



ISO 9001: 2000 Certified Co.

**21st  
Annual Report  
2011-12**

**STYLAM INDUSTRIES LIMITED**

REGISTERED OFFICE: SCO 14, SECTOR 7-C, MADHYA MARG, CHANDIGARH-160019.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Jagdish Gupta  
Mr. Satish Gupta  
Mr. Mahavir Singh  
Mr. Satpal Garg  
Mr. Ravinder Krishan  
Mr. Manav Gupta

Chairman-cum-Managing Director  
Executive Director  
Director  
Director  
Director  
Additional Director

### A.G.M (Accounts & Finance)

Mr. Vijay Bhatia

### STATUTORY AUDITORS

M/s Sunil K Sood & Co.  
Chartered Accountants  
# 143, Sector -7  
Panchkula - 134 109

### COMPANY SECRETARY

CS. Nitika Sharma

### REGISTERED OFFICE

SCO 14, Sector 7-C, Madhya Marg,  
Chandigarh – 160019 (INDIA)  
Tele: - +91-172-5021555, 5021666  
Fax: - +91-172 -2795213, 5021495  
Email: info@stylam.com  
Website: www.stylam.com

### WORKS

192-93, Industrial Area, Phase – I,  
Panchkula – 134 108 (Haryana)  
Tele: - +91-172- 2565387, 2563907  
Fax: - +91-172 – 2565033  
Email: works@stylam.com

### BANKERS

#### State Bank of Patiala

SCO 103-107,  
Commercial Branche,  
Sector 8-C, Chandigarh – 160 018

Citi Bank  
Sector 9-C, Chandigarh

### REGISTRAR & TRANSFER AGENT (RTA)

Link Intime Private Limited  
A-40, 2nd Floor, Naraina Industrial Area  
Phase – II, Near Batra Banquet Hall,  
New Delhi – 110 028  
Ph: 011-4141059229961281-283, 25897309  
Fax: 011-29961284  
Email: delhi@linkintime.co.in

### ISIN Details:

INE239C01012

### Stock Code :

Bombay Stock Exchange Limited	526951
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**NOTICE OF 21<sup>ST</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 21<sup>ST</sup> Annual General Meeting of the Members of Stylam Industries Limited will be held on Tuesday, 31st July, 2012 at Chandigarh Club Limited, Sector-1, Chandigarh at 10.00 a.m. to transact the following Business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Statements of Account for the financial year ended on 31st March, 2012 along with reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahavir Singh who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/S Sunil K Sood, Chartered Accountants as Statutory Auditor from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**RESOLVED THAT** Mr. Manav Gupta, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 151 of the Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting at a remuneration of Rs. 1,50,000 per month and in respect whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.”

**By Order of the Board,**

For Stylam Industries Limited

Sd/-

**Jagdish Gupta**

Chairman-cum-Managing Director

Place : Chandigarh

Date : 4<sup>th</sup> July, 2012

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business as set out above is annexed to this Notice and forms part of the same.
3. Members holding shares in physical form are requested to notify their change of address, if any, to the Company / Registrar and Transfer Agent (RTA). In case, shares are held in electronic form, the change of address, if any, may have to be communicated to their respective DPs.

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

**Mr. Sunil Mishra**

Link Intime India Private Limited  
A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area  
Phase – II, Near Batra Banquet Hall,  
New Delhi – 110 028  
Ph: 011-41410592-93-94, 25897309  
Fax: 011-41410591

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

4. Notice of the Annual General meeting will be sent to those shareholders/beneficial owner received from M/s Link Intime India Pvt. Ltd. (RTA) of the company as on 30th June, 2012.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> July, 2012 to 31st July, 2012 (Both days inclusive).
6. Members are requested to bring their copies of the Annual Report to the Meeting.
7. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
8. Requisition of information on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the information may be readily available at the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

**Item No. 4**

Mr. Manav Gupta was appointed as an Additional Director by the Board of Director w.e.f. February 18, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 161 of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. Manav Gupta on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for adoption.

Mr. Satish Gupta and Mr. Jagdish Gupta are concerned or interested in this resolution.

The Board recommends resolutions under Item No. 4 to be passed as ordinary resolution.

**By Order of the Board,**  
For Stylam Industries Limited  
Sd/-

**Jagdish Gupta**  
Managing Director

Place: Chandigarh  
Date: 4<sup>th</sup> July, 2012

I. GENERAL INFORMATION

1. The company is in the manufacture of Luxury grade decorative laminated sheets for both home and industry use ,under the brand name STYLAM.
2. More than 80% of the products are being exported to over 60 countries around the world, along with exports to 20 Countries in Europe providing testimony to our commitment to quality.
3. During the FY 2011-12, the company has exported goods worth Rs. 7519.31 lacs net of excise duty, which is higher by 28.05% than previous FY 2010-11 export worht Rs. 5872.23 lacs. The company has earned export incentives worth Rs. 280.44 lacs on export sales during the FY 2011-12 as compared to previous FY 2010-11 of Rs. 354.00 lacs. Export incentives are lower during FY 2011-12 due to sunset ofDEPB scheme w.e.f. 30.09.2011.

II. OTHER INFORMATION

The Company is aiming for healthy growth which will be achieved through an appropriate mix of international and domestic business. The Company is also trying to add a new product segment in Laminates which will help to penetrate into newer markets. The Company has installed new machinery thus increasing its manufacturing capacity.

**DIRECTORS' REPORT**

The Directors are pleased to present the 21<sup>st</sup> Annual Report together with Audited statement of Accounts for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS**

The Financial performance of the Company for the year ended 31<sup>st</sup> March 2012 is summarized below:

		(Rs. in Lacs)
	FY 2011-12	FY 2010-11
Profit before depreciation and amortisation expenses, Finance Costs and tax expenses	1,056.30	757.88
Less :		
Finance Costs	355.37	66.78
Depreciation	282.22	159.78
<b>Profit Before tax</b>	<b>418.70</b>	<b>531.32</b>
Less :		
Current Tax	115.22	110.24
Deferred Tax	21.89	45.47
<b>Profit for the year</b>	<b>281.58</b>	<b>375.61</b>
Less :		
Final Dividend for FY 2009-10		54.87
Corporate Dividend on Final Dividend for FY 2009-10		9.11
Transferred to General Reserve	281.58	311.62

**OPERATIONS**

During the year under review, your company has achieved a **turnover** of Rs.10417.32 Lacs as compared to the previous year's turnover of Rs. 8315.14 Lacs. **Profit before tax** was 418.70 Lacs. The Company is making continuous efforts to retain its market share through certain strategic market interventions.

**EXPORTS**

During the FY 2011-12, the company has exported goods worth Rs. 7519.31 lacs net of excise duty, which is higher by 28.05% than previous FY 2010-11 export worth Rs. 5872.23 lacs. The company has earned export incentives worth Rs. 280.44 lacs on export sales during the FY 2011-12 as compared to previous FY 2010-11 of Rs. 354.00 lacs. Export incentives are lower during FY 2011-12 due to sunset of DEPB scheme w.e.f. 30.09.2011.

**DIVIDEND**

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

**CAPITAL STRUCTURE**

There was no change in the capital structure during the period.

**DIRECTORS**

In accordance with the articles of association of the company, Sh. Mahavir Singh retire by rotation at the company's forthcoming annual general meeting and, being eligible offer themselves for re-appointment.

**ACKNOWLEDGEMENT**

Your Directors thank all the employees for their sincere efforts, active involvement and devoted services rendered.

Your Directors thank the shareholders of the Company for the confidence reposed in the Management of the Company.

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

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

Sd/-  
**Jagdish Gupta**  
Chairman-cum-Managing Director

Place: Chandigarh  
Date: 4th July, 2012

**ANNEXURE TO DIRECTORS REPORT**

Information pursuant to the Companies (disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Report of Directors

**CONSERVATION OF ENERGY**

Energy Conservation measures taken:

Pl. find below the details of energy conservation measures taken during the year 2011-12;

- a) Energy Audit of the complete plant was conducted through SGS India Pvt. Ltd. Gurgaon to look for further scope of Energy Conservation.
- b) Installed Condensate Recovery System to recover the pure condensate and flash steam from press steam and use it as Boiler feed water.
- c) Replaced old FRP Cooling towers with Induced Draft Cooling Tower of 225 TR for better cooling efficiency.
- d) Installed Feed water heating through header condensate to improve the boiler feed water temperature and thus the Boiler efficiency.

**IMPACT OF MEASURES TAKEN:**

- a) Increase in Boiler Efficiency
- b) Less Energy Consumption
- c) Less Fuel Consumption

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

Electricity Consumed	2011-12	2010-11
Electricity Consumed (Rs. In Value)	12,369,428	71,18,353
Electricity Consumed (Electricity Consumed Units)	2,500,462	15,69,060
Average Cost (Rs. Per Unit)	4.95	4.54
Electricity Generating through Generator		
Diesel Consumed (Rs. In Value)	46,28,315	50,58,664
Units Produced and Consumed	3,79,359	4,93,110
Average Cost (Rs. Per Unit)	12.20	10.26

**B) TECHNOLOGY ABSORPTION****I) RESEARCH & DEVELOPMENT (R&D)**

Specific area in which R&D carried out by the Company:

Research and Development has been carried out for quality improvement and adhering to standard grammage of laminated Sheets.

