37.34	28.17
Prepaid expenses	0.00	0.00	19.66	29.69
Balances with statutory/government authorities bodies	3.22	1.03	0.00	0.00
Export incentive receivable	0.00	0.00	3.73	56.74
GST Recoverable	0.00	0.00	2164.99	1995.38
Unrealised exchange	0.00	0.00	154.50	0.00
Income tax Refundable	0.00	0.00	56.31	68.06
Income tax paid under Appeal	0.00	0.00	69.02	36.02
VAT Recoverable	8.78	8.78	0.00	0.00
Recoverable from others	9.35	3.90	0.00	0.00
	<b>282.99</b>	<b>167.70</b>	<b>2817.93</b>	<b>2447.63</b>

INR In Lakh

Advance with statutory / government bodies relate to input credit entitlements

### 8. Inventories

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Raw materials	-	-	4,602.70	4,823.71
Work-in-progress	-	-	260.52	86.87
Finished goods	-	-	1,322.67	1,003.01
Material In Transit	-	-	756.79	563.63
Fuel Coal & Diesel	-	-	31.98	80.51
Packing & Stores	-	-	210.20	115.32
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,184.86</b>	<b>6,673.05</b>

INR In Lakh

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

### 9. Equity share capital

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Authorised *</b>		
9,704,000 (March 31 <sup>st</sup> , 2020 : 9,704,000) Equity shares of INR 10/-each	970.40	970.40
<b>Issued, subscribed and fully paid up shares</b>		
8,474,300 (March 31 <sup>st</sup> , 2020, 8,474,300) Equity shares of INR 10/-each	847.40	847.40
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>847.40</b>	<b>847.40</b>

INR In Lakh

\* Pursuant to approval of the Scheme of Amalgamation between Golden Chem-Tech Limited (Transferor Company) and Stylam Industries Limited (Transferee Company) by the Hon'ble NCLT, Chandigarh Bench on February 11<sup>th</sup>, 2020, Authorised Capital of Golden Chem-Tech Limited has been clubbed with Authorised Capital of Stylam Industries Limited w.e. f.30.09.2017 i.e the date appointed for implementation of the scheme of Amalgamation. Hence the Authorised Capital has been reclassified from 8,550,000 shares of INR 10/- each to 9,704,000 shares of shares of INR 10/-each for March 31<sup>st</sup>, 2021 and ,March 31<sup>st</sup>, 2020

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

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

	As at March 31 <sup>st</sup> , 2021		As at March 31 <sup>st</sup> , 2020	
	Number	Amount	Number	Amount
At the beginning of the year	8474030	847.40	8166200	816.62
Issued during the year	-	-	307,830	30.78
Approval Pending	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>8474030</b>	<b>847.40</b>	<b>8474030</b>	<b>847.40</b>

### (b) Terms/ rights attached to equity shares

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

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

	As at March 31 <sup>st</sup> , 2021		As at March 31 <sup>st</sup> , 2020	
	Number	% of total shares	Number	% of total shares
<b>Equity shares of INR 10 each fully paid</b>				
Jagdish Gupta	1073181	12.66%	1073181	12.66%
Satish Gupta	868963	10.25%	868963	10.25%
Light House Emerging India Investor Ltd	850000	10.03%	850000	10.03%
Usha Gupta	714250	8.43%	714250	8.43%
Pushpa Gupta	785539	9.27%	785539	9.27%

### Detail of last five years Share transactions:-

	INR In Lakh				
	2020-21	2019-20	2018-19	2017-18	2016-17
Share Issue as Bonus	-	-	-	-	-
Preferential allotment	-	-	-	850000	-
Scheme of Amlagamtion	-	307,830	-	-	-
Shares forfeited	-	-	-	-	-
ESOP	-	-	-	-	-

## Financial Liabilities

### 10.1 Long-term borrowings

(at amortised cost)

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Secured - At Amortised Cost</b>				
<b>From Banks</b>				
Foreign Currency Loans				
Foreign Currency Loans -(1)	381.44	532.81	136.48	132.43
Foreign Currency Loans -(2)	745.35	1144.18	444.95	427.74
Foreign Currency Loans -(3)	729.31	1051.67	364.65	350.56
Foreign Currency Loans -(4)	0.00	0.00	0.00	0.00
Foreign Currency Loans -(5)				
Foreign Currency Loans -(6)	0.00	0.00	0.00	
Rupee Loans				
Rupee Loan -(1)	293.32	741.43	372.53	400.00

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Rupee Loan -(4)	0.00		0.00	
Rupee Loan -(5)	0.00	0.00	0.00	
Vehicle Loans	0.00	14.82	13.13	29.50
<b>Unsecured - At Amortised Cost</b>				
Rupee Loans				
From Banks -(7)	0.00	0.00	0.00	0.00
From Directors -(8)	0.00	0.00	45.20	239.78
From Related Parties -(8)	0.00	0.00	222.40	848.34
From others -(9)		80.47	55.49	0.00
	<b>2149.42</b>	<b>3565.37</b>	<b>1654.83</b>	<b>2428.35</b>
The above amount includes				
Secured borrowings	2149.42	3484.90	1387.23	1340.23
Unsecured borrowings	0.00	80.47	267.60	1088.12
Amount disclosed under the head "Other financial liabilities" (note 10.4)	0.00	0.00	-1654.83	-2428.35
<b>Net amount</b>	<b>2149.42</b>	<b>3565.37</b>	<b>0.00</b>	<b>0.00</b>

### Terms of repayment of Non-Current and Current borrowings

- Foreign Currency loan amounting to INR 517.92 lakh (March 31<sup>st</sup>, 2020 665.24 lakh) is repayable in 69 Monthly Instalments  
The repayment of the loan commenced from August 2019.
- Foreign Currency loan amounting to INR 1190.29 lakh (March 31<sup>st</sup>, 2020: INR 1571.93 lakh) is repayable in 48 monthly instalments.  
The repayments commenced from October 2019.
- Foreign Currency loan pertaining to External commercial Borrowing amounting to INR 1093.96 lakh (March 31<sup>st</sup>, 2020: INR 1402.22 lakh) is repayable in 17 quarterly instalments. The repayment started from February 2020)
- Rupee term loan amounting to INR 665.85 (March 31<sup>st</sup>, 2020: INR 1141.43 lakh) This loan was part of borrowing of Golden Chem-Tech Limited After merger the amount was transferred in the books of the company. The loan is repayable in 20 quarterly instalments. As per the terms of sanction, the loan will be fully repaid by January 2023

### Terms of Security

All the loans are secured by first pari-passu charge, on movable fixed assets of the company, present and future, except vehicles, and immovable assets situated at manufacturing location of the company of 1) Industrial Area, Panchkula and ii) Manktabra, Distt, Panchkula. The security is further extended to shed in the name of Golden Chem-Tech limited at Mankya, Ramgarh, Panchkula

These loans are further secured by second pari-passu on entire current assets of the company, both present and future.

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

Vehicle loans are secured against Hypothecation of respective vehicles. The same are repayable in five years from the date of respective disbursements

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

5. Interest free unsecured loan from promoters and related parties amounting to INR 267.60 lakh (March 31<sup>st</sup>, 2020: 1088.12 lakh) will be repaid back by the end of year 2022. This loan was initially measured at fair value using market rate of interest at the time when loan was taken. The loan includes INR Nil

(March 31<sup>st</sup>, 2020: 738.12 lakh) as part of borrowings of Golden Chem- Tech limited

6. Interest free Unsecured loan from others for INR 55.49 lakh (March 31<sup>st</sup>, 2020: 80.47 lakh) will be repaid back by the end of year 2022. this loan was initially measured at fair value using market rate of interest at the time when loan was taken.

### 10.2 Short-term borrowings

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Secured - At Amortised Cost</b>				
<b>Working Capital Loans</b>				
<b>From Banks</b>				
Foreign currency loan	-	-	1,695.59	2,912.33
Indian rupee loan (unsecured)			-	-
Indian rupee loan from financial institutions (unsecured)				
Rupee Loans	-	-	415.40	1,441.16
<b>Unsecured - At Amortised Cost</b>				
<b>Working Capital Loans</b>				
<b>From Banks</b>				
Unsecured Loan	-	-	-	1,500.00
	-	-	<b>2,110.99</b>	<b>5,853.49</b>

#### Terms of repayment of current Borrowings

Working capital facilities are availed from State Bank of India, HDFC Bank Ltd and Standard Chartered Bank. Working capital facilities are repayable on demand.

#### Terms of Security

Secured Working Capital loans : These are secured by a first pari-passu charge on all the current assets of the company, both present and future, wherever the same may or be held and have a second pari-passu charge on all movable and immovable fixed assets of the company, present and future

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

### 10.3 Trade payables

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 23 for details of dues to micro and small enterprises)	-	-	-	-
Total outstanding dues of creditors	-	-	4,913.39	3,527.62
Total outstanding dues of creditors from MSME	-	-	235.92	23.60
	-	-	<b>5,149.31</b>	<b>3,551.23</b>

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

#### Refer note 24b for explanations on the Company's liquidity risk management processes.

Amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises (MSME) Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The total outstanding INR 235.92 lakh (March 31<sup>st</sup>, 2020 INR 23.60 lakh) as at the end of the year is Principal amount due to MSME.

### 10.4 Other financial liabilities

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Acceptances		-		-
<b>Financial liabilities at fair value</b>				
<b>Derivative not designated as hedges</b>				
Foreign exchange forward contracts	-	-	-	146.21
	-	-	-	<b>146.21</b>
<b>Other financial liabilities at amortised cost</b>				
Current maturities of long-term borrowings (note 10.1)	-	-	1,654.83	2,428.35
Liability towards Capital vendors	-	-	-	-
Interest accrued but not due on borrowings	-	-	5.60	19.37
	-	-	<b>1,660.43</b>	<b>2,447.72</b>
	-	-	<b>1,660.43</b>	<b>2,593.93</b>

#### Financial liabilities at fair value through profit and loss

### 11. Provisions

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Provision for employee benefits</b>				
Provision for gratuity (Note 26)	135.43	115.72	12.79	10.71
Provision for compensated absences	99.64	85.20	7.30	5.91
Provision for Bonus	-	-	53.17	62.85
	<b>235.07</b>	<b>200.92</b>	<b>73.25</b>	<b>79.46</b>
Other provisions				
Provision towards vendors	-	-	-	-
	-	-	-	-
<b>Total Provisions</b>	<b>235.07</b>	<b>200.92</b>	<b>73.25</b>	<b>79.46</b>

As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on post retirement. The Company presents provision for leave salaries as current and non-current based on actuarial valuation.

### 12. Other liabilities

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Advance from customers	-	-	359.29	450.82
Statutory dues payable	-	-	86.10	61.72
Security deposits received*	9.60	-	-	-
Expenses Payable	-	-	750.77	398.33
Deferred Revenue Liability (Govt. Grant)	644.63	657.84	-	-
<b>Total Other liabilities</b>	<b>654.23</b>	<b>657.84</b>	<b>1,196.17</b>	<b>910.87</b>

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### Deferred Revenue Liability (Govt Grants)

- i Deferred Revenue Liability (Govt Grants) relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.
- ii During the year INR 13.21 lakh (2019-20: INR 25.73 lakh) was released from deferred income to the statement of profit and loss on fulfillment of export obligations.

