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CHARTERED ACCOUNTANTS

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company. Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

**Report on the audit of the Standalone Financial Results
Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Stylam Industries Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in -the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis-for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 financial statements under the provisions of the Act and the Rules thereunder, and we have filled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

The uncertainties and the impact of Covid-19 pandemic on the Company's operations and results are assessed by the management. Due to Covid-19 related lock-down restrictions imposed by the Govt., physical verification of inventory at plant was carried out by the management of the Company when the permission for resumption of work was given by nodal officer of the region. Due to lockdown imposed by the Government it was impracticable for us to be at plant when physical verification was carried out. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of the matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 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 with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Other matters

- I. Pursuant to approval of Scheme of Amalgamation between Golden Chem-Tech Limited (Transferor company) and the Company, by Hon'ble NCLT, Chandigarh Bench, with effective date from September 30, 2017. The Financial Statement of Transferor company was prepared in accordance with Generally accepted accounting principles (GAAP). The audit of the Transferor Company for the Financial Year ending on March 31, 2019 and previous year ended on March 31, 2018 was conducted by other auditor. The auditor of the Transferor company expressed unmodified opinion on the Financial Results.

The Statement for the corresponding preceding quarter ended March 31, 2019 and preceding year ended March 31, 2019, has been re-grouped, re-classified, re-casted and prepared in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under, which expressed an unmodified opinion on those audited standalone financial results/statements.

The transfer of Assets and liabilities of the Transferor Company in the Company has been done as prescribed under Indian Accounting Standards (IndAS) 103.

- II. Pursuant to Business Combination in accordance under IndAS 103, the un-audited financial results of the earlier quarters of the current financial year will differ from published financial results, which were subjected to a limited review by us, as required under the listing Regulations. The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and therevised financial results of the earlier quarters.

Our opinion on the Statement is not modified in respect of the above matters.

For MITTAL GOEL & ASSOCIATES

Chartered Accountants

Firm's Regd. No. 017577N

CA SANDEEP KUMAR GOEL

PARTNER

MEMBERSHIP NO: 099212



DATE: June 29th 2020

PLACE: Chandigarh



CHARTERED ACCOUNTANTS

MITTAL GOEL & ASSOCIATES

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Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the Company. Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Stylam Industries Limited ("Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiary and management certified financial statements of one of the subsidiaries, the Statement:

- i. includes the financial results of the following entity:

Subsidiary

-Stylam Asia Pacific Pte Ltd., Singapore

- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" 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 together with the ethical requirements that are



relevant to our audit of the financial statements under the provisions of the Act 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 obtained by us &, other auditors in terms of their reports and information provided for management certified financial statements for one its subsidiary as referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Statement.

Emphasis of Matter

The uncertainties and the impact of Covid-19 pandemic on the Company's operations and results are assessed by the management. Due to Covid-19 related lock-down restrictions imposed by the Govt., physical verification of inventory at plant was carried out by the management of the Company when the permission for resumption of work was given by nodal officer of the region. Due to lockdown imposed by the Government it was impracticable for us to be at plant when physical verification was carried out. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of the matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit/(loss) and other comprehensive Income/(loss) and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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 Statement 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 Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group 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 are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 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 with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision, and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, 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.

We communicate with those charged with governance of the Holding Company 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The Statement include the audited Financial Results of subsidiary. The business of subsidiary has not commenced as at March 31, 2020. The financials of the subsidiary have been audited by other independent auditors. The independent auditors' reports on financial statements of the entity has been furnished to us and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of the entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Further, subsidiary is located outside India, and annual financial statements has been prepared in accordance with accounting principles generally accepted of that country, and which has been audited by other auditor under generally accepted accounting principles applicable of that country. The Holding Company's management has converted the financial statements of such subsidiary from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based on the audit report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.



Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of respective independent auditors and the financial information certified by the Board of Directors.

- I. Pursuant to approval of Scheme of Amalgamation between Golden Chem-Tech Limited (Transferor company) and the Company, by Hon'ble NCLT, Chandigarh Bench, with effective date from September 30, 2017. The Financial Statement of Transferor company was prepared in accordance with Generally accepted accounting. The Financial Statement of Transferor company was prepared in accordance with Generally accepted accounting principles (GAAP). The audit of the Transferor Company for the Financial Year ending on March 31, 2019 and previous year ended on March 31, 2018 was conducted by other auditor. The auditor of the Transferor company expressed unmodified opinion on the Financial Results.

The Statement for the corresponding preceding quarter ended March 31, 2019 and preceding year ended March 31, 2019, has been re-grouped, re-classified and prepared in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under, which expressed an unmodified opinion on those audited consolidated financial results/statements.

- II. Pursuant to Business Combination in accordance under IndAS 103, the un-audited financial results of the earlier quarters of the current financial year will differ from published financial results, which were subjected to a limited review by us, as required under the listing Regulations. The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the revised financial results of the earlier quarters.

Our opinion on the Statement is not modified in respect of the above matters.

For MITTAL GOEL & ASSOCIATES

Chartered Accountants

Firm's Regd. No. 017587A


CA SANDEEP KUMAR GOEL
PARTNER

MEMBERSHIP NO: 099212

DATE: June 29th 2020

PLACE: Chandigarh