Benefits derived as a result of the above R&D:

Increase in overall efficiency, productivity and quality of outgoing and a wider design range of laminates sheets and decrease in cost of production.

**Future plan of action**

Future improvement in production process, quality of product, introduction of new design, reduction in cost of production etc



**Expenditure on R & D during the year 2011–12 was Nil.**

## II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

The Company has not imported any technology. However it is constantly keeping an eye on the technology being used by its competitors.

### C) **FOREIGN EXCHANGE EARNING AND OUTGO**

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

During the FY 2011-12, the company has exported goods worth Rs. 7519.31 lacs net of excise duty, which is higher by 28.05% than previous FY 2010-11 export worth Rs. 5872.23 lacs. The company has earned export incentives worth Rs. 280.44 lacs on export sales during the FY 2011-12 as compared to previous FY 2010-11 of Rs. 354.00 lacs. Export incentives are lower during FY 2011-12 due to sunset of DEPB scheme w.e.f. 30.09.2011.

The Company imported capital goods which resulted in foreign exchange outgo equivalent to Rs.360.12 Lacs approx. In addition the Company has imported papers & Chemicals equivalent to Rs.3707.34 Lacs approx on CIF basis.

#### **Total foreign exchange used and earned:**

During the year the Company has earned foreign exchange Rs.7334.68 Lacs. The Complete details have been given at Note No. 27.6 of Notes on Accounts.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Structure and Developments**

The structure of Laminates Industry is broadly classified into 2 sectors viz organized and unorganized sector. The Company comes under the organized sector and is engaged in the manufacture and production of high quality grade laminates catering to international as well as domestic market.

The company has opted for different product- mix market-wise on order to cater to demand of Real Estate Industry. The Company has been manufacturing industrial as well as advanced grade laminates i.e. Post forming and Antistatic laminates under the brand name 'STYLAM'.

### **Opportunities and Threats**

The demand for laminates is growing both in the country as well as in the international market. India is one of the largest exporters of Laminates in the world and volume has been increasing every year. The general trend worldwide is a preference shift from wood-based panel products to engineered panels like MDF and particleboard. India's consumer market is expected to be the world's fifth largest (from twelfth) by 2025. Consumer interest is currently being stimulated by the introduction of new technologies, new product features, and easier installation. Laminate flooring manufacturers and marketers are also receiving a boost from the relatively strong housing market. This is giving a lift to the important residential replacement market. In addition, marketers have been able to take advantage of favorable demographics, as well as declining average prices. Rising demand has resulted in manufacturers making investments in new production capacity.

There is a change in consumer preference in terms of ready-made furniture and machine-made furniture, which requires engineered products like MDF and particleboard, thereby increasing. However, increased demand has led to significant numbers of players who have entered into this profitable area. As a result, your Company is facing pressures on volumes and price. To combat the same, your company is focusing on cost reduction measures through reduction of wastages, effective supply chain management and continued focus on quality research and development.

### **Future Outlook**

The company is aiming for a healthy growth which will be achieved through an appropriate mix of international and domestic business. The company is also trying to add a new product segment in Laminates which will help to penetrate into newer markets. The company has installed new machinery thus increasing its manufacturing capacity.

### **Internal Control system & their adequacy**

The company has the stringent system of internal control which ensures that its assets are protected against loss from unauthorized use or disposition and all transaction are authorized, recorded and reported in conformity with generally accepted accounting principles.

The internal control systems are documented with clearly defined authority limits. These systems are design to ensure accuracy and reliability of accounting date, promotion of operational efficiency and adherence to the prescribed management policies. These policies are periodically updated to meet current business requirements. An independent internal audit function is important element of the company's internal control system.

### **Financial Performance**

'Stylam recorded a net turnover of Rs 10417.32 cr up by 25.28% over the previous year. The company has earned Post-tax profits of Rs. 281.58 Lacs.

Revenues from exports increased from Rs. 6226.34 Lacs to Rs. 7799.75 Lacs recording a growth of 25.27%. The revenue from Domestic sales increased from Rs. 2088.80 Lacs to Rs. 2617.57 Lacs recording a growth of 25.31 %.

The profitability of the company has also received a set back due to increase in raw material costs and inflation all over the world. However, due to operational efficiency and better realization the company has maintained the bottom line.

### **Human Resource / Industrial Relations**

During the year Company cultivated a work environment that encouraged high performance, team efforts, work culture and up gradation of talent & capabilities.

Human Resources Management is the key focus area for the company and there has been constant endeavour to attract and retain the best talent.

The Company is regularly conducting training programmes & workshops to meet the training & developments needs of its employees.

The company has been maintaining healthy and cordial relationship with its staff and workers.

### **Risks & Concerns:**

The Company's risk management revolves around:

**Risk Identification & Risk Measurement:** Facilitated through corporate policies that provide risk standards & guidelines (credit, market, liquidity, funding & operational).

**Risk management:** Facilitated through the involvement of management for approval, reviews & other policies measures. The end-point responsibility in risk management is vested with the management, which approves the initiatives and makes a continuous review of risk assessment.

**Risk Control:** Facilitated through an ongoing check of whether the risk taken is in line with the company's risk appetite. The important risks faced by the industry in general & the Company in particular as well as their mitigation initiatives.

The Company has implemented appropriate processes to review risks, mitigate risk and to safeguard its interest.

## CORPORATE GOVERNANCE

The Corporate Governance Report for the Year 2011-12, which has been prepared pursuant to the provisions of Clause 49 of the Listing Agreement, is furnished herein below.

### 1. Company's Philosophy on Corporate Governance

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

### 2. Board of Directors

The Company's Board presently comprises of three (3) executive directors and three (3) independent directors. The constitution of the Board is given below

Name of Director	Promoter / Executive /Non-Executive / Independent	No. of other Directorship*	Membership of other Board Committees
Jagdish Gupta	Promoter/Executive	2	3
Satish Gupta	Promoter/Executive	3	....
Mahavir Singh	Non-Executive/Independent	6	3
Satpal Garg	Non-Executive/Independent	....	3
Ravinder Krishan	Non-Executive/Independent	....	....
Manav Gupta	Promoter/Executive	....	....

\* This includes directorships held in public limited companies and excludes directorship held in private limited companies and overseas companies.

Mr. Manav Gupta was appointed as Additional Director of the Company on 18.02.2012.

### Attendance of Directors at Board Meetings and Annual General Meeting

The Board of the Company met thirteen times during the financial year, on the following dates:

15.04.2011	12.05.2011	23.05.2011	05.06..2011
13.08.2011	02.09.2011	08.10.2011	15.10.2011
14.11.2011	11.02.2011	18.02.2012	29.02.2012
30.03.2012			

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

Name of Director	No. of Board Meetings	Attended	Annual Meeting	General
	Held			
Jagdish Gupta	13	13	✓	
Satish Gupta	13	13	✓	
Mahavir Singh	13	10	✓	
Satpal Garg	13	12	✓	
Ravinder Krishan	13	11	✓	
Manav Gupta*	13	2	-	

\* Mr. Manav Gupta, appointed as Additional Director w.e.f. 18.02.2012

### 3. Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. A declaration with respect to affirmation of compliance of Code of Conduct, signed by the Managing Director is appended at the end of the Report.

### 4. Audit Committee

The Audit Committee comprises of optimum combination of executive and non-executive directors. There are 3 members, of 2 are Non-Executive and 1 Independent Director as on 31<sup>st</sup> March, 2012. The terms of reference of the Committee are same as are described in Clause 49 of the Listing Agreement.

### MEETINGS AND ATTENDANCE

During the year, 4 Audit Committee meetings were held on 20.5.2011, 10.08.2011, 11.11.2011, 09.02.2012.

The Attendance of Members at meetings was as under :

Sr. No.	Name	Position	No. of Meetings held during the relevant period	No. of Meetings attended
1.	Satpal Garg	Member	4	4
2.	Mahavir Singh	Member	4	4
3	Ravinder Krishan*	Member	2	2
4	Jagdish Gupta	Member	2	2

\* Ceased to be member of Audit Committee and in his place, Mr. Jagdish Gupta was appointed as a member of Audit Committee w.e.f. 01.11.2011.

The Composition of the Committee was re-constituted on 01.11.2011 and after that the Composition is as follows :

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

The Company Secretary acts as the secretary to the committee.

The Terms of reference of the Audit Committee including those specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 are as under:

- a) To review the quarterly and annual financial results of the Company before submission to the board.
- b) To review the reports of Internal Audit Department and recommended to the Board to decide the scope of its work.
- c) To meet the Statutory and Internal Auditors periodically and discuss their findings, suggestions and other related compliances with internal Control Systems.
- d) To review the Auditor's Report on the Financial Statements and to seek clarifications thereon.
- e) To review the list of Debtors outstanding for more than 6 months etc.