### 13. Current tax liabilities

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Liabilities for income tax (net of taxes paid)	-	-	323.29	346.08
<b>Total tax liabilities</b>	<b>-</b>	<b>-</b>	<b>323.29</b>	<b>346.08</b>

### 14. Revenue from operations

	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
	Sale of products	
Export	32,846.49	30,779.06
Domestic	14,738.09	15,435.78
	<b>47,584.58</b>	<b>46,214.84</b>
	<b>47,584.58</b>	<b>46,214.84</b>

### 15. Other income

	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
	Profit on sale of Fixed assets	14.12
Insurance claims received	57.11	0.00
Government grants	13.21	25.73
Misc. Income	1.79	43.50
Exchange gain Foreign Currency	368.90	0.00
Interest on security deposit	7.46	0.36
Interest income on Bank deposits	16.35	22.52
	<b>478.93</b>	<b>97.43</b>

### 16. Cost of raw material consumed

	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
	Inventory at the beginning of the year	4823.71
Add: Purchases	23894.17	23752.96
Freight Inward	1005.16	883.40
Less: Inventory at the end of the year	-4602.70	-4823.71
	<b>25120.33</b>	<b>24169.49</b>

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 17. (Increase)/Decrease in inventories

	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
	<b>Inventory at the beginning of the year</b>	
-Work-in-progress	86.87	336.98
- Finished goods	1003.01	1467.17
<b>Inventories at the end of the year</b>		
-Work-in-progress	-260.52	-86.87
- Finished goods	-1322.67	-1003.01
<b>Net (increase)/decrease in inventories</b>	<b>-493.30</b>	<b>714.27</b>

### 18. Employee benefit expense

	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
	Salaries, wages and bonus	3462.09
Contribution to provident fund & Other funds	163.71	149.05
Gratuity expense (Note No.26)	48.89	44.49
Compensated absences	26.45	25.14
Staff welfare expenses	124.34	137.33
	<b>3825.49</b>	<b>3754.31</b>

### 19. Other expenses

	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
	<b>Manufacturing Expenses</b>	
Store & Spares	818.07	820.78
Packing Stores	1153.86	1042.39
Electric Power, Fuel & Water	2362.77	3299.54
Repairs and maintenance		
- Buildings	232.86	98.80
- Plant & Machinery	400.69	203.82
Excise Duty #	0.00	0.00
	<b>4968.25</b>	<b>5465.34</b>
<b>Selling &amp; Distribution Expenses</b>		
Business promotion expenses	658.92	623.08
Distribution Expenses - Export	2643.55	1780.88
Distribution Expenses - Domestic	478.27	554.83
Certification Expenses	24.21	22.20
	<b>3804.95</b>	<b>2980.99</b>
<b>Establishment Expenses</b>		
Professional and consultancy fees	55.31	70.92
Rent	61.10	60.88
Rates and taxes	52.74	57.48
Insurance	70.09	70.78
Travelling and conveyance expenses	82.95	281.55
Other Repairs	210.79	244.90
Payment to Auditors	5.75	2.00
Loss on sale of Fixed Assets	6.65	8.67
Charity and Donation	0.82	2.39
Corporate Social Responsibility	117.72	48.86
Miscellaneous expenses	132.33	296.39
	<b>796.25</b>	<b>1144.81</b>
	<b>9569.45</b>	<b>9591.14</b>

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### a) Details of remuneration to auditors included under professional and consultancy fees

	INR In Lakh	
	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
<b>As auditors</b>		
-Audit fee	1.50	1.50
-Limited review of interim financial statements	0.25	0.25
-Tax Audit fee	0.25	0.25
Internal Audit fees	3.00	0.00
GST Audit fees	0.75	0.00
	<b>5.75</b>	<b>2.00</b>

### b) Details of CSR expenditure

	INR In Lakh	
	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
Gross amount required to be spent by the Company during the year		
i) Sanitation		
ii) Rural transformation		
iii) Donation for Ambulance & Mortuary Van		0.50
vi) Child welfare	0.50	1.77
v) Social welfare		
vi) Plantation		2.25
vii) Women Empowerment		
viii) Healthcare	101.22	0.15
ix) Education for under-privileged children		44.19
x) Prime Minister National Relief Fund		0.00
xi) Sports	2.20	
xii) Old Age Home	6.81	
xiii) School	2.11	
xiv) Restoration of Building for historical importance	4.88	
	<b>117.72</b>	<b>48.86</b>

### 20. Depreciation and amortisation expense

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Depreciation of property, plant and equipment (note 3.1)	2314.95	2098.49
	<b>2314.95</b>	<b>2098.49</b>

### 21. Finance costs

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Interest cost	325.91	866.95
Loan facility fees	23.83	62.57
Other Borrowing cost	112.24	95.68
Exchange difference	139.88	65.17
	<b>601.86</b>	<b>1090.38</b>

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 22. Earnings per share (EPS)

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:		
<b>Profit after tax as per Statement of Profit and Loss</b> (used for both calculation of basic EPS)	5,530.42	1,890.84
<b>Profit after tax as per Statement of Profit and Loss</b> (used for both calculation of diluted EPS)	5,530.42	1,868.02
Weighted average number of equity shares of INR 5.00 each in calculating basic and diluted EPS (in million)	16948060	16948060
Basic - Par value of INR 5 per share (in INR)	32.63	11.16
Diluted - Par value of INR 5 per share (in INR)	32.63	11.40

Share split was implemented on 16-04-2021, which occurred after the Balance Sheet date but before the date on which the financial statement are approved by the Board. The calculation for basic and diluted earning per share has accordingly been adjusted for all the periods presented to reflect the share split.

### 23. Contingent Liabilities and Commitments

#### I Contingent liabilities

##### (a) Claims against Company, disputed by the Company, not acknowledged as debt

	INR In Lakh	
	31-03-2021	31-03-2020
Income Tax	1,696.00	260.80
Custom Duty	2,058.72	2,058.72

##### (b) Guarantees

Furnished by Banks on behalf of the Company

	INR In Lakh	
	31-03-2021	31-03-2020
Sales Tax, Dehradun	0.50	0.50
GST, Punjab	4.00	4.00
GST, U.P	-	8.64
Tamil Nadu Small Industrial Corporation	1.85	-

##### (c) Other Money for which the Company is contingently liable

	INR In Lakh	
	31-03-2021	31-03-2020
Liability in respect of Bill discounted with Banks	-	309.89

#### 2 Commitments

##### (a) Estimated amount of contracts remaining to be executed on capital account (net of advances)

	INR In Lakh	
	31-03-2021	31-03-2020
Others	-	276.72

##### (b) Other commitments

	INR In Lakh	
	31-03-2021	31-03-2020
Export obligation under Advance License Scheme on duty free import of specific raw materials	15,756.22	31,863.05
Export obligation under EPCG License Scheme on duty free import of Capital Goods	8,835.67	5,877.97

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### Hedging instruments

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

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

Category	Currency	Cross Currency	Amount (in Lakh)	Buy/Sell
Forward Contracts				
As at March 31 <sup>st</sup> , 2021	USD	INR	USD 44.50	Sell
	Euro	USD	Euro 39.00	Sell
As at March 31 <sup>st</sup> , 2020	USD	INR	USD 43.00	Sell
	Euro	USD	Euro 29.50	Sell

Mark to market profit (loss) amounting to INR 154.50 lakh (March 31<sup>st</sup>, 2020: (146.20 LAKH) in respect of forward contract was charged to the Statement of Profit & Loss Account.

Details of dues to Micro and Small Enterprises as per MSMED Act 2006

Particulars	INR In Lakh	
	31-03-2021	31-03-2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
i) Principal amount due to micro and small enterprise	235.92	23.60
ii) Interest due on above	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

## 24. Financial Risk Management

### Risk management framework

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

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

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

- credit risk
- liquidity risk
- market risk

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### a. Credit risk

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

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

Trade receivables and other financial assets

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

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

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

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

### b. Liquidity risk

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

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

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

March 31 <sup>st</sup> , 2021	Contractual cash flows			
	Carrying amount	Within one year	More than one year	Total
Non-derivative financial liabilities				
Borrowings (including current maturities)	5,915.24	3,765.82	2,149.42	5,915.24
Trade payable	5,149.31	5,149.31	-	5,149.31
Other financial liabilities	5.60	5.60	-	5.60

March 31 <sup>st</sup> , 2020	Contractual cash flows			
	Carrying amount	Within one year	More than one year	Total
Non-derivative financial liabilities				
Borrowings (including current maturities)	11,847.21	8,281.84	3,565.37	11,847.21
Trade payable	3,551.23	3,551.23	-	3,551.23
Other financial liabilities	165.58	165.58	-	165.58

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

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

### c. Market risk

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

#### Currency risk

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

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

#### Exposure to currency risk

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

	INR In Lakh			
	March 31 <sup>st</sup> , 2021		March 31 <sup>st</sup> , 2020	
	USD	EUR	USD	EUR
Trade receivables	4,462.85	1,579.24	4,507.86	1,615.43
Other receivables	-	-	58.89	-
Trade payables	(1,763.11)	(690.88)	(2,030.19)	(1,063.44)
Borrowings	(936.54)	(3,915.85)	(1,462.65)	(5,089.07)
	<b>1,763.20</b>	<b>(3,027.49)</b>	<b>1,073.91</b>	<b>(4,537.08)</b>

Trade receivables include advance to suppliers for material and Capital advances.

Trade payables includes payable towards material and capital goods. It also includes advance from customers.

#### Sensitivity analysis

A reasonably possible strengthening / (weakening) of the EUR and USD against the functional currency at March 31<sup>st</sup>, 2021 would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast sales and purchases.

	Movement	INR In Lakh	
		Profit or Loss (before tax)	
		Strengthening	Weakening
Year ended March 31 <sup>st</sup> , 2021			
USD	1%	17.63	(17.63)
EURO	1%	(30.27)	30.27
Year ended March 31 <sup>st</sup> , 2020			
USD	1%	10.74	(10.74)
EURO	1%	(45.37)	45.37

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

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

#### Exposure to interest rate risk

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

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

	INR In Lakh	
	31-03-2021	31-03-2020
Fixed rate borrowings	1,062.85	5,295.49
Floating rate borrowings	4,852.39	6,551.72
Total borrowings	5,915.24	11,847.21

#### Sensitivity analysis

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

#### Risk due to outbreak of COVID 19 pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

## 25. Capital Management

### Risk management

The Company's objectives when managing capital are to:

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

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

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

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

	INR In Lakh	
	31-03-2021	31-03-2020
Net debt	4,401.50	11,235.67
Total equity	25,968.15	20,426.83
Net debt to equity ratio	0.17	0.55

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

#### 1 Defined Contribution Plans

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

	INR In Lakh	
	31-03-2021	31-03-2020
Employer's contribution to provident fund	120.59	117.77
Employer's contribution to employee state insurance	28.03	27.59
Employer's contribution to welfare funds	5.16	3.69

#### 2 Defined Benefit Plans

##### Gratuity:

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

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is p.a.6.25% (March 31<sup>st</sup>, 2020: 6.25% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (March 31<sup>st</sup>, 2020: 58 years) and mortality table is as per IALM (2012-14)Ult (March 31<sup>st</sup>, 2020: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 4% p.a. (March 31<sup>st</sup>, 2020: 4% p.a.). The rate of attrition considered in actuarial valuation is 10% (March 31<sup>st</sup>, 2020: 10%)

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

	INR In Lakh	
	31-03-2021	31-03-2020
Present value of obligation at the beginning of the year	126.43	100.56
Current Service Cost	40.99	38.21
Interest Cost	7.90	6.29
Benefits paid	12.55	7.81
Actuarial (gain)/ loss	(14.56)	(10.81)
Present value of obligation at the end of the year	148.21	126.43

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

	INR In Lakh	
	31-03-2021	31-03-2020
Current Service Cost	40.99	38.21
Interest Cost	7.90	6.29
Expenses recognised in the Statement of profit & loss Account	48.89	44.49

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

#### Amount recognised in the other comprehensive income:

	INR In Lakh	
	31-03-2021	31-03-2020
Actuarial (gain)/ loss due to experience variance	(14.56)	(10.81)
Net (Income)/ Expenses recognised in OCI	(14.56)	(10.81)

#### Sensitivity analysis

Assumption	31-03-2021		31-03-2020	
	Discount Rate		Future salary increase	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit	139.15	158.40	158.54	138.85

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

#### Other long term benefits (compensated absences):

	INR In Lakh	
	31-03-2021	31-03-2020
Present value of obligation at the beginning of the year	91.11	71.39
Current Service Cost	43.62	31.58
Interest Cost	5.69	4.46
Benefits paid	10.62	5.42
Actuarial (gain)/ loss	(22.86)	(10.90)
Present value of obligation at the end of the year	106.94	91.11

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

	INR In Lakh	
	31-03-2021	31-03-2020
Current Service Cost	43.62	31.58
Interest Cost	5.69	4.46
Actuarial (gain)/ loss	(22.86)	(10.90)
Expenses recognised in the Statement of profit & loss Account	26.45	25.14

#### Sensitivity Analysis

Assumption	31-03-2021		31-03-2020	
	Discount Rate		Future salary increase	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit	101.51	160.20	160.35	101.59

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

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 27. Fair value Hierarchy

#### a) Financial instruments by category

	Note	Level of hierarchy	31-03-2021			31-03-2020		
			FVPI	FVOCI	Amortised Cost	FVPI	FVOCI	Amortised Cost
<b>Financial Assets</b>								
Loans and advances	a		-	-	139.71	-	-	126.01
Investments	b	3	-	-	149.85	-	-	149.85
Trade and other receivables	a		-	-	9,864.27	-	-	8,738.75
Cash and cash Equivalents	a		-	-	508.40	-	-	600.22
Other bank balances	a		-	-	1,005.34	-	-	11.32
Other financial assets	a		-	-	2.43	-	-	0.91
<b>Total Financial Assets</b>			-	-	<b>11,670.00</b>	-	-	<b>9,627.06</b>
<b>Financial Liabilities</b>								
Borrowings (including current maturities)	c	3	-	-	5,915.24	-	-	11,847.21
Trade payables	a		-	-	5,149.31	-	-	3,551.23
Foreign Exchange contracts	d	2	-	-	-	146.21	-	-
Other financial liabilities	a		-	-	5.60	-	-	19.37
<b>Total Financial Liabilities</b>			-	-	<b>11,070.15</b>	-	-	<b>15,417.81</b>

In addition to the above the Company has investments in its subsidiary amounting to INR 0.07 lakh (March 31<sup>st</sup>, 2020 : 0.07 lakh) and has investment in shares of associate company to INR 35.63 lakh (March 31<sup>st</sup>, 2020 : 35.63 lakh), which are carried at cost.