#### 5. Shareholders / Investors Grievance Committee

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

During the year, meetings were held on 07.04.2011, 08.06.2011, 05.08.2011 10.1.2012.

As on date following are the members of the committee.

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

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

#### 6. Share Transfer System

With a view to expedite the process of physical share transfer, a committee of directors has been constituted to be called "Share Transfer Committee" and authority has been delegated to the said committee to approve the transfer, transmission, issue of duplicate shares certificates and allied matters. The Company's Registrar's, M/s Link Intime India Private Limited have adequate infrastructure to process the above matters.

The constitution of the committee is given herein below.

Name	Designation	Executive/ Non-Executive
Jagdish Gupta	Member	Executive
Satish Gupta	Member	Executive

The committee meets fortnightly to approve the transfer/transmission & issue of Duplicate Shares. All shares have been transferred and returned within 15 days from the date of receipt of complete documents.

The complaints are generally replied to within 15 days from the date of lodgement with the Company. There was no complaint pending as on 31<sup>st</sup> March 2012.

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special Resolution Passed.
18 <sup>th</sup> AGM	29 <sup>th</sup> September 2009	10:00 AM	Chandigarh Club, Sector-1, Chandigarh	4
19 <sup>th</sup> AGM	31 <sup>st</sup> August 2010	10:00 AM	Chandigarh Club, Sector-1, Chandigarh	--
20 <sup>th</sup> AGM	28 <sup>th</sup> September, 2011	10:00A.M.	Chandigarh Club, Sector-1, Chandigarh	3

The Special Resolutions were passed by show of hands. The Company has not passed any shareholders resolution through postal ballot during the year under reference.

## 8. Disclosures

No transaction of material nature has been entered into by the Company with its directors or Management and their relatives etc. that may have potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the board regularly for its approvals. Transactions with the related parties are disclosed in Note No. 27.4 of Notes on Accounts in the Annual Report. There has been no instance of non-compliance by the Company on any matter related to capital markets.

### 1. Means of Communication

- The annual, half-yearly and quarterly results are submitted to the stock exchanges immediately after these are taken on record by the board in accordance with the Listing Agreement and normally published in leading newspaper i.e Financial Express (National Daily) and Dainik Bhaskar (Regional Daily)
- Management Discussion & Analysis forms part of this Annual Report.

### 2. General Shareholders Information

#### a) Annual General Meeting

- Date 31<sup>st</sup> July, 2012
- Time 10:00 A.M
- Venue Chandigarh Club, Sector – 1  
Chandigarh

#### b) Financial Calendar Financial reporting for

- Quarter ending 30<sup>th</sup> June 2012 By 14<sup>th</sup> August, 2012

- Quarter ending  
30<sup>th</sup> September 2012 By 15<sup>th</sup> November, 2012
- Quarter ending  
31<sup>st</sup> December 2011 By 14th February, 2013
- Year ending  
31<sup>st</sup> March 2012 By 30<sup>th</sup> May, 2013 (Audited Results will be considered)
- Annual General Meeting  
for the year ending  
31<sup>st</sup> March 2012 By September, 2013

c) **Date of Book Closure**

The Company's Register of Members and Share Transfer Books will remain closed from 25th July, 2012 to 31st July, 2012 (both days inclusive)

d) **Registered office**

Stylam Industries Limited  
SCO 14, Sector 7-C,  
Madhya Marg,  
Chandigarh - 160019 (INDIA)  
Tele: - +91-172-5021555, 5021666  
Fax: - +91-172 -2795213, 5021495

e) **Listing of Equity Shares on Stock Exchanges**

The Company's shares are listed at Bombay Stock Exchange. The listing fees have been paid to the BSE for the Year 2012-13.

f) **Stock Market Data**

Stock Code: The Stock Code for the Company's shares is as follows: -  
The Stock Exchange, Mumbai: Code : 526951  
The ISIN Nos. for the Company's Shares in Demat Mode - INE239C01012

Monthly Share Price Movement during 2011-12 at BSE			
Month	High Price	Low Price	Total Turnover (Rs.)
Apr-11	22.1	16.6	475235
May-11	19.8	14	3761557
Jun-11	19.7	15	4225505
Jul-11	18.45	15.1	458473
Aug-11	20.4	14.75	415619
Sep-11	19	16.5	769669
Oct-11	19	17	601439
Nov-11	19	13.35	370876
Dec-11	17.45	15	435092
Jan-12	18	15.5	198181
Feb-12	18.6	16.15	658954
Mar-12	21.3	17.6	1594590



**Price Movement**



**Index Comparison**



**g. Transfer Agent for physical transfers and Demat shares:**

Link Intime India Private Limited  
 A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area  
 Phase – II, Near Batra Banquet Hall,  
 New Delhi – 110 028  
 Ph: 011-41410592-93-94, 25897309  
 Fax: 011-41410591

**h. Distribution of Equity Shareholding as on 31<sup>st</sup> March 2012**

Category	No. of Shares Held	%age of Shareholding
Promoters	43,04,056	58.83
Private Corporate Bodies	4,65,633	06.36
Indian Public	2,524,488	34.50
NRIs / OCBs	22,023	0.31
Total	7,316,200	100.00

**i. Distribution of Shareholding as on 31<sup>st</sup> March 2012**

Distribution Schedule as on 31.03.2012				
No. of Shares	No. of Shareholders	% age	No. of Shares Held	% age
Upto 2500	1156	52.98%	14 799 70	2.023%
2501 to 5000	569	26.08%	23 683 00	3.237%
5001 to 10000	206	9.44%	16 768 50	2.292%
10001 to 20000	88	4.03%	13 809 90	1.888%
20001 to 30000	38	1.74%	9 710 60	1.327%
30001 to 40000	15	0.69%	5 258 90	0.719%
40001 to 50000	27	1.24%	12 757 30	1.744%
50001 to 100000	30	1.37%	24 039 30	3.286%
100001 & Above	53	2.43%	61 079 280	83.485%
Total	2182	100.00%	7,316,200	100.00 %

**j. Dematerialization of Shares**

The shares of the Company are available for trading in the Depository system of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31<sup>st</sup> March 2012, 64,62,093 equity shares of the Company, forming 88.32% of the share capital of the Company, stand dematerialized.

k. Outstanding GDRs/ADRs/Warrants or any convertible instruments.

The Company does not have any outstanding instruments of the captioned subject.

**l. Plant Locations**

Stylam Industries Limited  
#192-193, Industrial Area, Phase – I,  
Panchkula – 134 108 (Haryana)  
Tele: - +91-172- 2565387, 2563907  
Fax: - +91-172 – 2565033

**m. Investors Correspondence**

CS. Nitika Sharma  
Company Secretary  
SCO 14, Sector 7-C, Madhya Marg,  
Chandigarh – 160019 (INDIA)  
Tele: - +91-172-5021555, 5021666  
Fax: - +91-172 -2795213, 5021495  
Email: nitika.sharma@stylam.com

For and on behalf of the Board

Sd/-  
Jagdish Gupta  
Managing Director

Sd/-  
Satish Gupta  
Executive Director

Place: Chandigarh  
Dated: 4<sup>th</sup> July, 2012

**MANAGING DIRECTOR'S DECLARATION WITH RESPECT TO CODE OF CONDUCT**

I, Jagdish Gupta, Managing Director of **Stylam Industries Limited** hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance of the Company's code of conduct for the financial year ended on 31<sup>st</sup> March, 2012.

For Stylam Industries Limited

Sd/-  
Jagdish Gupta  
Managing Director

Place: Chandigarh  
Dated : 4th July, 2012

**CEO / CFO Certification**

The Board of Directors  
STYLAM INDUSTRIES LIMITED  
S.C.O 14, Sector- 7 C,  
Chandigarh.

Re: Financial Statements for the year 2011-12 - Certification by CEO and CFO

We, Mr. Jagdish Gupta, Managing Director and Mr. Satish Gupta, Executive Director of STYLAM INDUSTRIES Limited, on the basis of review of the financial statements and the Cash Flow Statement for the financial year ending 31st March, 2012 and to the best of our knowledge and belief, hereby certify that:

These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.

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

There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2012 which are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.

We further certify that:

- (a) there have been no significant changes in internal control during this year.
- (b) there have been no significant changes in accounting policies during this year.
- (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Place : Chandigarh  
Dated : 4th July, 2012

Jagdish Gupta  
Managing Director

Satish Gupta  
Executive Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members  
Stylam Industries Limited,  
Chandigarh

We have examined the Compliance of conditions of Corporate Governance by **Stylam Industries Limited** for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

On the basis of our review and according to the information and explanations given to us by the Company, We certify that, in our opinion and to the best of our knowledge, the Company has complied with the mandatory requirements as contained in the Listing Agreement with the Stock Exchanges.

As per information provided no investor, grievances are pending for a period exceeding one month except where dispute or for want of completion of legal formalities.

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

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

For Sunil K Sood & Co  
Chartered Accountants

Place: Chandigarh  
Date: 21st May, 2012

Sd/-  
Sunil K Sood  
Proprietor  
M.No. 81778

**AUDITORS REPORT**

To

The Members

Stylam Industries Limited,

Chandigarh

1. We have audited the attached Balance Sheet of **M/s. STYLAM INDUSTRIES LIMITED** as at **31<sup>st</sup> March, 2012** and the Statement of Profit & Loss for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amount and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of section 227 of the Companies Act 1956 and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and papers.
  - iii. The Balance Sheet and the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - iv. In our Opinion and to the best of our information and according to the explanation given to us, Balance Sheet, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, We report **that none of the director is disqualified** as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

vi. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of;

- (a) the Balance Sheet, of the State of the affairs of the Company as at 31<sup>st</sup> March 2012;
- (b) the Statement of Profit & Loss, of the Company for the year ended 31<sup>st</sup> March, 2012; and
- (c) the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For Sunil K. Sood & Co.**  
Chartered Accountant

Dated : 21st May, 2012  
Place : Panchkula

**Sunil K. Sood**  
Proprietor  
M. No. 81778

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 3 of Auditor's Report of even date to the members of M/s. STYLAM INDUSTRIES LIMITED, Chandigarh on the financial statements for the year ended **31<sup>st</sup> March, 2012**)

In terms of information and explanations given to us and the books and records examined by us in the normal course of audit, we report that:

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) A major portion of the assets has been physically verified by the Management during the period. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
  - (c) The Company has not disposed off a substantial part of its fixed assets during the year.
- (ii) In respect of its inventories:
  - (a) The inventory has been physically verified by the management in a phased manner during the year. In our opinion, the frequency of verification of inventory is reasonable. Inventory in Transit have been verified by the management with reference to the confirmations received from them and/or subsequent receipt of goods.
  - (b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification of inventory as compared to the book records were not material.
- (iii)
  - (a) The Company has granted loans to companies, firms or other Parties covered in the register maintained under Section 301 of the Companies Act 1956 and the year-end balance of such advances is Rs. 34.49 Lacs.
  - (b) The Company has not taken Unsecured Loans from companies & other parties covered in the register maintained under section 301 of the companies Act 1956. There is no party covered in the register maintained under section 301 of the Companies Act 1956 from whom the company has taken deposits.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not purchased any item of special nature whose suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories of fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the Transaction made in pursuance of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, having regard to our comments in Paragraph (iv) above and according to the information and explanation given to us, no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Company Act.
- (vi) The Company has not accepted any deposits from the public during the financial year, the provision of section 58 A and 58 AA of the Companies act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules 2011, prescribed by the Central government under section 209(1)(d) of the Companies act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a). According to the information and explanations given to us and records of the company examined by us, in our opinion the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise duty, Service tax, Cess and other material statutory dues applicable with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were in arrears, as **at 31<sup>st</sup> March 2012** for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to Rs.16.62 lakhs out of which Rs.8.31 lakhs have not been deposited on account of dispute matters pending before appropriate authorities are as under:-

S No.	Name of the Statute	Name of Dues	Amount (Rs. Lacs)	Period to which amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax Dues	Rs.16.62	AY 2009-10	CIT (Appeals)

- (x) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 2(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a Chit fund or a Nidhi Mutual benefit/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures & other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment. No long term funds have been used to finance short-term assets other than temporary deployment in investments pending application.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debenture during the year nor there is any outstanding as on 31<sup>st</sup> March 2012 and hence we have no-comments to offer in respect of Clause 4(xix) of the Companies (Auditor's Report) Order, 2003.
- (xx) During the year covered by our audit report, the Company has not raised any money by way of public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For Sunil K. Sood & Co.**  
Chartered Accountant

Dated : 21st May, 2012  
Place: Panchkula

**Sunil K. Sood**  
Proprietor  
M. No. 81778

**BALANCE SHEET AS AT 31ST MARCH, 2012***(Figures in Rs.)*

	Note No.	As at 31st March 2012	As at 31st March 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	1	73,162,000	73,162,000
Reserves and surplus	2	164,247,899	134,511,771
<b>Sub-total - Shareholders' funds</b>		<b>237,409,899</b>	<b>207,673,771</b>
<b>Share application money pending allotment</b>		-	-
<b>Non-current Liabilities</b>			
Long-term borrowings	3	121,529,579	49,822,750
Deferred tax liabilities (Net)	4	13,197,041	11,007,585
<b>Sub-total - Non-current liabilities</b>		<b>134,726,620</b>	<b>60,830,335</b>
<b>Current liabilities</b>			
Short-term borrowings	5	274,983,021	266,081,842
Trade payables	6	94,379,906	90,088,799
Other current liabilities	7	86,113,450	38,324,100
Short term provisions	8	2,989,061	3,050,037
<b>Sub-total - Current liabilities</b>		<b>458,465,439</b>	<b>397,544,778</b>
<b>TOTAL</b>		<b>830,601,958</b>	<b>666,048,883</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		308,719,746	262,012,825
Capital work-in-progress		29,375,145	-
Long term loans and advances	10	33,973,077	28,628,024
<b>Sub-total - Non-current assets</b>		<b>372,067,968</b>	<b>290,640,849</b>
<b>Current assets</b>			
Inventories	11	249,536,662	196,144,790
Trade receivables	12	153,518,695	118,365,290
Cash and cash equivalents	13	9,690,422	10,440,152
Short term loans and advances	14	42,779,155	47,283,232
Other current assets	15	3,009,057	3,174,569
<b>Sub-total - Current assets</b>		<b>458,533,990</b>	<b>375,408,034</b>
<b>TOTAL</b>		<b>830,601,958</b>	<b>666,048,883</b>

**Significant Accounting Policies****Notes on Accounts**

1 to 27

Auditor's Report

As per Report of even date

FOR SUNIL K. SOOD &amp; CO.

CHARTERED ACCOUNTANTS

SUNIL K. SOOD

(PROPRIETOR)

Membership No.81778

DATE : 21st May, 2012

PLACE : Chandigarh

Sd/-  
JAGDISH GUPTA  
(MANAGING DIRECTOR)

Sd/-  
NITIKA SHARMA  
(COMPANY SECRETARY)

Sd/-  
SATISH GUPTA  
(EXECUTIVE DIRECTOR)

Sd/-  
VIJAY BHATIA  
(ASSTT. GENERAL MANAGER)

<b>Statement of Profit and Loss for the year ended 31st March, 2012</b>		<b>(Figures in Rs.)</b>	
	<b>Note No.</b>	<b>Year ended 31st March 2012</b>	<b>Year ended 31st March 2011</b>
<b>Income from operations</b>			
Net Revenue	16	1,041,732,232	831,514,150
Other Operating Income		-	-
<b>Total Income from operations (Net)</b>		<b>1,041,732,232</b>	<b>831,514,150</b>
<b>Total Expenditure</b>			
Cost of Materials Consumed	17	620,291,406	570,892,426
Purchase of Stock-in-Trade	18	1,104,542	15,641,306
(Increase)/Decrease in Finished goods, Stock-in-progress and Stock-in-trade	19	25,455,601	(16,312,621)
Employee Benefits Expense	20	70,489,744	45,252,005
Depreciation and Amortization	21	28,222,225	15,978,257
Other Expenses	22	222,975,618	171,406,254
<b>Total Expenditure</b>		<b>968,539,135</b>	<b>802,857,627</b>
Profit from operations before other incomes, finance costs and extraordinary items		73,193,097	28,656,523
Other Incomes	23	3,931,564	2,843,383
Profit from ordinary activities before finance cost and exceptional items		77,124,662	31,499,907
Finance costs	24	35,537,122	6,678,443
Profit from ordinary activities (after finance cost but before exceptional items)		41,587,540	24,821,464
Exceptional items	25	(282,626)	(28,310,075)
Profit from ordinary activities before tax (after exceptional items)		41,870,166	53,131,538
Tax expense on ordinary activities			
Current Tax		11,522,461	11,023,678
Deferred Tax		2,189,455	4,546,976
Net profit from ordinary activities after tax		28,158,250	37,560,885
<b>Profit/ (Loss) for the period</b>		<b>28,158,250</b>	<b>37,560,885</b>
<b>Earnings per Equity Share:</b>			
Basic and Diluted	26	3.85	5.13
<b>Significant Accounting Policies</b>			
<b>Notes on Accounts</b>	1 to 27		
Auditor's Report As per Report of even date FOR SUNIL K. SOOD & CO. CHARTERED ACCOUNTANTS			
SUNIL K. SOOD (PROPRIETOR) Membership No.81778	Sd/- JAGDISH GUPTA (MANAGING DIRECTOR)	Sd/- SATISH GUPTA (EXECUTIVE DIRECTOR)	
DATE : 21st May, 2012 PLACE : Chandigarh	Sd/- NITIKA SHARMA (COMPANY SECRETARY)	Sd/- VIJAY BHATIA (ASSTT. GENERAL MANAGER)	