The shares allotted to company amounting to INR 114.14 lakh (March 31<sup>st</sup>, 2020 : INR 114.14 lakh) towards settlement of dues as per direction of Singapore Court's order. These shares are listed on Singapore stock exchange but trading is suspended. Hence, these are carried at fair value when shares were so allotted.

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair value for investments has been disclosed at fair value.
- The fair values of long term borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
- The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

There are no transfers between level 1, Level 2 and Level 3 during the year ended March 31<sup>st</sup>, 2021 and March 31<sup>st</sup>, 2020.

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

#### Notes:

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

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

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

#### b) Financial assets and liabilities measured at amortised cost

##### Fair value of financial assets and liabilities measured at amortised cost

	31-03-2021		31-03-2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Loans and advances	139.71	139.71	126.01	126.01
Investments	149.85	149.85	149.85	149.85
Trade and other receivables	9,864.27	9,864.27	8,738.75	8,738.75
Cash and cash Equivalents	508.40	508.40	600.22	600.22
Other bank balances	1,005.34	1,005.34	11.32	11.32
Other financial assets	2.43	2.43	0.91	0.91
<b>Total Financial Assets</b>	<b>11,670.00</b>	<b>11,670.00</b>	<b>9,627.06</b>	<b>9,627.06</b>
<b>Financial Liabilities</b>				
Borrowings (including current maturities)	5,915.24	5,915.24	11,847.21	11,847.21
Trade payables	5,149.31	5,149.31	3,551.23	3,551.23
Other financial liabilities	5.60	5.60	19.37	19.37
<b>Total Financial Liabilities</b>	<b>11,070.15</b>	<b>11,070.15</b>	<b>15,417.81</b>	<b>15,417.81</b>

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 28. Business Combination

#### Amalgamation with Golden Chem-Tech Limited

On December 21<sup>st</sup>, 2017, the Board of Directors of Stylam Industries Limited (SIL), subject to obtaining requisite approvals from statutory authorities and shareholders, had approved a Scheme of Amalgamation between SIL and Golden Chem-Tech Limited (GCL). The scheme envisaged the amalgamation of GCL with the Company and the dissolution without winding up of GCL pursuant thereto. Both the Companies had received all necessary approvals and in accordance with the terms of the Scheme, September 30<sup>th</sup>, 2017 was the appointed date and effective date. Accordingly, all assets and liabilities of GCL had become assets and liabilities of the Company with effect from that date.

On 11<sup>th</sup> March, 2020 the Company had allotted 307,830 Equity Shares of INR 10/- each to the shareholders who were holding shares of GCL as on the record date.

No adjustment had been made to the book values of the assets and liabilities of GCL when they were incorporated in the financial statements of the company except to ensure uniformity of accounting policies.

### 29. Related Party Disclosures

#### Key Management Personnel (KMP) and their relatives

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

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

#### Key Managerial Personnel (KMP)

Name	Designation
Mr.Jagdish Gupta	Managing Director
Mr.Manav Gupta	Whole Time Director
Mr.Manit Gupta	Director
Mr.Sachin Bhatla	Director- Technical
Mr.Sanjeev Vaid	CFO
Ms. Srishty Chaudhary	CS (Resigned on March 17 <sup>th</sup> , 2021)
Mr. Karan Mehra	CS (Appointed on May 18 <sup>th</sup> , 2021)

#### Family members of Directors

Mrs.Usha Gupta	Mrs.Pushpa Gupta
Ms.Nidhi Gupta	Mrs.Saru Gupta
Ms.Dipti Gupta	Mrs.Kritika Garg
Mrs.Priyanka Kapila	

## Notes to the Standalone Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### Subsidiary (where control exists)

#### Wholly-owned subsidiary

Name of Company	Country of Incorporation
Stylam Asia Pacific Pte Ltd*	Singapore

\*formed on September 16<sup>th</sup>, 2019

### Entities where Directors/ family members of Directors having control

Name of Company	%age of shares acquired
Alca Vstyle Sdn.Bhd., Malaysia (Alca)	34%

\* Company had formed Wholly owned subsidiary (WOS) in September 2019 for the purpose of trading of laminates and allied products. The activity from WOS is yet to start with.

### Transactions during the year with related parties

Nature of transactions	2020-21			2019-20		
	Key Managerial Personnel/ Relative	Entities where control exists**	Wholly-owned subsidiary*	Key Managerial Personnel/ Relative	Entities where control exists	Wholly-owned subsidiary
Sale of Goods	0.72	-	-		536.43	
Salary Paid	338.31	-	-	339.89		
Paid for expenses	-	-	-			3.97
Addition in Borrowings	-	-	-	355.00		
Borrowings repaid back	820.52	-	-	(641.01)		

\* The activity from WOS is yet to begin. The company has paid incorporation expenses on behalf of WOS.

\*\* Alca is into trade of furnitures and fixtures for commercial and industrial applications. From the date of acquisition of 34% of shares company sold laminates for INR lakh to Alca.

Balances as at	31-03-2021	31-03-2020
Borrowings from Promoters and Related parties	267.60	1,088.12

# Independent Auditor's Report

TO THE MEMBERS OF  
STYLAM INDUSTRIES LIMITED

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Consolidated financial statements of Stylam Industries Limited (hereinafter referred to as "the Holding"), and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31<sup>st</sup>, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements of the subsidiary and associates referred to in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in

India, of the consolidated state of affairs of the Group as at March 31<sup>st</sup>, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows.

### Basis of Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matter	Auditor's Response
<p><b>Revenue Recognition</b></p> <p>The Company recognises revenue at the point of time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.</p> <p>In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer.</p> <p>The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognised in the correct period or that revenue and associated profit is misstated.</p>	<ul style="list-style-type: none"> <li>We performed process walk through to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements.</li> <li>Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.</li> <li>We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.</li> <li>We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements.</li> <li>In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised to revenue focusing on unusual or irregular transactions.</li> </ul>

The Key Audit Matter	Auditor's Response
<p><b>Fair value Measurement</b></p> <p>In FY 2019, company has capitalised receivable from one of its customer in Singapore. This capitalisation was done on the basis of scheme approved by High Court in Singapore. Owing to practical issues the shares so allotted to the company are assigned in favour of person resident of Singapore. The shares are listed in Singapore Stock Exchange (SGX)</p>	<ul style="list-style-type: none"> <li>We have performed analytical audit measures correctness of capitalisation transaction in the bookkeeping records.</li> <li>We have also assessed the appropriateness of the notes to the financial statements concerning the valuation.</li> <li>As regards the valuation calculations, the trading shares is suspended by SGX, we have assessed management judgement on the valuation and fair value is derived on the basis of input available i.e last stated price of shares.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates; for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments

and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic

decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- planning the scope of our audit work and in evaluating the results of our work; and
- to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

#### Report on Other and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiary and associate companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that.

- 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 of the aforesaid Consolidated Financial Statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company as on March 31<sup>st</sup>, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31<sup>st</sup>, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls. The company has no subsidiary company and associate company incorporated in India. And as such, the internal financial controls over financial

reporting and the operating effectiveness of such controls as reported for our Report on Other and Regulatory Requirements of Standalone Financial Statements remain same for Consolidated Financial Statements. Hence separate reporting for Consolidated Financial Statement has not been made.

- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our

information and according to the explanations given to us:

- The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.
- The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**SANDEEP KUMAR GOEL**  
Partner  
Membership No. 099212

Date: May 27<sup>th</sup>, 2021  
Place: Chandigarh

## Annexure A to the Independent Auditor's Report

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

### TO THE MEMBERS OF STYLAM INDUSTRIES LIMITED

We have audited the internal financial controls over financial reporting of Stylam Industries Limited ("the Company") as of March 31<sup>st</sup>, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Explanatory Paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31<sup>st</sup>, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, and our report dated May 27<sup>th</sup>, 2021 expressed an unqualified opinion thereon.

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

**SANDEEP KUMAR GOEL**  
Partner  
Membership No. 099212

Date: May 27<sup>th</sup>, 2021  
Place: Chandigarh

## Annexure B to the Independent Auditor's Report

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

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31<sup>st</sup>, 2021, we report that:

1. In respect of the Company's fixed assets:

- (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.

- (c) Details of Income tax, and custom duty which have not been deposited as at March 31<sup>st</sup>, 2021 on account of dispute are given below:

Name of the statute	Amount (INR in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	81.94	AY 2013-14	ITAT
Income Tax Act, 1961	127.75	AY 2014-15	ITAT
Income Tax Act, 1961	241.46	AY 2017-18	CIT (Appeal)
Income Tax Act, 1961	1241.54	AY 2018-19	AO
Income Tax Act, 1961	3.32	AY 2019-20	CIT (Appeal)
Custom Duty	2,058.72	13-10-2017 to 10-01-2019	DRI
HPCB	21.09	2019	Punjab & Haryana High Court

\* Net of amount paid under protest

- 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) The maintenance of cost records has not been specified by the Central Government under section 148(l) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- 7) According to information and explanations given to us and on the basis of our examination of the books of account, and records,
  - (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Custom Duty, and any other statutory dues with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of the Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Custom Duty, and any other statutory dues in arrears as at March 31<sup>st</sup>, 2021 for a period of more than six months from the date on when they become payable.

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institution or bank or government as at the balance sheet date. The company has not issued any debentures.
- 9) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has not taken any term loan during the year.
- 10) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud 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) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- 13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the

Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standard.

- 14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- 15) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**SANDEEP KUMAR GOEL**  
Partner  
Membership No. 099212

Date: May 27<sup>th</sup>, 2021  
Place: Chandigarh

## Consolidated Balance Sheet

as at March 31<sup>st</sup>, 2021

	Note	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
INR in Lakh			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	18,781.96	19,495.29
Capital work in progress		0.00	1,118.63
Investment Property	4	0.00	0.00
<b>Financial assets</b>			
Investments	5.1	136.24	149.77
Loans and advances	5.2	139.71	126.01
Other bank balances	5.6	0.00	0.00
Other non-current assets	7	273.64	163.80
		<b>19,331.55</b>	<b>21,053.51</b>
<b>Current assets</b>			
Inventories	8	7,184.86	6,673.05
<b>Financial assets</b>			
Trade receivables	5.4	9,864.27	8,738.75
Cash and cash equivalents	5.5	508.40	600.22
Other bank balances	5.6	1,005.34	11.32
Other financial assets	5.3	2.43	0.91
Other current assets	7	2,817.93	2,447.63
		<b>21,383.24</b>	<b>18,471.88</b>
<b>TOTAL ASSETS</b>		<b>40,714.79</b>	<b>39,525.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	847.40	847.40
Other equity		25097.78	19575.45
		<b>25945.18</b>	<b>20422.85</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	10.1	2149.42	3565.37
Other financial liabilities	10.4	0.00	0.00
Provisions	11	235.07	200.92
Deferred tax liabilities (net)	6	1217.43	1343.34
Other non current liabilities	12	654.23	657.84
		<b>4256.15</b>	<b>5767.48</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	10.2	2110.99	5853.49
Trade payables	10.3	5149.31	3551.23
Other financial liabilities	10.4	1660.43	2593.93
Other current liabilities	12	1196.17	910.87
Provisions	11	73.25	79.46
Current tax liabilities (net)	13	323.29	346.08
		<b>10513.45</b>	<b>13335.06</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>40714.79</b>	<b>39525.39</b>
Basis of preparation, measurement and significant accounting policies.	1&2		

See accompanying notes to the financial statements  
As per our report of even date attached.