**Cash Flow Statement for the year ended 31st March 2012**

A. CASH FLOW FROM OPERATING ACTIVITIES	2011-12	2010-2011
<b>Profit from ordinary activities before tax</b>	<b>41,870,166</b>	<b>53,131,538</b>
Adjusted for:		
Net Prior Year adjustments	(283,950)	81,655
Loss on Sale of Assets (net)	89,355	(1,103,633)
Depreciation and Amortisation expense	28,222,225	15,978,257
Net gain on Sale of Investments	-	(28,391,730)
Interest Income	(1,179,124)	(117,442)
Interest Paid	25,352,173	9,339,066
Operating profit before Working Capital Changes		
Adjusted for:		
Trade and Other Receivables	(29,811,774)	(107,741,418)
Inventories	(53,391,872)	(42,500,695)
Trade and Other Payables	52,019,483	41,510,792
Cash Generated from Operations	62,886,682	(59,813,608)
Net Prior Year Adjustments	(283,950)	81,655
Taxes Paid	10,616,623	12,943,662
<b>Net Cash from Operating Activities</b>	<b>52,554,009</b>	<b>(72,838,926)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(104,763,646)	(129,210,463)
Sale of Fixed Assets	370,000	3,433,224
Purchase of Investments	-	(1,000,000)
Sale of Investments	-	30,941,245
Movement in Loans and Advances	(5,345,053)	669,627
Interest Income	1,179,124	117,442
<b>Net Cash (Used in) Investing Activities</b>	<b>(108,559,575)</b>	<b>(95,048,926)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	106,921,657	197,205,213
Repayment of Long Term Borrowings	(35,214,828)	(24,482,653)
Short Term Borrowings (Net)	8,901,179	14,000,000
Dividends Paid	-	(6,398,497)
Interest Paid	(25,352,173)	(9,339,066)
<b>Net Cash ( used in) / from Financing Activities</b>	<b>55,255,835</b>	<b>170,984,997</b>
Net Increase in Cash and Cash Equivalents	(749,730)	3,097,146
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>10,440,152</b>	<b>7,343,006</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>9,690,422</b>	<b>10,440,152</b>

Auditor's Report

As per Report of even date

FOR SUNIL K. SOOD &amp; CO.

CHARTERED ACCOUNTANTS

SUNIL K. SOOD

(PROPRIETOR)

Membership No.81778

DATE : 21st May, 2012

PLACE : Chandigarh

Sd/-

JAGDISH GUPTA  
(MANAGING DIRECTOR)

Sd/-

NITIKA SHARMA  
(COMPANY SECRETARY)

Sd/-

SATISH GUPTA  
(EXECUTIVE DIRECTOR)

Sd/-

VIJAY BHATIA  
(ASST. GENERAL MANAGER)

## SIGNIFICANT ACCOUNTING POLICIES

### 1. **Basis of Accounting :**

The financial statements are prepared under historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAPs), and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956.

### 2. **Fixed Assets:**

Fixed Assets are stated at cost of acquisition/construction net of applicable CENVAT credit. The cost includes Purchase price and all other attributable costs of bringing the assets to its working condition for its intended use.

### 3. **Depreciation:**

- a. Depreciation on fixed assets is provided pro-rata to the period of use, using the straight-line method based at the rates specified in Schedule XIV to the Companies Act, 1956. No depreciation is charged on fixed assets where cumulative depreciation as on the beginning of year is either equivalent or more than the cost of assets. Individual assets purchased during the year and costing less than Rs.5,000/- are depreciated in full in the year of purchase.
- b. Depreciation has been provided on Triple shift working basis.

### 4. **Basis of Valuation of Inventories:**

- a. Raw Material: At lower of cost or net realizable value.
- b. Work In Progress: At lower of estimated cost or net realizable value
- c. Finished Goods: At lower of cost or net realizable value
- d. Consumable, Stores, Oil & Fuel: At lower of cost or net realizable value.

### 5. **Recognition of Income and Expenditure:**

- a. The revenue from sale of goods is recognized at the time of sale of goods.
- b. Expenditure is recognized on accrual basis. However, certain income / expenses which are indeterminable are accounted for as and when settled / finalized.

### 6. **Retirement & Other Benefits**

- a. Retirement Benefits  
The Gratuity and Leave Encashment is provided on yearly basis. The contribution to Provident Fund is made on monthly basis at prescribed rates.
- b. Other Benefits  
The Contribution to E.S.I. Fund is made on monthly basis at prescribed rates. The provision for the payment of Bonus is made as per the applicable rules.

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

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**8. Taxes On Income**

Income tax comprises of current tax and deferred tax. The deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date.

**9. Earnings per share:**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the number of equity shares outstanding at the year-end.

**10. Events Occurring After The Balance Sheet Date**

Events occurring after the date of Balance Sheet are considered up to the date of finalization of accounts.

**11. Forward Contracts**

The company uses foreign exchange forward and options contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward and options contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

Effective April 1, 2008, the Company adopted AS30, 'Financial Instruments: Recognition and Measurement', to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements.

**12. Contingent Liabilities**

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as Contingent Liabilities and the same are disclosed in Notes on Accounts.

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**Notes on Financial Statements for the Year ended 31st March, 2012**


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

**1. Share Capital** ( Figures in Rs.)

Particulars	As on	
	31st March, 2012	31st March, 2011
<b>Authorised Share Capital</b>	<b>80,500,000</b>	80,500,000
80,50,000 Equity shares of Rs.10 (80,50,000)		
<b>Issued, Subscribed, Paid-up Share Capital</b>		
73,61,200 Equity shares of Rs.10 each fully paid (73,61,200)	<b>73,162,000</b>	73,162,000
<b>Total</b>	<b>73,162,000</b>	<b>73,162,000</b>

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

S No.	Name of the shareholder	As on		As on	
		Number of shares held	% of shareholding	Number of shares held	% of shareholding
1	Jagdish Gupta	985450	13.47%	985450	13.47%
2	Satish Gupta	868963	11.88%	819250	11.19%
3	Manit Gupta	412198	5.63%	287960	3.93%
5	Usha Gupta	712875	9.74%	605261	8.27%
6	Pushpa Gupta	550970	7.53%	485546	6.63%
7	Rattan Devi	385700	5.27%	385700	5.27%

**2. Reserves and surplus** ( Figures in Rs.)

	As on		As on	
	31st March, 2012		31st March, 2011	
<b>a. Capital Reserve</b>				
As per last Balance Sheet		<b>2,668,000</b>		2,668,000
<b>b. General Reserve</b>				
As per last Balance Sheet	<b>131,843,771</b>		116,995,180	
Add: MAT credit entitlement	<b>1,577,878</b>		-	
Add: Transferred from Profit and Loss	<b>28,158,250</b>		37,560,885	
Less: Adjustment for Dividend	-		5,487,150	
Less: Adjustment for Dividend Distribution Tax	-		911,347	
Less: Adjustment for earlier year Income tax	-	<b>161,579,899</b>	16,313,797	131,843,771
<b>Total</b>		<b>164,247,899</b>		<b>134,511,771</b>

The company has capital reserves of Rs.26,68,000 as on 31<sup>st</sup> March, 2012 which includes capital reserve against State subsidy of Rs.26,00,000 and capital reserve against generator subsidy of Rs.68,000.

During the current year the company has made adjustment as addition to general reserve on account of Minimum Alternative Tax entitlement of Rs.15,77,878 paid during the previous financial year. The company has transferred hundred percent of the current year profits amounting to Rs. 2,81,59,574 available for distribution to the general reserve.

**3. Long Term Borrowings**

The long borrowings other than installments payable during the next financial year are detailed below:-  
( Figures in Rs.)

	As on 31st March, 2012	As on 31st March, 2011
Secured Loans (Ref Note No. 3.1)	54,338,121	35,822,750
Unsecured Loans ( Ref Note No. 3.2)	67,191,459	14,000,000
<b>Total</b>	<b>121,529,579</b>	<b>49,822,750</b>
	As on 31st March, 2012	As on 31st March, 2011
<b>3.1 Secured</b>		
<b>From Banks</b>		
<b>a. Foreign Currency Loans</b>		
Term Loan-I	21,195,241	30,807,093
<b>b. Rupee Loans</b>		
Term Loan-II	20,050,773	-
Term Loan-III	10,065,562	-
Vehicle Loans	3,026,544	5,015,657
<b>Total</b>	<b>54,338,121</b>	<b>35,822,750</b>

The company has availed Term Loan-I and amount outstanding as on 31st March, 2012 is USD 6,92,655 equivalent Rs. 3,53,25,401 which repayable in ten quarterly in equal installments being last installment in July 2014 . The repayments due during the next financial year has been shown under the current maturities of Long term debt grouped under Other Current Liabilities equivalent Rs. 1,41,30,161. The foreign currency loan has been secured by way of first charge of fixed assets of the company and further guaranteed by Mr.Jagdish Gupta and Mr.Satish Gupta, the promoter directors of the company by way of their personal guarantees. ( Ref. Note No.7)

The company has availed Term Loan-II which is repayable in ten equal installments starting September 2011 and last installment to be paid in December 2013 and the outstanding as on 31st March 2012 is Rs.4,60,50,773. The repayments due during the next financial year Rs.2,60,00,000 has been shown under the current maturities of Long term debt grouped under Other Current Liabilities. The corporate loan is secured by way of first charge on the fixed assets of the company and further guaranteed by Mr.Jagdish Gupta and Mr.Satish Gupta, the promoter directors of the company by way of their personal guarantees. ( Ref. Note No.7)

The company has availed Term Loan-III which is repayable in twelve equal installments starting June 2012 and last installment to be paid in March 2014 and the outstanding as on 31st March 2012 is Rs.1,50,65,562. The repayments due during the next financial year Rs.50,00,000 has been shown under the current maturities of long term debt grouped under Other Current Liabilities. The corporate loan is secured by way of first charge on the fixed assets of the company and further guaranteed by Mr.Jagdish Gupta and Mr.Satish Gupta, the promoter directors of the company by way of their personal guarantees. ( Ref. Note No.7)

The company has availed vehicles loans and the amount the amount outstanding as on 31st March 2012 is Rs.56,72,303. The repayments due during the next financial year Rs.26,45,759 has been shown under the current maturities of long term debt grouped under Other Current Liabilities. The vehicle loan is secured by way of hypothecation of the respective vehicle against which the loan is taken. ( Ref. Note No.7)



		<i>( Figures in Rs.)</i>	
4. Deferred Tax Liability (Net)	As on 31st March, 2012	As on 31st March, 2011	
Deferred Tax Liability			
At the commencement	11,007,586	6,460,609	11,007,585
Add: Provision during the year	2,189,455	4,546,976	
	<u>13,197,041</u>		<u>11,007,585</u>

		<i>( Figures in Rs.)</i>	
5. Short Term Borrowings	As on 31st March, 2012	As on 31st March, 2011	
Secured Loans (Ref Note No. 5.1 )	271,640,582	262,889,403	
Unsecured Loans ( Ref Note No. 5.2)	3,342,439	3,192,439	
<b>Total</b>	<u>274,983,021</u>	<u>266,081,842</u>	

		<i>( Figures in Rs.)</i>	
5.1 Secured Loans payable on demand	As on 31st March, 2012	As on 31st March, 2011	
<b>From Banks</b>			
a. <b>Working Capital Rupee Loans</b>			
<b>Rupee Loans</b>			
Cash Credit *	41,162,012	59,893,731	
<b>Foreign Currency Loans</b>			
Packing Credit *	205,696,214	137,674,371	
Buyers Credit *	24,075,837	63,527,802	
	<u>270,934,063</u>	261,095,904	
b. <b>Others Rupee Loans</b>			
Bank Overdraft in Rupee **	706,519	1,793,499	
<b>Total</b>	<u>271,640,582</u>	<u>262,889,403</u>	

\*Secured by way of pari-passu charge on the current assets of the company and secured by personal guarantees of the promoter directors.

\*\* Secured by way of fixed deposit.

		<i>( Figures in Rs.)</i>	
5.2 Unsecured short term loans	As on 31st March, 2012	As on 31st March, 2011	
From Others	3,342,439	3,192,439	
	<u>3,342,439</u>	<u>3,192,439</u>	

**6. Trade Payables**

	As on 31st March, 2012	As on 31st March, 2011
Due to Small micro enterprises	-	-
Bills Payable against acceptances	20,302,468	33,620,103
Due to others	74,077,438	56,468,696
<b>Total Trade Payables</b>	<b>94,379,906</b>	<b>90,088,799</b>

**7. Other Current Liabilities***( Figures in Rs.)*

	As on 31st March, 2012	As on 31st March, 2011
Current maturities of the long term debts	47,775,920	30,398,729
Interest accrued but not due on borrowings	65,816	-
Interest accrued and due on borrowings	7,023	-
Advance received from customers	6,870,033	1,781,126
Unclaimed dividend	583,403	591,781
Creditors for Capital Goods	19,065,123	98,000
Expenses payable	6,238,725	4,022,242
Statutory dues *	5,507,408	832,222
Security Deposit	-	600,000
<b>Total Other current liabilities</b>	<b>86,113,450</b>	<b>38,324,100</b>

\* Statutory Dues include VAT payable  
Rs. 42,39,207, TDS payable Rs.10,08,596

**8. Short term provisions***( Figures in Rs.)*

Particulars	As on 31st March, 2012	As on 31st March, 2011
Provision for Gratuity	1,316,744	896,717
Provision for Bonus	679,262	539,661
Provision for Leave Encashment	993,055	763,812
Provision for Excise Duty on Finished Goods	-	849,847
<b>Total short term provisions</b>	<b>2,989,061</b>	<b>3,050,037</b>

(Figures in Rs.)

9. Fixed Asset	Gross Fixed Assets				Depreciation			Net Block	
	As at 31st March 2011	Addition	Deletion/ Adjust.	As at 31st March 2012	As at 31st March 2011	For the year	Deduction/ Adjust.	As at 31st March 2012	As at 31st March 2011
<b>Tangible Assets :</b>									
1. Land	80,304,607	15,836,037	-	96,140,644	-	-	-	96,140,644	80,304,607
2. Building	34,213,456	615,075	-	34,828,531	15,289,906	1,153,029	-	18,385,596	18,923,550
a. Factory Building	-	-	-	-	-	-	-	-	-
b. Building Improvements	-	-	-	-	-	-	-	-	-
3. Plant & Machinery	283,148,733	50,831,325	-	333,980,058	144,592,435	23,506,427	-	165,881,197	138,556,298
4. Equipments	9,569,009	3,181,752	(10,645)	12,740,116	5,867,813	859,669	-	6,012,634	3,701,196
a. Factory Equipments	2,783,737	300,500	-	3,084,237	1,734,016	285,022	-	1,065,199	1,049,721
b. Computer Equipments	3,243,686	3,804,457	-	7,048,143	1,408,115	273,381	-	5,366,647	1,835,571
6. Vehicles	23,615,221	830,000	(1,119,713)	23,325,508	5,973,340	2,144,697	(660,359)	15,867,830	17,641,881
a. Motor Vehicles	436,878,449	75,399,146	(1,130,358)	511,147,237	174,865,625	28,222,225	(660,359)	308,719,746	262,012,824
<b>Total (A)</b>									
<b>Intangible Assets (B)</b>									
<b>Total (A+B)</b>	436,878,449	75,399,146	(1,130,358)	511,147,237	174,865,625	28,222,225	(660,359)	308,719,746	262,012,824
Previous Year	287,122,690	156,936,992	(7,181,232)	436,878,448	163,739,006	15,978,257	(4,851,639)	262,012,826	123,383,684
Capital Work-in-progress	-	-	-	-	-	-	-	29,375,145	-

<b>10. Long Term Loans and Advances</b>	<i>( Figures in Rs.)</i>	
Unsecured capital advances considered good	<b>As on</b>	<b>As on</b>
	<b>31st March, 2012</b>	<b>31st March, 2011</b>
To related parties (Ref Note No.27.4)	27,785,405	27,041,898
Others	6,187,672	1,586,126
<b>Total</b>	<b>33,973,077</b>	<b>28,628,024</b>

<b>11. Inventories</b>	<i>( Figures in Rs.)</i>	
Inventories are valued at cost or net realizable value whichever is less. FIFO method is used for the valuation of raw materials.	<b>As on</b>	<b>As on</b>
	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Raw Materials	215,991,527	120,662,993
Raw Materials in transit	18,659,119	34,872,054
Work-in-progress	7,412,912	1,200,000
Finished goods	6,366,179	38,884,539
Stores and spares	1,106,925	525,205
<b>Total</b>	<b>249,536,662</b>	<b>196,144,790</b>

<b>12. Trade Receivables</b>	<i>( Figures in Rs.)</i>	
Unsecured and considered good *	<b>As on</b>	<b>As on</b>
	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Exceeding six months	5,333,078	83,739,778
Within six months	148,185,617	34,625,512
<b>Total</b>	<b>153,518,695</b>	<b>118,365,290</b>

\* Trade Receivables balances are subject to confirmation

<b>13. Cash and cash equivalents</b>	<i>( Figures in Rs.)</i>	
	<b>As on</b>	<b>As on</b>
	<b>31st March, 2012</b>	<b>31st March, 2011</b>
<b>Balance with schedule banks</b>		
In Current accounts	745,066	766,718
In Deposit accounts *	5,153,828	9,047,540
In Unclaimed Dividend accounts	583,403	591,781
Cheques on Hand	3,175,440	-
Cash on hand	32,685	34,113
<b>Total Cash and cash equivalents</b>	<b>9,690,422</b>	<b>10,440,152</b>

\*Deposit accounts include Rs.38,63,903 held as margin money against non fund based working capital limits and Rs.12,89,925 held as security against over draft facility.