For **Mittal Goel & Associates**  
Chartered Accountants

**CA Sandeep Kumar Goel**  
Partner  
Membership No. 099212

**Jagdish Gupta**  
Managing Director

**Manit Gupta**  
Director

DATE : May 27<sup>th</sup>, 2021  
PLACE : Chandigarh

**Sanjeev Vaid**  
CFO

**Karan Mehra**  
CS & Compliance Officer

## Consolidated Profit and Loss Account

for the period ended March 31<sup>st</sup>, 2021

	Notes	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
INR in Lakh			
<b>Income</b>			
Revenue from operations	14	47584.58	46214.84
Other income	15	478.93	97.43
<b>Total Income</b>		<b>48063.52</b>	<b>46312.28</b>
<b>Expenses</b>			
Cost of raw materials consumed	16	25120.33	24169.49
(Increase) / decrease in inventories	17	-493.30	714.27
Purchase of Stock in Trade		27.27	22.35
Employee benefit expenses	18	3825.49	3754.31
Finance costs	21	601.86	1090.38
Depreciation and amortisation expense	20	2314.95	2098.49
Other expenses	19	9574.90	9595.12
<b>Total Expenses</b>		<b>40971.49</b>	<b>41444.39</b>
<b>Profit before exceptional items and tax</b>		<b>7092.03</b>	<b>4867.89</b>
<b>Exceptional Items</b>			
<b>Profit before Tax</b>		7092.03	3346.64
<b>Tax expense</b>			
Current tax		1732.90	1296.78
Tax of Earlier Years		-36.26	163.91
MAT Credit Entitlement		0.00	
Deferred tax charge	6	-129.58	-0.91
<b>Total tax expense</b>		<b>1567.06</b>	<b>1459.78</b>
<b>Profit for the year</b>		<b>5524.97</b>	<b>1886.86</b>
Share of Profit/ (Loss) of associates and joint ventures		-13.53	-22.82
<b>Other Comprehensive Income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/ (losses) on defined benefit obligations		14.56	10.81
Net (loss) gain on FVTOCI Investment		0.00	0.00
Deferred tax charge		-3.66	-3.15
Income tax effect		0.00	0.00
Other comprehensive income not to be reclassified to profit or loss in subsequent years (net of tax)		10.90	7.66
Other comprehensive income to be reclassified to profit or loss in subsequent years:		0.00	
Currency Hedging		0.00	0.00
Tax effect		0.00	0.00
Other comprehensive income to be reclassified to profit or loss in subsequent years (net of tax)		0.00	0.00
<b>Total Comprehensive Income for the year</b>		<b>5522.33</b>	<b>1871.71</b>
Earnings per equity share in INR computed on the basis of profit for the year	22		
Basic		32.59	11.14
Diluted		32.52	11.00
Significant accounting policies and key accounting estimates and judgements	1&2		

See accompanying notes to the financial statements  
As per our report of even date attached.

For **Mittal Goel & Associates**  
Chartered Accountants

**CA Sandeep Kumar Goel**  
Partner  
Membership No. 099212

**Jagdish Gupta**  
Managing Director

**Manit Gupta**  
Director

DATE : May 27<sup>th</sup>, 2021  
PLACE : Chandigarh

**Sanjeev Vaid**  
CFO

**Karan Mehra**  
CS & Compliance Officer

## Consolidated Statement of Changes in Equity

for the period ended March 31<sup>st</sup>, 2021

### (a) Equity share capital

	Balance as at 01.04.2020	Changes during the year*	Balance as at 31-03-2021
	8,474,030.00	-	8,474,030

INR in Lakh

	Balance as at 01.04.2019	Changes during the year	Balance as at 31.03.2020
	8,166,200.00	307,830	8,474,030.00

INR in Lakh

\*\* Pursuant to approval of the Scheme of Amalgamation between Golden Chem-Tech Limited (Transferor Company) and Stylam Industries Limited (Transferee Company) by Hon'ble NCLT, Chandigarh Bench on February 11<sup>th</sup>, 2020, 307,830 Nos of equity shares of INR 10/- each have been allotted to the shareholders of the Transferor Company.

### (b) Other equity

Particulars	Reserve & Surplus					Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Other comprehensive Income	Equity component of compound financial instruments	
<b>Balance as at April 1<sup>st</sup>, 2019</b>	705.97	5023.50	11938.42	10.81	25.04	17703.74
Profit for the year			1886.86			1886.86
Transfer from other Comprehensive Income			10.81			10.81
Transfer to Retained Earnings				-10.81		-10.81
Share of Profit/ (Loss) of associates and joint ventures			-22.82			-22.82
Other Comprehensive Income for the year				7.66		7.66
Other Transfers			7.08		-7.08	0.00
<b>Balance as at March 31<sup>st</sup>, 2020</b>	<b>705.97</b>	<b>5023.50</b>	<b>13820.36</b>	<b>7.66</b>	<b>17.95</b>	<b>19575.45</b>
<b>Balance as at April 1<sup>st</sup>, 2020</b>	<b>705.97</b>	<b>5023.50</b>	<b>13820.36</b>	<b>7.66</b>	<b>17.95</b>	<b>19575.45</b>
Profit for the year			5524.97		0.00	5524.97
Share of Profit/ (Loss) of associates and joint ventures			-13.53		0.00	-13.53
Other Comprehensive Income for the year		0.00	10.90		0.00	10.90
Other Transfers			5.02		-5.02	0.00
<b>Balance as at March 31<sup>st</sup>, 2021</b>	<b>705.97</b>	<b>5023.50</b>	<b>19347.72</b>	<b>7.66</b>	<b>12.93</b>	<b>25097.78</b>

INR In Lakh

### Nature and purpose of other equity

#### Capital Reserve:

Capital reserve is created on merger of Golden Chem-Tech Limited with the company, as per order of National Company law Tribunal. The amount represent the excess of net assets acquired over the cost of consideration.

#### Securities premium reserve:

The amount received in excess of face value of the equity share is recognised in securities Premium.

#### Retained Earnings:

Retained earnings are the profits that the company has earned till date.

#### Equity component of compound Financial Instrument.

The fair value change of the debt instruments measured at fair value through Equity component of compound financial instrument.

Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and loss Account.

## Consolidated Statement of Changes in Equity

for the period ended March 31<sup>st</sup>, 2021

### Items of other Comprehensive income

Remeasurements of defined benefit obligation:

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

### Capital management

Equity Share Capital and other equity are considered for the purpose of company's capital management.

The company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the company is based on management's judgement of its strategic and day to day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

See accompanying notes to the financial statements

As per our report of even date attached.

For **Mittal Goel & Associates**

Chartered Accountants

**CA Sandeep Kumar Goel**

Partner

Membership No. 099212

DATE : May 27<sup>th</sup>, 2021

PLACE : Chandigarh

**Jagdish Gupta**

Managing Director

**Manit Gupta**

Director

**Sanjeev Vaid**

CFO

**Karan Mehra**

CS & Compliance Officer

## Consolidated Statement of Cash Flow

for the period ended March 31<sup>st</sup>, 2021

	INR In Lakh	
	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
<b>A Cash Flow from operating activities:</b>		
<b>Profit/(loss) before extraordinary &amp; exceptional items and tax</b>	7092.03	4867.89
Adjustments for:		
- Unrealised foreign exchange loss/(gain) (net)	49.83	-109.05
- Finance costs	349.73	929.52
- Depreciation and amortisation expense	2314.95	2098.49
- Interest Income	-23.81	-22.88
- Loss/ (Gain) on sale of Fixed Assets (net)	-7.46	3.35
<b>Operating Profit before working capital changes</b>	<b>9775.27</b>	<b>7767.31</b>
Movements in working capital:		
Adjusted for:		
Trade & Other Receivables	-1369.57	-719.99
Inventories	-511.81	-50.24
Trade & Other Payables	1714.13	1323.90
<b>Net cash generated from operations</b>	<b>9608.02</b>	<b>8320.98</b>
Payment of direct taxes (net)	-1719.43	-1734.59
<b>Net cash from operating activities (A)</b>	<b>7888.59</b>	<b>6586.39</b>
<b>B Cash Flow from investing activities:</b>		
Payment for Tangible Assets (including capital work in progress and capital advances)	-660.67	-17219.61
Proceeds from sale of PPE	75.32	14791.94
Proceeds from sale of Investment Property		3377.00
Payment for investments in subsidiary and joint venture	-35.63	-58.45
Maturity/ (Investment) in fixed deposits	0.00	998.23
Proceeds/(Investment) from/ in other assets	21.94	-22.39
Proceeds/(Investment) from/ in other activities	30.53	19.05
Interest received	23.81	22.88
<b>Net cash from/ (used in) investing activities (B)</b>	<b>-544.71</b>	<b>1908.66</b>
<b>C Cash Flow from financing activities:</b>		
Proceeds of long-term borrowings	0.00	
Repayment of long term borrowings	-2349.45	-5753.55
Proceeds/ (Repayment) from short-term borrowings	-3742.50	-1359.20
Borrowing costs paid		
- Interest paid	-349.73	-929.52
<b>Net cash from/ (used in) financing activities (C)</b>	<b>-6441.68</b>	<b>-8042.27</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>902.20</b>	<b>452.77</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>611.54</b>	<b>158.77</b>
<b>Cash and cash equivalents at the closing of the period</b>	<b>1513.74</b>	<b>611.54</b>

## Consolidated Statement of Cash Flow

for the period ended March 31<sup>st</sup>, 2021

	INR In Lakh	
	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
<b>Notes:</b>		
(i) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.		
(ii) Components of cash and cash equivalents included under cash and bank balances (note 5.5 & 5.6) are as under:		
Cash in hand	0.65	1.00
Balances with scheduled banks		
- On current accounts	449.93	544.38
- Deposits with original maturity of more than 3 months	810.20	1.51
- Deposits with original maturity of upto 3 months	69.79	64.65
Other Balance with bank	183.17	-
<b>Cash and cash equivalents</b>	<b>1513.74</b>	<b>611.54</b>

Repayment of Term loan for the year ended March 31<sup>st</sup>, 2021 is net of proceeds and repayment of loan during the year:

As per our report of even date attached.

For **Mittal Goel & Associates**  
Chartered Accountants

**CA Sandeep Kumar Goel**  
Partner  
Membership No. 099212

**Jagdish Gupta**  
Managing Director

**Manit Gupta**  
Director

DATE : May 27<sup>th</sup>, 2021  
PLACE : Chandigarh

**Sanjeev Vaid**  
CFO

**Karan Mehra**  
CS & Compliance Officer

# Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

## 1. Group information

Stylam Industries Limited ("the Company") is a public limited company incorporated in India with its registered office located at Sco-14, Sector 7-C, Madhya Marg, Chandigarh, India. The Company is listed on the Bombay Stock Exchange (BSE). The Company is engaged in manufacturing of laminates, solid surface panels and allied products.

### a) Subsidiary

Name of Company	Country of Incorporation	Principal Activities	Proportion of equity interest	
			As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Stylam Asia Pacific Pte Ltd	Singapore	Trading	100%	-

Date of incorporation is September 16<sup>th</sup>, 2019

### b) Associates

Section 129(3) of the Companies Act, 2013, requires preparation of consolidated financial statement of the Company and its subsidiary in the same form and manner as that of its own.

Indian Accounting Standard (Ind AS) 28 on Investments in Associates defines Associate Group as an entity over which the investor has significant influence. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 per cent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

The Company holds investments in the below entity which by share ownership are deemed to be an associate company:

- (i) Alca Vstyle Sdn. Bhd, Malaysia, where the company has 34% equity holding. This is a company engaged in trading of all kinds of merchandise in relation to household requisites, to purchase, sell, import, export, distribute, install and deal in domestic, commercial and industrial furniture and fixtures.