<b>14. Short term loans and advances</b>	<i>( Figures in Rs.)</i>	
(Unsecured and considered good)	<b>As on</b>	<b>As on</b>
	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Balance with Custom, Central Excise Authorities	30,090,159	21,420,216
Advance Income Tax ( Net of Provision)	672,041	
Deposits		
-with Statutory authorities	20,000	20,000
-with others	990,962	765,049
Prepaid expenses	728,659	528,137
Advance to suppliers	8,194,098	15,116,276
Staff advances	163,090	269,967
Imprest	446,593	457,798
Other claims receivable in cash or kind	1,473,553	8,705,789
<b>Total Cash and cash equivalents</b>	<b>42,779,155</b>	<b>47,283,232</b>

<b>15. Other current assets</b>	<i>( Figures in Rs.)</i>	
	<b>As on</b>	<b>As on</b>
	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Interest accrued but not due	167,116	
Income tax paid under appeal *	831,230	
Income tax refundable	2,010,711	2,043,495
Vat Recoverable **	-	1,131,073
<b>Total</b>	<b>3,009,057</b>	<b>3,174,569</b>

\* Income tax paid under appeal is 50% of the demand for Assessment Year 2009-10 Rs.16,62,460 raised by income tax authorities. The appeal is lying with Income Tax Tribunal, Chandigarh.

\*\* The company has taken Vat Input Credit against the material used for the construction of building for its IT Project in Panchkula Technology Park.

<b>16. Revenue from Operations</b>	<i>( Figures in Rs.)</i>	
	<b>2011-12</b>	<b>2010-2011</b>
<b>a. Sale of Products</b>		
Gross Sale of Products		
-Domestic	287,497,678	226,387,773
-Exports	765,251,122	601,609,542
Total Revenue from sale of products	1,052,748,800	827,997,315
<b>b. Other Operating revenues</b>		
-Export Incentives	28,044,447	35,411,380
<b>Total Gross Income</b>	<b>1,080,793,247</b>	<b>863,408,695</b>
<b>c. Less: Excise Duty</b>		
-Domestic	25,740,980	17,508,329
-Export	13,320,034	14,386,216
<b>Total Excise Duty</b>	<b>39,061,014</b>	<b>31,894,545</b>
<b>Net Revenue from Operations</b>	<b>1,041,732,232</b>	<b>831,514,150</b>

17. Cost of Materials Consumed	2011-12		2010-2011	
	Amount	% of Consumption	Amount	% of Consumption
Imported	338,579,479	54.58%	153,776,102	26.94%
Indegenious	281,711,927	45.42%	417,116,324	73.06%
<b>Total</b>	<b>620,291,406</b>	<b>100.00%</b>	<b>570,892,426</b>	<b>100.00%</b>

17.1 Particulars of Material Consumed	2011-12	2010-2011
Paper & Others	326,460,535	291,155,137
Chemicals	293,830,871	279,737,289
<b>Total</b>	<b>620,291,406</b>	<b>570,892,426</b>

18. Purchase of Stock-in-Trade	2011-12	2010-2011
Bagasse Board & Adhesives	1,104,542	15,641,306

19. (Increase)/Decrease in Finished Goods, Stock-in-progress and Stock-in-trade	2011-12		2010-2011	
Inventories ( At close)				
Finished Goods/ Stock-in-Trade	6,366,179		38,034,692	
Add: Excise Duty	-		849,847	
Stock-in-progress	7,412,912		1,200,000	
		13,779,091		40,084,539
Inventories ( At commencement)				
Finished Goods/ Stock-in-Trade	38,884,539		23,596,644	
Less: Excise Duty	849,847		1,049,726	
Stock-in-progress	1,200,000	39,234,692	1,225,000	23,771,918
<b>Total</b>		<b>25,455,601</b>		<b>(16,312,621)</b>

20. Employee Benefits Expense	2011-12	2010-2011
Salary and Wages	63,430,716	41,080,722
Contribution to Provident and Other funds	1,812,451	1,366,014
Staff Welfare	2,828,210	1,310,893
Other Employee Benefits	2,418,367	1,494,376
<b>Total</b>	<b>70,489,744</b>	<b>45,252,005</b>

21. Depreciation and amortizations expense	2011-12	2010-2011
Depreciation and Amortisation	28,222,225	15,978,257
<b>Total</b>	<b>28,222,225</b>	<b>15,978,257</b>

22. Other Expenses	<i>( Figures in Rs.)</i>	
	2011-12	2010-2011
<b>a. Manufacturing Expenses</b>		
Stores & Packing Materials (Ref Note No 25.1)	73,691,999	52,892,354
Electric Power, Fuel and Water	48,994,562	40,582,373
Repair to Building	223,585	42,089
Repair to Machinery	3,355,512	3,262,188
Excise Duty #	-	849,847
	<b>126,265,658</b>	<b>97,628,851</b>
# Excise Duty represents excise duty on Finished Goods at the end of the financial year		
<b>b. Selling and Distribution Expenses</b>		
Distribution Expenses	34,848,744	32,516,713
Business Promotion Expenses	14,603,933	7,405,569
Commission, Rebate & Discount	22,820,473	17,458,513
Certification Expenses	1,087,541	1,752,860
	<b>73,360,691</b>	<b>59,133,656</b>
<b>c. Establishment Expenses</b>		
Rent	543,600	499,600
Insurance	1,116,391	140,521
Payment to Auditors	105,000	109,056
Other Repairs	228,364	564,458
Professional fess	1,283,077	266,699
Rates & Taxes *	1,912,531	392,431
Travelling Expenses	10,129,371	7,173,315
Loss on Sale of Fixed Assets	110,929	84,753
Charity and Donation	115,503	100,272
Misc. Expenses	7,804,503	5,312,643
	<b>23,349,269</b>	<b>14,643,747</b>
<b>Total</b>	<b>222,975,618</b>	<b>171,406,254</b>
<b>23. Other Income</b>	<i>( Figures in Rs.)</i>	
	2011-12	2010-2011
Interest Income	1,179,124	117,442
Misc Income	2,729,959	1,537,556
Other Non Operating Income (Net of expenses)	908	-
Profit on Sale of Fixed Assets	21,574	1,188,386
<b>Total Other Income</b>	<b>3,931,564</b>	<b>2,843,383</b>
<b>24. Finance Costs</b>	<i>( Figures in Rs.)</i>	
	2011-12	2010-2011
Interest expenses	25,352,173	9,339,066
Other borrowing costs	6,618,838	4,769,332
Net Loss/ (Gain) on foreign currency transactions and translations	3,566,111	(7,429,955)
<b>Total Finance Cost</b>	<b>35,537,122</b>	<b>6,678,443</b>
<b>25. Details of items of exceptional nature</b>	<b>2011-12</b>	<b>2010-2011</b>
Prior Period Items (Ref Note No. 27.9 )	(282,626)	81,655
Profit/Loss on Investments	-	(28,391,730)
<b>Total</b>	<b>(282,626)</b>	<b>(28,310,075)</b>

<b>26. Earnings Per Share (EPS)</b>	<b>2011-12</b>	<b>2010-2011</b>
Net profit after tax as per Statement of Profit and Loss attributable to equity share holders	<b>28,158,250</b>	37,560,885
Weighted Average number of equity shares used as denominator for calculating EPS	<b>7,316,200</b>	7,316,200
Basic and Diluted Earning Per Share	<b>3.85</b>	5.13
Face Value per Equity Share	<b>10.00</b>	10.00
<b>27. Additional Information</b>		
<b>27.1 Value of Stores and Packing Materials Consumed</b>	<b>2011-12</b>	<b>2010-2011</b>
Stores Consumed	<b>33,304,924</b>	20,282,010
Packing Material Consumed	<b>40,387,075</b>	32,610,344
	<b><u>73,691,999</u></b>	<b><u>52,892,354</u></b>
<b>27.2 Value of Imports calculated on C.I.F basis</b>	<b>2011-12</b>	<b>2010-2011</b>
Raw Materials	<b>370,733,877</b>	165,628,923
Components and spare parts	-	-
Capital Goods	<b>36,012,300</b>	47,076,252
<b>27.3 Payments to Auditors as</b>	<b>2011-12</b>	<b>2010-2011</b>
a. As Auditor		
Statutory Audit Fees	70,000	70,000
Tax Audit Fees	25,000	25,000
b. for other services	10,000	10,000
<b>Total</b>	<b><u>105,000</u></b>	<b><u>105,000</u></b>



**Notes on Financial Statements for the Year ended 31st March, 2012**

**27.4 Related Party Disclosures**

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

**i. Key Management Personnel;**

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

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

*( Figures in Rs.)*

	Nature of Transactions	Subsidiaries	Associates	Key Managerial Personnel	Entities over which Control is exercised	Total
<b>Advances taken</b>	As at 31st March 2011	-	-	-	14,000,000	14,000,000
	Taken during the year	-	-	32,192,459	27,000,000	59,192,459
	Repaid during the year	-	-	1,000	(14,000,000)	(14,000,000)
	As at 31st March 2012	-	-	32,191,459	6,000,000	6,001,000
		-	-	-	(14,000,000)	(14,000,000)
<b>Advances Given</b>	As at 31st March 2011	-	-	-	23,450,000	23,450,000
	Taken during the year	-	-	-	(23,450,000)	(23,450,000)
	Repaid during the year	-	-	-	656,260	656,260
	As at 31st March 2012	-	-	-	24,106,260	24,106,260
		-	-	-	(23,450,000)	-
	Purchase of Material	-	-	-	57,880,370	57,880,370
	Sale of Material	-	-	-	(4,066,650)	(4,066,650)
	Payment of Salaries	-	-	7,929,379	-	7,929,379
	Payment of Interest	-	-	(5,913,000)	-	(5,913,000)
		-	-	1,023,021	-	1,023,021
		-	-	-	-	-