## 2. Basis of Preparation, Measurement and Significant accounting policies

### 2.1 Basis of Preparation and measurement

#### a) Basis of preparation and consolidation

These Consolidated Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred

The manufacturing facilities of the company are located at Panchkula, Haryana, India.

The Company and its subsidiary (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:

to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to the periods presented in the Consolidated financial statements.

Subsidiary is an entity where the group exercise control or hold more than one-half of its total share capital. The net assets and results of the subsidiary is included in the consolidated financial statements from their respective dates of incorporation.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent. The consolidated financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intra-group transactions.

The Consolidated financial statements are presented in INR, the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary

# Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

economic environment in which the Group operates (the 'functional currency').

The Consolidated Financial statements of the Company for the year ended March 31<sup>st</sup>, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 27<sup>th</sup>, 2021.

### b) Basis of measurement

These Consolidated Financial statements are prepared under the historical cost convention unless otherwise indicated.

## 2.2 Key accounting estimates and judgements

The preparation of Consolidated Financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Estimates and 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.

## 2.3 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

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

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

Group classifies all other assets as non-current.

A liability is current when:

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

Group classifies all other liabilities as non-current.

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

## 2.4 Significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

	Land- Freehold	Building -Factory	Building -Others	Plant and equipment	Office Equipments	Furniture & fixtures	Vehicles - Owned	Computer & Peripherals	Intangible	Total
INR In Lakh										
<b>At amortised Cost</b>										
<b>Cost/Deemed cost as at April 1<sup>st</sup>, 2020</b>	2014.73	4730.07	369.11	18265.13	1141.18	282.52	830.46	201.68	475.72	28310.61
Additions	0.00	0.00	0.00	1613.58	1.98	0.00	41.65	12.26	0.00	1669.46
Disposals	0.00	0.00	0.00	-270.47	0.00	0.00	-51.31	0.00	0.00	-321.78
Ind AS Measurements										0.00
<b>Cost/Deemed cost as at March 31<sup>st</sup>, 2021</b>	<b>2014.73</b>	<b>4730.07</b>	<b>369.11</b>	<b>19608.24</b>	<b>1143.15</b>	<b>282.52</b>	<b>820.80</b>	<b>213.94</b>	<b>475.72</b>	<b>29658.30</b>
Additions										0.00
<b>Accumulated Depreciation as at April 1<sup>st</sup>, 2020</b>	0.00	742.93	33.83	6720.66	529.43	138.36	322.27	156.40	171.43	8815.31
Charge for the year	0.00	164.84	5.86	1859.62	119.78	25.40	65.04	26.83	47.57	2314.95
Disposals				-208.42	0.00		-45.50			-253.92
Ind AS Measurements										0.00
<b>Total accumulated depreciation as at March 31<sup>st</sup>, 2021</b>	<b>0.00</b>	<b>907.78</b>	<b>39.69</b>	<b>8371.86</b>	<b>649.22</b>	<b>163.77</b>	<b>341.81</b>	<b>183.22</b>	<b>219.00</b>	<b>10876.34</b>
<b>Net Block</b>										
<b>Net carrying value as at April 1<sup>st</sup>, 2020</b>	<b>2014.73</b>	<b>3987.14</b>	<b>335.28</b>	<b>11544.47</b>	<b>611.74</b>	<b>144.16</b>	<b>508.19</b>	<b>45.28</b>	<b>304.29</b>	<b>19495.30</b>
<b>Net carrying value as at March 31<sup>st</sup>, 2021</b>	<b>2014.73</b>	<b>3822.30</b>	<b>329.43</b>	<b>11236.39</b>	<b>493.94</b>	<b>118.76</b>	<b>478.99</b>	<b>30.72</b>	<b>256.72</b>	<b>18781.96</b>

Notes :

(a) For lien/charge against property, plant and equipment refer note 10.1 and 10.2.

The block of Fixed Assets includes the assets of Golden Chem-Tech limited. After merger the assets of Golden Chem has been recognised as assets of the company.  
(Refer Note No.28 Business combination)

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

	Land- Freehold	Building -Factory	Building -Others	Plant and equipment	Office Equipments	Furniture & fixtures	Vehicles - Owned	Computer & Peripherals	Intangible	Total
INR In Lakh										
<b>At amortised Cost</b>										
<b>Cost/Deemed cost as at April 1<sup>st</sup>, 2019</b>	1,745.17	4,397.23	369.11	15,863.44	1,156.43	282.52	717.78	195.18	475.72	25,202.58
Additions	269.56	332.84	-	2,401.69	4.06	-	143.97	6.50	-	3,158.63
Disposals				(19.31)			(31.29)			(50.60)
Ind AS Measurements										-
<b>Cost/Deemed cost as at March 31<sup>st</sup>, 2020</b>	<b>2,014.73</b>	<b>4,730.07</b>	<b>369.11</b>	<b>18,265.13</b>	<b>1,141.18</b>	<b>282.52</b>	<b>830.46</b>	<b>201.68</b>	<b>475.72</b>	<b>28,310.61</b>
Additions										-
<b>Accumulated Depreciation as at April 1<sup>st</sup>, 2019</b>	-	588.40	27.97	5,206.22	275.14	112.02	284.19	135.97	123.86	6,753.76
Charge for the year	-	154.54	5.86	1,514.44	119.01	26.35	59.47	20.43	47.57	1,947.67
Disposals				(15.53)			(21.39)			(36.93)
Ind AS Measurements				150.82						150.82
<b>Total accumulated depreciation as at March 31<sup>st</sup>, 2020</b>	<b>-</b>	<b>742.93</b>	<b>33.83</b>	<b>6,720.66</b>	<b>529.43</b>	<b>138.36</b>	<b>322.27</b>	<b>156.40</b>	<b>171.43</b>	<b>8,815.31</b>
<b>Net Block</b>										
<b>Net carrying value as at April 1<sup>st</sup>, 2019</b>	<b>1,745.17</b>	<b>3,808.83</b>	<b>341.14</b>	<b>10,657.22</b>	<b>881.29</b>	<b>170.51</b>	<b>433.60</b>	<b>59.21</b>	<b>351.86</b>	<b>18,448.83</b>
<b>Net carrying value as at March 31<sup>st</sup>, 2020</b>	<b>2,014.73</b>	<b>3,987.14</b>	<b>335.28</b>	<b>11,544.47</b>	<b>611.74</b>	<b>144.16</b>	<b>508.19</b>	<b>45.28</b>	<b>304.29</b>	<b>19,495.30</b>

Notes :

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

# Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

	Land- Freehold	Building -Factory	Building -Others	Plant and equipment	Office Equipments	Furniture & fixtures	Vehicles - Owned	Computer & Peripherals	Intangible	Total
<b>At amortised Cost</b>										
<b>Cost/Deemed cost as at April 1, 2018</b>	1,678.02	4,177.52	358.27	13,578.97	1,147.90	268.44	765.54	194.23	184.46	22,353.33
Additions	75.92	219.71	10.84	1,988.91	8.53	14.09	41.17	1.89	291.26	2,632.30
Disposals	(8.76)	-	-	(60.08)	-	-	(88.92)	(0.94)	-	(158.70)
Ind AS measurements				375.64						375.64
<b>Cost/Deemed cost as at March 31<sup>st</sup>, 2019</b>	<b>1,745.17</b>	<b>4,397.23</b>	<b>369.11</b>	<b>15,863.44</b>	<b>1,156.43</b>	<b>282.52</b>	<b>717.78</b>	<b>195.18</b>	<b>475.72</b>	<b>25,202.58</b>
<b>Accumulated Depreciation as at April 1<sup>st</sup>, 2018</b>	-	441.08	22.27	3,827.22	170.09	86.80	279.95	106.42	90.85	5,024.68
Charge for the year	-	147.31	5.70	1,285.76	105.05	25.22	58.09	30.24	33.01	1,690.38
Disposals	-	-	-	(37.55)	-	-	(53.86)	(0.69)	-	(92.10)
Ind AS measurements	-	-	-	130.79	-	-	-	-	-	130.79
<b>Accumulated depreciation as at March 31<sup>st</sup>, 2019</b>	<b>-</b>	<b>588.40</b>	<b>27.97</b>	<b>5,206.22</b>	<b>275.14</b>	<b>112.02</b>	<b>284.19</b>	<b>135.97</b>	<b>123.86</b>	<b>6,753.76</b>
<b>Net Block</b>	<b>1,678.02</b>	<b>3,736.44</b>	<b>336.00</b>	<b>9,751.75</b>	<b>977.81</b>	<b>181.64</b>	<b>485.58</b>	<b>87.81</b>	<b>93.61</b>	<b>17,328.66</b>
<b>Net carrying value as at April 1<sup>st</sup>, 2018</b>	<b>1,745.17</b>	<b>3,808.83</b>	<b>341.14</b>	<b>10,657.22</b>	<b>881.29</b>	<b>170.51</b>	<b>433.60</b>	<b>59.21</b>	<b>351.86</b>	<b>18,448.83</b>

**Notes :**

(a) For lien/charge against property, plant and equipment refer note 10.1 and 10.2.

The Block of Fixed Assets includes the Assets of the company Chem-Tech Limited. After merger the assets of Golden Chem-Tech limited has been recognised as assets of the company. Refer Note No. 28 about Business combination.

# Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021**4. Investment Property**

At Fair Market Value

	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Property held for Sale	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**5. Financial assets****5.1 Non-current investments****Un-quoted investment**

	Nos of shares as at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Investment carried at fair value</b>			
<b>Equity Investment</b>			
-Un-quoted			
-Serrano Limited, Singapore* (fair value SGD 0.031 per share)	6575711	102.37	102.37
-Serrano Limited, Singapore** (fair value SGD 0.031 per share)	756199	11.77	11.77
-Un-quoted, Fully paid-up			
<b>Subsidiary</b>			
-Stylam Asia Pacific Pte Ltd - Equity shares of US\$ 1 each	100	0.00	-
Investment in Equity Instruments (at Cost)			
-Un-quoted, Fully paid-up			
<b>Associate</b>			
-Alca Vstyle Sdn. Bhd, Malaysia	340000	22.10	35.63
<b>Total investment</b>		<b>136.24</b>	<b>149.77</b>

- The company has formed wholly owned subsidiary with an authorised capital of USD100
- The company has acquired 34% stake in Associate company. This company is engaged in to trading of commecial and industrial  
Furnitures and fixtures
- Others

\*The company had trade arrangement with Serrano Ltd, Singapore (Serrano). Serrano owed INR 253.30 lakh failed to pay and thereafter went into liquidation. New Investor joined Serrano and had agreed with secured and unsecured creditors to settle their dues partly under Cash Distribution Scheme and partly under Shares Distribution Scheme. The Scheme of Arrangment was filed with High Court in Singapore under Section 210 of Singapore's Companies Act

Under Shares Distribtution Scheme 6,575,711 No of shares (as on 31-03-2020 6,575,711 Nos) were allotted to the company. Theses shares are listed on Singapore Stock Exchange. As trading of shares were suspended these were considered as unquoted investment. When trading was suspended the share was valued at SGD 0.031 per share (as on 31-03-2020 SGD 0.031 per share), the same value is considered for arriving fair value of share.

\*\* Under the distribution Scheme 756,199 Nos of shares were allotted to Golden Chem-Tech Limited (as on 31-03-2020 756,199 Nos). Pursunat to approval of Scheme of Amalgamation by Hon'ble NCLT, Chandigarh Bench, all investments of Golden Chem-Tech Limited will be treated as investments of the company.

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

When the distribution of shares were made, company did not have any presence in Singapore, but as per procedure in Singapore, allotment of Shares is allowed in dematerialised form, for which company needs to have presence in Singapore. So these shares were assigned in the name of individual person who is resident of Singapore. At that time it was mutually agreed that the person in concern shall hold shares as custodian on behalf of the company. Now as the company has formed WOS in Singapore, the company has initiated to get the shares registered in the name of WOS.

### 5.2 Loans and advances (at amortised cost)

INR In Lakh

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Unsecured and considered good</b>				
Security deposits	139.71	126.01	-	-
	<b>139.71</b>	<b>126.01</b>	<b>-</b>	<b>-</b>

Security deposits are primarily in relation to public utility services and rental agreements

### 5.3 Other financial assets (at amortised cost)

INR In Lakh

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Interest accrued	-	-	2.43	0.91
	<b>-</b>	<b>-</b>	<b>2.43</b>	<b>0.91</b>

### 5.4 Trade receivables (at amortised cost)

INR In Lakh

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Unsecured, considered good</b>				
Trade receivables	-	-	9,864.27	8,738.75
	<b>-</b>	<b>-</b>	<b>9,864.27</b>	<b>8,738.75</b>

### 5.5 Cash and cash equivalents

INR In Lakh

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Cash in hand	-	-	0.65	1.00
<b>Balances with banks:</b>				
- On current accounts	-	-	449.93	544.38
- Deposits with original maturity of upto 3 months	-	-	57.82	54.84
	<b>-</b>	<b>-</b>	<b>508.40</b>	<b>600.22</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 5.6 Other bank balances

INR In Lakh

	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
- Deposits with original maturity of upto 3 months (pledged with Bank)	-	-	11.97	9.81
- Deposits with original maturity of more than 3 months	-	-	810.20	1.51
- other Balances with Bank	-	-	183.17	0.00
	<b>-</b>	<b>-</b>	<b>1,005.34</b>	<b>11.32</b>

Current earmarked bank balances represent deposits due for realisation within 3 months from the balance sheet date. These are primarily placed as margin money against issue of Letter of Credits.

### 6. Movement in deferred tax balances

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

INR In Lakh

Particulars	Opening balance	Recognised/ (reversed) in Profit & Loss	Other movements during the year	Recognised in OCI	Closing balance
<b>Deferred tax assets</b>					
Compensated absences & retirement benefits	63.35	17.92		-3.66	77.60
Expenses allowed for tax purposes when paid	8.65	-3.70		0.00	4.95
Derivative contracts fair valued on transition	0.00	0.00	0.00	0.00	
MAT credit entitlement/ (Utilisation)	0.00		0.00		0.00
Unabsorbed Depreciation	0.00		0.00		0.00
Adjustment due to change in Tax Rate in unabsorbed depreciation	0.00		0.00		0.00
<b>Total deferred tax assets</b>	<b>71.99</b>	<b>14.22</b>	<b>0.00</b>	<b>-3.66</b>	<b>82.55</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	1,397.03	-110.44			1,286.60
Others	18.30	-4.92			13.38
<b>Total deferred tax liabilities</b>	<b>1,415.34</b>	<b>-115.36</b>	<b>0.00</b>	<b>0.00</b>	<b>1,299.98</b>
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>-1,343.34</b>	<b>129.58</b>	<b>0.00</b>	<b>-3.66</b>	<b>-1,217.43</b>

### Reflected in Balance Sheet

INR In Lakh

	31-Mar-21	31-Mar-20
Deferred Tax assets	82.55	71.99
Deferred Tax Liabilities	1,299.98	1,415.34
Deferred Tax Liabilities (net)	1,217.43	1,343.34

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 7. Other Assets

INR In Lakh

	Non-current		Current	
	As at	As at	As at	As at
	March 31 <sup>st</sup> , 2021	March 31 <sup>st</sup> , 2020	March 31 <sup>st</sup> , 2021	March 31 <sup>st</sup> , 2020
Unsecured and considered good				
Capital advances	231.50	123.28	40.00	0.00
Advance to Suppliers	0.00	0.00	267.13	231.32
Staff Advances	0.00	0.00	5.25	2.25
Other Advances	30.14	30.72	37.34	28.17
Prepaid expenses	0.00	0.00	19.66	29.69
Balances with statutory/government authorities bodies	3.22	1.03	0.00	0.00
Export incentive receivable	0.00	0.00	3.73	56.74
GST Recoverable	0.00	0.00	2164.99	1995.38
Unrealised exchange	0.00	0.00	154.50	0.00
Income tax Refundable	0.00	0.00	56.31	68.06
Income tax paid under Appeal	0.00	0.00	69.02	36.02
VAT Recoverable	8.78	8.78	0.00	0.00
Recoverable from others	0.00	0.00	0.00	0.00
	<b>273.64</b>	<b>163.80</b>	<b>2817.93</b>	<b>2447.63</b>

Advance with statutory / government bodies relate to input credit entitlements

### 8. Inventories

INR In Lakh

	Non-current		Current	
	As at	As at	As at	As at
	March 31 <sup>st</sup> , 2021	March 31 <sup>st</sup> , 2020	March 31 <sup>st</sup> , 2021	March 31 <sup>st</sup> , 2020
Raw materials	-	-	4,602.70	4,823.71
Work-in-progress	-	-	260.52	86.87
Finished goods	-	-	1,322.67	1,003.01
Material In Transit	-	-	756.79	563.63
Fuel Coal & Diesel	-	-	31.98	80.51
Packing & Stores	-	-	210.20	115.32
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,184.86</b>	<b>6,673.05</b>

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

### 9. Equity share capital

INR In Lakh

	As at	As at
	March 31 <sup>st</sup> , 2021	March 31 <sup>st</sup> , 2020
<b>Authorised *</b>		
9,704,000 (March 31 <sup>st</sup> , 2020 : 9,704,000) Equity shares of INR 10/-each	970.40	970.40
<b>Issued, subscribed and fully paid up shares</b>		
8,474,300 (March 31 <sup>st</sup> , 2020, 8,474,300) Equity shares of INR 10/-each	847.40	847.40
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>847.40</b>	<b>847.40</b>

\* Pursuant to approval of the Scheme of Amalgamation between Golden Chem-Tech Limited (Transferor Company) and Stylam Industries Limited (Transferee Company) by the Hon'ble NCLT, Chandigarh Bench on February 11<sup>th</sup>, 2020, Authorised Capital of Golden Chem-Tech Limited has been clubbed with Authorised Capital of Stylam Industries Limited w.e. f. 30.09.2017 i.e the date appointed for implementation of the scheme of Amalgamation. Hence the Authorised Capital has been reclassified from 8,550,000 shares of INR 10/- each to 9,704,000 shares of shares of INR 10/-each for March 31<sup>st</sup>, 2021 and, March 31<sup>st</sup>, 2020

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

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

	As at March 31 <sup>st</sup> , 2021		As at March 31 <sup>st</sup> , 2020	
	Number	Amount	Number	Amount
At the beginning of the year	8474030	847.40	8166200	816.62
Issued during the year	-	-	307,830	30.78
Approval Pending	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>8474030</b>	<b>847.40</b>	<b>8474030</b>	<b>847.40</b>

### (b) Terms/ rights attached to equity shares

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

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

	As at March 31 <sup>st</sup> , 2021		As at March 31 <sup>st</sup> , 2020	
	Number	% of total shares	Number	% of total shares
<b>Equity shares of INR 10 each fully paid</b>				
Jagdish Gupta	1073181	12.66%	1073181	12.66%
Satish Gupta	868963	10.25%	868963	10.25%
Light House Emerging India Investor Ltd	850000	10.03%	850000	10.03%
Usha Gupta	714250	8.43%	714250	8.43%
Pushpa Gupta	785539	9.27%	785539	9.27%

### Detail of last five years Share transactions:-

INR In Lakh

	2020-21	2019-20	2018-19	2017-18	2016-17
Share Issue as Bonus	-	-	-	-	-
Preferential allotment	-	-	-	850000	-
Scheme of Amalgamation	-	307,830	-	-	-
Shares forfeited	-	-	-	-	-
ESOP	-	-	-	-	-

### Financial Liabilities

#### 10.1 Long-term borrowings

(at amortised cost)

INR In Lakh

	Non-current		Current	
	As at	As at	As at	As at
	March 31 <sup>st</sup> , 2021	March 31 <sup>st</sup> , 2020	March 31 <sup>st</sup> , 2021	March 31 <sup>st</sup> , 2020
<b>Secured - At Amortised Cost</b>				
<b>From Banks</b>				
Foreign Currency Loans				
Foreign Currency Loans -(1)	381.44	532.81	136.48	132.43
Foreign Currency Loans -(2)	745.35	1144.18	444.95	427.74
Foreign Currency Loans -(3)	729.31	1051.67	364.65	350.56
Foreign Currency Loans -(4)	0.00	0.00	0.00	0.00
Foreign Currency Loans -(5)				
Foreign Currency Loans -(6)	0.00	0.00	0.00	
Rupee Loans				

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Rupee Loan - (1)	293.32	741.43	372.53	400.00
Rupee Loan - (4)	0.00		0.00	
Rupee Loan - (5)	0.00	0.00	0.00	
Vehicle Loans	0.00	14.82	13.13	29.50
<b>Unsecured - At Amortised Cost</b>				
Rupee Loans				
From Banks - (7)	0.00	0.00	0.00	0.00
From Directors - (8)	0.00	0.00	45.20	239.78
From Related Parties - (8)	0.00	0.00	222.40	848.34
From others - (9)		80.47	55.49	0.00
	<b>2149.42</b>	<b>3565.37</b>	<b>1654.83</b>	<b>2428.35</b>
The above amount includes				
Secured borrowings	2149.42	3484.90	1387.23	1340.23
Unsecured borrowings	0.00	80.47	267.60	1088.12
Amount disclosed under the head "Other financial liabilities" (note 10.4)	0.00	0.00	-1654.83	-2428.35
<b>Net amount</b>	<b>2149.42</b>	<b>3565.37</b>	<b>0.00</b>	<b>0.00</b>

### Terms of repayment of Non-Current and Current borrowings

- Foreign Currency loan amounting to INR 517.92 lakh (March 31<sup>st</sup>, 2020 665.24 lakh) is repayable in 69 Monthly Instalments

The repayment of the loan commenced from August 2019.

- Foreign Currency loan amounting to INR 1190.29 lakh (March 31<sup>st</sup>, 2020: INR 1571.93 lakh) is repayable in 48 monthly instalments.

The repayments commenced from October 2019.

- Foreign Currency loan pertaining to External commercial Borrowing amounting to INR 1093.96 lakh (March 31<sup>st</sup>, 2020: INR 1402.22 lakh) is repayable in

17 quarterly instalments. The repayment started from February 2020)

- Rupee term loan amounting to INR 665.85 (March 31<sup>st</sup>, 2020: INR 1141.43 lakh) This loan was part of borrowing of Golden Chem-Tech Limited

After merger the amount was transferred in the books of the company. The loan is repayable in 20 quarterly instalments. As per the terms of sanction, the loan will be fully repaid by January 2023

### Terms of Security

All the loans are secured by first pari-passu charge, on movable fixed assets of the company, present and future, except vehicles, and immovable assets situated at manufacturing location of the company of i) Industrial Area, Panchkula and ii) Manktabra, Distt, Panchkula. The security is further extended to shed in the name of Golden Chem-Tech limited at Mankya, Ramgarh, Panchkula

These loans are further secured by second pari-passu on entire current assets of the company, both present and future.

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

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

Vehicle loans are secured against Hypothecation of respective vehicles. The same are repayable in five years from the date of respective disbursements

- Interest free unsecured loan from promoters and related parties amounting to INR 267.60 lakh (March 31<sup>st</sup>, 2020: 1088.12 lakh) will be repaid back by the end of year 2022. This loan was initially measured at fair value using market rate of interest at the time when loan was taken. The loan includes INR Nil

(March 31<sup>st</sup>, 2020: 738.12 lakh) as part of borrowings of Golden Chem- Tech limited

- Interest free Unsecured loan from others for INR 55.49 lakh (March 31<sup>st</sup>, 2020: 80.47 lakh) will be repaid back by the end of year 2022. this loan was initially measured at fair value using market rate of interest at the time when loan was taken.

### 10.2 Short-term borrowings

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Secured - At Amortised Cost</b>				
<b>Working Capital Loans</b>				
<b>From Banks</b>				
Foreign currency loan	-	-	1,695.59	2,912.33
Indian rupee loan (unsecured)			-	-
Indian rupee loan from financial institutions (unsecured)				
Rupee Loans	-	-	415.40	1,441.16
<b>Unsecured - At Amortised Cost</b>				
<b>Working Capital Loans</b>				
<b>From Banks</b>				
Unsecured Loan	-	-	-	1,500.00
	-	-	<b>2,110.99</b>	<b>5,853.49</b>

### Terms of repayment of current Borrowings

Working capital facilities are availed from State Bank of India, HDFC Bank Ltd and Standard Chartered Bank. Working capital facilities are repayable on demand.