Note: Figure in brackets represents corresponding amounts of previous years

**27.5 Expenditure in foreign currency on:-**

	2011-12	2010-2011
Fair & Exhibition Charges	2,656,608	799,439
Travelling	467,663	342,140
Technical Fees	928,321	1,752,860
Bank Charges	921,778	1,154,414
Interest	9,180,807	5,339,327
Commission on Exports	20,646,259	15,561,245

**27.6 Earnings in Foreign Currency**

	2011-12	2010-2011
Export of Goods calculated on FOB Basis	733,468,285	576,924,401

**27.7 Segment reporting:**

Information about Business Segments (Information Provided in respect of revenue items for the year-ended 31st March, 2012 and in respect of assets/liabilites as on at 31st March, 2012

Particulars	2011-12	2010-2011
<b>1. Segment Revenue</b>		
(Net sale/income from each segment should be disclosed under this head)		
a. Segment - A	1,041,732,232	831,514,150
b. Segment - B	-	-
c. Segment - C	-	-
<b>Total</b>	<b>1,041,732,232</b>	<b>831,514,150</b>
Less: Inter segment revenue		
Net Sale/income from operations		
<b>2. Segment results</b>		
(Profit) (+)/Loss (-) before tax and interest from each segment		
a. Segment - A	77,407,288	67,321,591
b. Segment - B	-	-
c. Segment - C	-	-
<b>Total</b>	<b>77,407,288</b>	<b>67,321,591</b>
Less:		
(i) Interest	35,537,122	14,108,398
(ii) Other unallocable expenditure	13,711,916	15,652,309
<b>Total profit After Tax</b>	<b>28,158,250</b>	<b>37,560,885</b>
<b>3. Capital employed (Segment assets-Segment Liabilities)</b>		
a. Segment - A	237,409,899	207,673,771
b. Segment - B	-	-
c. Segment - C	-	-
<b>Total</b>	<b>237,409,899</b>	<b>207,673,771</b>

## Notes:

- Company's operations predominantly comprise of only one segment i.e. Laminates. The figures shown above relate to that segment only.
- Business segments have been identified on the basis of the nature of products/ services, the risk and return profile of individual business, the organisational structure and the internal reporting system of the company.
- Reportable segments have been identified as per the quantitative criteria specified " Accounting Standard-17 Segment Reporting" issued by the Institute of Chartered Accountants of India.

## 27.8 Contingent Liabilities and commitments to the extent not provided for

- a. Export bills discounted with banks Rs. 2,55,10,289
- b. Letter of credit issued by bank on behalf of the company Rs.6,51,10,626
- c. Capital contracts pending execution : The company has started the construction of building at Panchkula Technology Park. The estimated further project cost is Rs.281375000 out of which the company has already done capital expenditure of Rs.28960922. The capital commitment of the IT Project is around Rs.25,24,14,078. Further capital commitments in the laminate business are Rs.51,71,130.
- d. Disputed demand raised by income tax authorities for the AY 2009-10 Rs.16,62,460 out of which company has already deposited Rs.8,31,230 and company has gone in appeal against the Income Tax department.

## 27.9 Details of Prior Period Items

	2011-12	2010-2011
<b>Prior Period Expenses</b>		
Previous year Rates & taxes	5,735	37,820
Previous Year Bonus	108,243	43,835
<b>Prior Period (Income)</b>		
Interest on Fixed Deposits	(396,604)	-
<b>Total</b>	<b>(282,626)</b>	<b>81,655</b>

Auditor's Report

As per Report of even date

FOR SUNIL K. SOOD &amp; CO.

CHARTERED ACCOUNTANTS

SUNIL K. SOOD

(PROPRIETOR)

Membership No.81778

DATE : 21st May, 2012

PLACE : Chandigarh

Sd/-

JAGDISH GUPTA

(MANAGING DIRECTOR)

Sd/-

NITIKA SHARMA

(COMPANY SECRETARY)

Sd/-

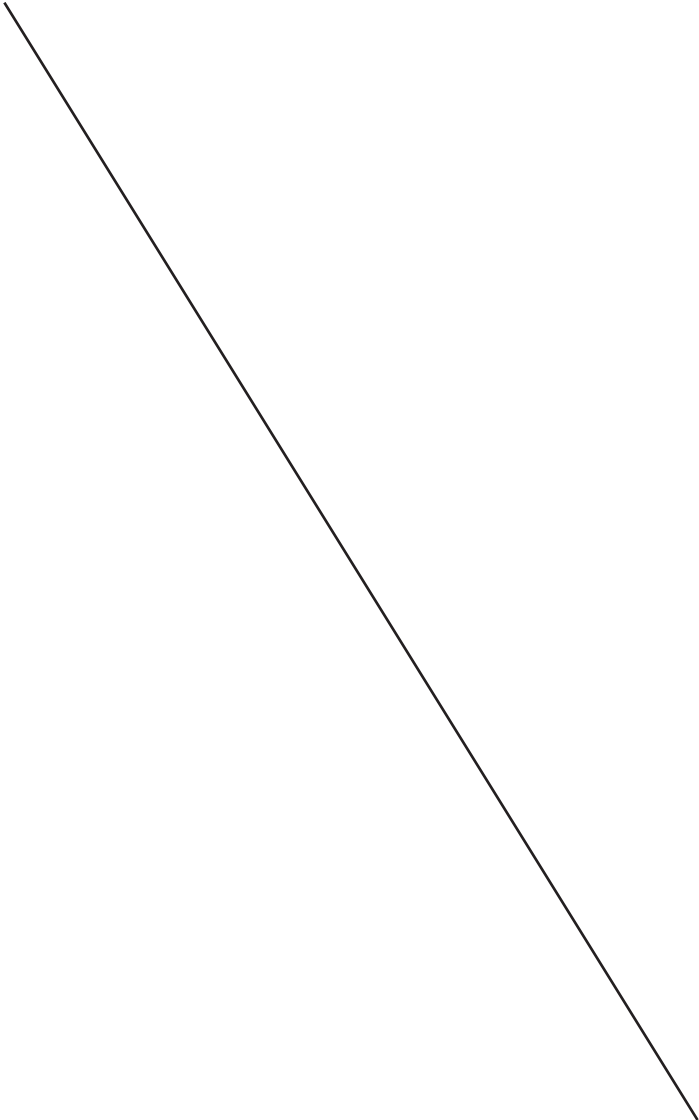
SATISH GUPTA

(EXECUTIVE DIRECTOR)

Sd/-

VIJAY BHATIA

(ASSTT. GENERAL MANAGER)



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**STYLAM INDUSTRIES LIMITED**

**Registered Office**

**S.C.O. 14, SECTOR 7-C, MADHYA MARG, CHANDIGARH - 160 019**

Folio No. ....

DPID No.....

Client ID No.....

No. of Shares held.....

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 21st Annual General Meeting of the Company to be held at Chandigarh Club, Sector-1, Chandigarh on Tuesday, 31st July, 2012, at 10.00 A.M.

Name of the Share holder.....

(In Block Letters)

Signature of the Share holder .....

Name of the Proxy .....

(In Block Letters)

Signature of Proxy.....

**NOTE :**

You are requested to sign and hand over this slip at the entrance.

If you intend to appoint a proxy to attend the meeting instead of yourself, the Proxy form must be deposited at the Registered Office of the Company at S.C.O. -14, Sector - 7C, Madhya Marg, Chandigarh - 160019 not less than 48 hours before the time for holding the meeting.

If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.

-----TEAR HERE-----

**STYLAM INDUSTRIES LIMITED**

**Registered Office**

**S.C.O. 14, SECTOR 7-C, MADHYA MARG, CHANDIGARH - 160 019**

Folio No. ....

DPID No.....

Client ID No.....

No. of Shares held.....

**FORM FOR PROXY**

I/We .....of

.....in the district of .....being a

member/members of the above named company hereby appoint Mr.....

in the district of .....or failing him

Mr.....of.....in the district of .....

as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General meeting of the company to be held on Tuesday, the 31st July, 2012 and at any adjournment thereof.

Signed this..... day of .....2012

**NOTE :**

Please Affix  
One Rupee  
Revenue  
Stamp

The proxy form must be deposited at the Registered Office of the Company at SCO 14, Sector 7-C, Madhya Marg, Chandigarh not less than 48 hours before the time of holding the meeting

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### **Stylam Industries Limited**

SCO 14, Sector 7-C, Madhya Marg,  
Chandigarh 160019 (INDIA)

Tele: - +91-172-5021555, 5021666

Fax: - +91-172 -2795213, 5021495

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