### Terms of Security

Secured Working Capital loans : These are secured by a first pari-passu charge on all the current assets of the company, both present and future, wherever the same may or be held and have a second pari-passu charge on all movable and immovable fixed assets of the company, present and future

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

### 10.3 Trade payables

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 23 for details of dues to micro and small enterprises)	-	-	-	-
Total outstanding dues of creditors	-	-	4,913.39	3,527.62
Total outstanding dues of creditors from MSME	-	-	235.92	23.60
	-	-	<b>5,149.31</b>	<b>3,551.23</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

Refer note 24b for explanations on the Company's liquidity risk management processes.

Amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises (MSME) Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The total outstanding INR 235.92 lakh (March 31<sup>st</sup>, 2020 INR 23.60 lakh) as at the end of the year is Principal amount due to MSME.

### 10.4 Other financial liabilities

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Acceptances		-		-
<b>Financial liabilities at fair value</b>				
<b>Derivative not designated as hedges</b>	-	-	-	-
Foreign exchange forward contracts	-	-	-	146.21
	-	-	-	<b>146.21</b>
<b>Other financial liabilities at amortised cost</b>				
Current maturities of long-term borrowings (note 10.1)	-	-	1,654.83	2,428.35
Liability towards Capital vendors	-	-	-	-
Interest accrued but not due on borrowings	-	-	5.60	19.37
	-	-	<b>1,660.43</b>	<b>2,447.72</b>
	-	-	<b>1,660.43</b>	<b>2,593.93</b>

### Financial liabilities at fair value through profit and loss

#### 11. Provisions

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Provision for employee benefits</b>				
Provision for gratuity (Note 26)	135.43	115.72	12.79	10.71
Provision for compensated absences	99.64	85.20	7.30	5.91
Provision for Bonus	-	-	53.17	62.85
	<b>235.07</b>	<b>200.92</b>	<b>73.25</b>	<b>79.46</b>
Other provisions				
Provision towards vendors	-	-	-	-
	-	-	-	-
<b>Total Provisions</b>	<b>235.07</b>	<b>200.92</b>	<b>73.25</b>	<b>79.46</b>

As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on post retirement. The Company presents provision for leave salaries as current and non-current based on actuarial valuation.

#### 12. Other liabilities

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Advance from customers	-	-	359.29	450.82
Statutory dues payable	-	-	86.10	61.72
Security deposits received*	9.60	-	-	-
Expenses Payable	-	-	750.77	398.33
Deferred Revenue Liability (Govt. Grant)	644.63	657.84	-	-
<b>Total Other liabilities</b>	<b>654.23</b>	<b>657.84</b>	<b>1,196.17</b>	<b>910.87</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### Deferred Revenue Liability (Govt Grants)

- Deferred Revenue Liability (Govt Grants) relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.
- During the year INR 13.21 lakh (2019-20: INR 25.73 lakh) was released from deferred income to the statement of profit and loss on fulfilment of export obligations.

### 13. Current tax liabilities

	INR In Lakh			
	Non-current		Current	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Liabilities for income tax (net of taxes paid)	-	-	323.29	346.08
<b>Total tax liabilities</b>	<b>-</b>	<b>-</b>	<b>323.29</b>	<b>346.08</b>

### 14. Revenue from operations

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Sale of products		
Export	32,846.49	30,779.06
Domestic	14,738.09	15,435.78
	<b>47,584.58</b>	<b>46,214.84</b>
	<b>47,584.58</b>	<b>46,214.84</b>

### 15. Other income

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Profit on sale of Fixed assets	14.12	5.32
Insurance claims received	57.11	0.00
Government grants	13.21	25.73
Misc. Income	1.79	43.50
Exchange gain Foreign Currency	368.90	0.00
Interest on security deposit	7.46	0.36
Interest income on Bank deposits	16.35	22.52
	<b>478.93</b>	<b>97.43</b>

### 16. Cost of raw material consumed

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Inventory at the beginning of the year	4,823.71	4,356.84
Add: Purchases	23,894.17	23,752.96
Freight Inward	1,005.16	883.40
Less: Inventory at the end of the year	-4,602.70	-4,823.71
	<b>25,120.33</b>	<b>24,169.49</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 17. (Increase)/Decrease in inventories

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Inventory at the beginning of the year</b>		
-Work-in-progress	86.87	336.98
- Finished goods	1,003.01	1,467.17
<b>Inventories at the end of the year</b>		
-Work-in-progress	-260.52	-86.87
- Finished goods	-1,322.67	-1,003.01
<b>Net (increase)/decrease in inventories</b>	<b>-493.30</b>	<b>714.27</b>

### 18. Employee benefit expense

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Salaries, wages and bonus	3,462.09	3,398.29
Contribution to provident fund & Other funds	163.71	149.05
Gratuity expense (Note No.26)	48.89	44.49
Compensated absences	26.45	25.14
Staff welfare expenses	124.34	137.33
	<b>3,825.49</b>	<b>3,754.31</b>

### 19. Other expenses

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
<b>Manufacturing Expenses</b>		
Store & Spares	818.07	820.78
Packing Stores	1,153.86	1,042.39
Electric Power, Fuel & Water	2,362.77	3,299.54
Repairs and maintenance		
- Buildings	232.86	98.80
- Plant & Machinery	400.69	203.82
Excise Duty #	0.00	0.00
	<b>4,968.25</b>	<b>5,465.34</b>
<b>Selling &amp; Distribution Expenses</b>		
Business promotion expenses	658.92	623.08
Distribution Expenses - Export	2,643.55	1,780.88
Distribution Expenses - Domestic	478.27	554.83
Certification Expenses	24.21	22.20
	<b>3,804.95</b>	<b>2,980.99</b>
<b>Establishment Expenses</b>		
Professional and consultancy fees	60.76	70.92
Rent	61.10	60.88
Rates and taxes	52.74	61.45
Insurance	70.09	70.78
Travelling and conveyance expenses	82.95	281.55
Other Repairs	210.79	244.90
Payment to Auditors	5.75	2.00
Loss on sale of Fixed Assets	6.65	8.67
Charity and Donation	0.82	2.39
Corporate Social Responsibility	117.72	48.86
Miscellaneous expenses	132.33	296.39
	<b>801.70</b>	<b>1,148.78</b>
	<b>9,574.90</b>	<b>9,595.12</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### a) Details of remuneration to auditors included under professional and consultancy fees

	INR In Lakh	
	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
<b>As auditors</b>		
-Audit fee	1.50	1.50
-Limited review of interim financial statements	0.25	0.25
-Tax Audit fee	0.25	0.25
Internal Audit fees	3.00	-
GST Audit fees	0.75	-
	<b>5.75</b>	<b>2.00</b>

### b) Details of CSR expenditure

	INR In Lakh	
	Year ended March 31 <sup>st</sup> , 2021	Year ended March 31 <sup>st</sup> , 2020
Gross amount required to be spent by the Company during the year		
i) Sanitation		
ii) Rural transformation		
iii) Donation for Ambulance & Mortuary Van		0.50
vi) Child welfare	0.50	1.77
v) Social welfare		
vi) Plantation		2.25
vii) Women Empowerment		
viii) Healthcare	101.22	0.15
ix) Education for under-privileged children		44.19
x) Prime Minister National Relief Fund		-
xi) Sports	2.20	
xii) Old Age Home	6.81	
xiii) School	2.11	
xiv) Restoration of Building for historical importance	4.88	
	<b>117.72</b>	<b>48.86</b>

### 20. Depreciation and amortisation expense

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Depreciation of property, plant and equipment (note 3.1)	2,314.95	2,098.49
	<b>2,314.95</b>	<b>2,098.49</b>

### 21. Finance costs

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
Interest cost	325.91	866.95
Loan facility fees	23.83	62.57
Other Borrowing cost	112.24	95.68
Exchange difference	139.88	65.17
	<b>601.86</b>	<b>1,090.38</b>

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 22. Earnings per share (EPS)

	INR In Lakh	
	As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:		
<b>Profit after tax as per Statement of Profit and Loss</b> (used for both calculation of basic EPS)	5,524.97	1,886.86
<b>Profit after tax as per Statement of Profit and Loss</b> (used for both calculation of diluted EPS)	5,511.44	1,864.05
Weighted average number of equity shares of INR 5.00 each in calculating basic and diluted EPS	16948060	16948060
Basic - Par value of INR 5 per share (in INR)	32.59	11.14
Diluted - Par value of INR 5 per share (in INR)	32.52	11.00

Share split was implemented on 16-04-2021, which occurred after the Balance Sheet date but before the date on which the financial statement are approved by the Board. The calculation for basic and diluted earning per share has accordingly been adjusted for all the periods presented to reflect the share split.

### 23. Contingent Liabilities and Commitments

#### I Contingent liabilities

##### (a) Claims against Company, disputed by the Company, not acknowledged as debt

	INR In Lakh	
	31-03-2021	31-03-2020
Income Tax	1,696.00	260.80
Custom Duty	2,058.72	2,058.72

##### (b) Guarantees

Furnished by Banks on behalf of the Company

	INR In Lakh	
	31-03-2021	31-03-2020
Sales Tax, Dehradun	0.50	0.50
GST, Punjab	4.00	4.00
GST, U.P	-	8.64
Tamil Nadu Small Industrial Corporation	1.85	-

##### (c) Other Money for which the Company is contingently liable

	INR In Lakh	
	31-03-2021	31-03-2020
Liability in respect of Bill discounted with Banks	-	309.89

#### 2 Commitments

##### (a) Estimated amount of contracts remaining to be executed on capital account (net of advances)

	INR In Lakh	
	31-03-2021	31-03-2020
Others	-	276.72

##### (b) Other commitments

	INR In Lakh	
	31-03-2021	31-03-2020
Export obligation under Advance License Scheme on duty free import of specific raw materials	15,756.22	31,863.05
Export obligation under EPCG License Scheme on duty free import of Capital Goods	8,835.67	5,877.97

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### Hedging instruments

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

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

Category	Currency	Cross Currency	Amount (in Lakh)	Buy/Sell
Forward Contracts				
As at March 31 <sup>st</sup> , 2021	USD	INR	USD 44.50	Sell
	Euro	USD	Euro 39.00	Sell
As at March 31 <sup>st</sup> , 2020	USD	INR	USD 43.00	Sell
	Euro	USD	Euro 29.50	Sell

Mark to market profit (loss) amounting to INR 154.50 lakh (March 31<sup>st</sup>, 2020: (146.20 LAKH) in respect of forward contract was charged to the Statement of Profit & Loss Account.

Details of dues to Micro and Small Enterprises as per MSMED Act 2006

Particulars	INR In Lakh 31-03-2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	
i) Principal amount due to micro and small enterprise	235.92
ii) Interest due on above	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-

### 24. Financial Risk Management

#### Risk management framework

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

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

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

- credit risk
- liquidity risk
- market risk

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### a. Credit risk

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

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

Trade receivables and other financial assets

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

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

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

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

### b. Liquidity risk

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

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

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

March 31 <sup>st</sup> , 2021	Contractual cash flows			
	Carrying amount	Within one year	More than one year	Total
Non-derivative financial liabilities				
Borrowings (including current maturities)	5,915.24	3,765.82	2,149.42	5,915.24
Trade payable	5,149.31	5,149.31	-	5,149.31
Other financial liabilities	5.60	5.60	-	5.60

INR In Lakh

March 31 <sup>st</sup> , 2020	Contractual cash flows			
	Carrying amount	Within one year	More than one year	Total
Non-derivative financial liabilities				
Borrowings (including current maturities)	11,847.21	8,281.84	3,565.37	11,847.21
Trade payable	3,551.23	3,551.23	-	3,551.23
Other financial liabilities	165.58	165.58	-	165.58

INR In Lakh

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

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

### c. Market risk

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

Currency risk

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

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

Exposure to currency risk

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

	March 31 <sup>st</sup> , 2021		March 31 <sup>st</sup> , 2020	
	USD	EUR	USD	EUR
Trade receivables	4,462.85	1,579.24	4,507.86	1,615.43
Other receivables	-	-	58.89	-
Trade payables	(1,763.11)	(690.88)	(2,030.19)	(1,063.44)
Borrowings	(936.54)	(3,915.85)	(1,462.65)	(5,089.07)
	<b>1,763.20</b>	<b>(3,027.49)</b>	<b>1,073.91</b>	<b>(4,537.08)</b>

INR In Lakh

Trade receivables include advance to suppliers for material and Capital advances.

Trade payables includes payable towards material and capital goods. It also includes advance from customers.

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the EUR and USD against the functional currency at March 31<sup>st</sup>, 2021 would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast sales and purchases.

Year ended March 31 <sup>st</sup> , 2021	Movement	Profit or Loss (before tax)	
		Strengthening	Weakening
USD	1%	17.63	(17.63)
EURO	1%	(30.27)	30.27
Year ended March 31 <sup>st</sup> , 2020			
USD	1%	10.74	(10.74)
EURO	1%	(45.37)	45.37

INR In Lakh

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

### Exposure to interest rate risk

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

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

	INR In Lakh	
	31-03-2021	31-03-2020
Fixed rate borrowings	1,062.85	5,295.49
Floating rate borrowings	4,852.39	6,551.72
Total borrowings	5,915.24	11,847.21

### Sensitivity analysis

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

### Risk due to outbreak of COVID 19 pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

## 25. Capital Management

### Risk management

The Company's objectives when managing capital are to:

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

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

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

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

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

	INR In Lakh	
	31-03-2021	31-03-2020
Net debt	4,401.50	11,235.67
Total equity	25,945.19	20,422.85
Net debt to equity ratio	0.17	0.55

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

### 1 Defined Contribution Plans

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

	INR In Lakh	
	31-03-2021	31-03-2020
Employer's contribution to provident fund	120.59	117.77
Employer's contribution to employee state insurance	28.03	27.59
Employer's contribution to welfare funds	5.16	3.69

### 2 Defined Benefit Plans

#### Gratuity:

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

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is p.a.6.25% (March 31<sup>st</sup>, 2020: 6.25% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (March 31<sup>st</sup>, 2020: 58 years) and mortality table is as per IALM (2012-14)Ult (March 31<sup>st</sup>, 2020: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 4% p.a. (March 31<sup>st</sup>, 2020: 4% p.a.). The rate of attrition considered in actuarial valuation is 10% (March 31<sup>st</sup>, 2020: 10%)

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

	INR In Lakh	
	31-03-2021	31-03-2020
Present value of obligation at the beginning of the year	126.43	100.56
Current Service Cost	40.99	38.21
Interest Cost	7.90	6.29
Benefits paid	12.55	7.81
Actuarial (gain)/ loss	(14.56)	(10.81)
Present value of obligation at the end of the year	148.21	126.43

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

	INR In Lakh	
	31-03-2021	31-03-2020
Current Service Cost	40.99	38.21
Interest Cost	7.90	6.29
Expenses recognised in the Statement of profit & loss Account	48.89	44.49

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### Amount recognised in the other comprehensive income:

	INR In Lakh	
	31-03-2021	31-03-2020
Actuarial (gain)/ loss due to experience variance	(14.56)	(10.81)
Net (Income)/ Expenses recognised in OCI	(14.56)	(10.81)

### Sensitivity analysis

Assumption	31-03-2021		31-03-2021	
	Discount Rate		Future salary increase	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit	139.15	158.40	158.54	138.85

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

### Other long term benefits (compensated absences):

	INR In Lakh	
	31-03-2021	31-03-2020
Present value of obligation at the beginning of the year	91.11	71.39
Current Service Cost	43.62	31.58
Interest Cost	5.69	4.46
Benefits paid	10.62	5.42
Actuarial (gain)/ loss	(22.86)	(10.90)
Present value of obligation at the end of the year	106.94	91.11

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

	INR In Lakh	
	31-03-2021	31-03-2020
Current Service Cost	43.62	31.58
Interest Cost	5.69	4.46
Actuarial (gain)/ loss	(22.86)	(10.90)
Expenses recognised in the Statement of profit & loss Account	26.45	25.14

### Sensitivity Analysis

Assumption	31-03-2021		31-03-2021	
	Discount Rate		Future salary increase	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit	101.51	160.20	160.35	101.59

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

## Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

### 27. Fair value Hierarchy

#### a) Financial instruments by category

	Note	Level of hierarchy	31-03-2021			31-03-2020		
			FVPI	FVOCI	Amortised Cost	FVPI	FVOCI	Amortised Cost
<b>Financial Assets</b>								
Loans and advances	a		-	-	139.71	-	-	126.01
Investments	b	3	-	-	136.24	-	-	149.78
Trade and other receivables	a		-	-	9,864.27	-	-	8,738.75
Cash and cash Equivalents	a		-	-	508.40	-	-	600.22
Other bank balances	a		-	-	1,005.34	-	-	11.32
Other financial assets	a		-	-	2.43	-	-	0.91
<b>Total Financial Assets</b>			-	-	<b>11,656.39</b>	-	-	<b>9,626.99</b>
<b>Financial Liabilities</b>								
Borrowings (including current maturities)	c	3	-	-	5,915.24	-	-	11,847.21
Trade payables	a		-	-	5,149.31	-	-	3,551.23
Foreign Exchange contracts	d	2	-	-	-	146.21	-	-
Other financial liabilities	a		-	-	5.60	-	-	19.37
<b>Total Financial Liabilities</b>			-	-	<b>11,070.15</b>	-	-	<b>15,417.81</b>

In addition to the above the Company has investments in its subsidiary amounting to INR 0.07 Lakh (March 31<sup>st</sup>, 2020 : 0.07 lakh) and has investment in shares of associate company to INR 35.63 lakh (March 31<sup>st</sup>, 2020 : 35.63 lakh), which are carried at cost.

The shares allotted to company amounting to INR 114.14 lakh (March 31<sup>st</sup>, 2020 : INR 114.14 lakh) towards settlement of dues as per direction of Singapore Court's order. These shares are listed on Singapore stock exchange but trading is suspended. Hence, these are carried at fair value when shares were so allotted.

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair value for investments has been disclosed at fair value.
- The fair values of long term borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
- The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date

There are no transfers between level 1, Level 2 and Level 3 during the year ended March 31<sup>st</sup>, 2021 and March 31<sup>st</sup>, 2020.

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

# Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

## Notes:

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

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

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

## b) Financial assets and liabilities measured at amortised cost

Fair value of financial assets and liabilities measured at amortised cost

INR In Lakh

	31-03-2021		31-03-2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Loans and advances	139.71	139.71	126.01	126.01
Investments	136.24	136.24	149.78	149.78
Trade and other receivables	9,864.27	9,864.27	8,738.75	8,738.75
Cash and cash Equivalents	508.40	508.40	600.22	600.22
Other bank balances	1,005.34	1,005.34	11.32	11.32
Other financial assets	2.43	2.43	0.91	0.91
<b>Total Financial Assets</b>	<b>11,656.39</b>	<b>11,656.39</b>	<b>9,626.99</b>	<b>9,626.99</b>
<b>Financial Liabilities</b>				
Borrowings (including current maturities)	5,915.24	5,915.24	11,847.21	11,847.21
Trade payables	5,149.31	5,149.31	3,551.23	3,551.23
Other financial liabilities	5.60	5.60	19.37	19.37
<b>Total Financial Liabilities</b>	<b>11,070.15</b>	<b>11,070.15</b>	<b>15,417.81</b>	<b>15,417.81</b>

## 28. Business Combination

### Amalgamation with Golden Chem-Tech Limited

On December 21<sup>st</sup>, 2017, the Board of Directors of Stylam Industries Limited (SIL), subject to obtaining requisite approvals from statutory authorities and shareholders, had approved a Scheme of Amalgamation between SIL and Golden Chem-Tech Limited (GCL). The scheme envisaged the amalgamation of GCL with the Company and the dissolution without winding up of GCL pursuant thereto. Both the Companies had received all necessary approvals and in accordance with the terms of the Scheme, September 30<sup>th</sup>, 2017 was the appointed date and effective date. Accordingly, all assets and liabilities of GCL had become assets and liabilities of the Company with effect from that date.

On 11<sup>th</sup> March, 2020 the Company had allotted 307,830 Equity Shares of INR 10/- each to the shareholders who were holding shares of GCL as on the record date.

No adjustment had been made to the book values of the assets and liabilities of GCL when they were incorporated in the financial statements of the company except to ensure uniformity of accounting policies.

## 29. Related Party Disclosures

### Key Management Personnel (KMP) and their relatives

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

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

# Notes to the Consolidated Financial Statements

for the year ended March 31<sup>st</sup>, 2021

## Key Managerial Personnel (KMP)

Name	Designation
Mr.Jagdish Gupta	Managing Director
Mr.Manav Gupta	Whole Time Director
Mr.Manit Gupta	Director
Mr.Sachin Bhatla	Director- Technical
Mr.Sanjeev Vaid	CFO
Ms. Srishty Chaudhary	CS (Resigned on March 17 <sup>th</sup> , 2021)
Mr. Karan Mehra	CS (Appointed on May 18 <sup>th</sup> , 2021)

## Family members of Directors

Mrs.Usha Gupta	Mrs.Pushpa Gupta
Ms.Nidhi Gupta	Mrs.Saru Gupta
Ms.Dipti Gupta	Mrs.Kritika Garg
Mrs.Priyanka Kapila	

## Subsidiary (where control exists)

### Wholly-owned subsidiary

Name of Company	Country of Incorporation
Stylam Asia Pacific Pte Ltd*	Singapore

\*formed on September 16<sup>th</sup>, 2019

## Entities where Directors/ family members of Directors having control

Name of Company	%age of shares acquired
Alca Vstyle Sdn.Bhd., Malaysia (Alca)	34%

\* Company had formed Wholly owned subsidiary (WOS) in September 2019 for the purpose of trading of laminates and allied products. The activity from WOS is yet to start with.

## Transactions during the year with related parties

INR In Lakh

Nature of transactions	2020-21			2019-20		
	Key Managerial Personnel/ Relative	Entities where control exists**	Wholly-owned subsidiary*	Key Managerial Personnel/ Relative	Entities where control exists	Wholly-owned subsidiary
Sale of Goods	0.72	-	-		536.43	
Salary Paid	338.31	-	-	339.89		
Paid for expenses	-	-	-			3.97
Addition in Borrowings	-	-	-	355.00		
Borrowings repaid back	820.52	-	-	(641.01)		

\* The activity from WOS is yet to begin. The company has paid incorporation expenses on behalf of WOS.

\*\* Alca is into trade of furnitures and fixtures for commercial and industrial applications. From the date of acquisition of 34% of shares company sold laminates for INR lakh to Alca.

INR In Lakh

Balances as at	31-03-2021	31-03-2020
Borrowings from Promoters and Related parties	267.60	1,088.12

## Notes

## Corporate Information

### Management Committee

#### Board of Directors

**Mr. Jagdish Rai Gupta**  
Managing Director

**Mr. Manit Gupta**  
Director

**Mr. Sachin Kumar Bhartiya**  
Nominee Director

**Mr. Satpal Garg**  
Independent Director

**Mr. Manav Gupta**  
Whole Time Director

**Mr. Sachin Bhatla**  
Director - Technical

**Mr. Vinod Kumar**  
Independent Director

**Ms. Renu Sood**  
Independent Director

#### Key Managerial Personnel

**Sanjeev Vaid**  
CFO

**Karan Mehra**  
Company Secretary

### Committees

#### Audit Committee

Mr. Satpal Garg  
Mr. Jagdish Rai Gupta  
Ms. Renu Sood

#### Stakeholders Relationship Committee

Mr. Satpal Garg  
Mr. Jagdish Rai Gupta  
Ms. Renu Sood

#### Nomination and Remuneration Committee

Mr. Vinod Kumar  
Mr. Satpal Garg  
Ms. Renu Sood

#### Risk Management Committee

Mr. Satpal Garg  
Mr. Vinod Kumar  
Mr. Jagdish Rai Gupta

#### Corporate Social Responsibility Committee

Jagdish Rai Gupta  
Manit Gupta  
Satpal Garg

### Auditors

#### Statutory Auditors

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

#### Secretarial Auditors

**Sanjiv Kumar Goel,**  
Company Secretary,  
SCO 154-155, 1st Floor,  
Sector 17-C, Chandigarh, 160017  
M/s A. Gandhi & Associates

### Banker

State Bank of India  
HDFC Bank Ltd  
Federal Bank Ltd  
Standard Chartered Bank Ltd

#### Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd  
Noble Heights, 1<sup>st</sup> Floor,  
Plot No. NH 2, LSC, C-1 Block,  
Near Savitri Market, Janakpuri,  
New Delhi-110058  
Tel: +91 11 49411000  
email:  
sunil.mishra@linkintime.co.in

### Stock Code

Bombay Stock Exchange  
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#### Registered Office

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