

**NOTICE OF 19<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the Members of Stylam Industries Limited (Formerly Known as Golden Laminates Limited) will be held on Tuesday, the 31<sup>st</sup> day of August 2010 at Chandigarh Club Limited, Sector -1, Chandigarh at 10:00 A.M to transact the following business: -

**Ordinary Business**

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2010 and Profit and Loss Account for the year ended on that date along with reports of the Auditors and Directors' thereon.
2. To declare Final Dividend on Equity Shares for the financial year 2009-10 as per the Board proposal at the rate of 7.50 % i.e. Rs. 0.75 per share.
3. To appoint a Director in place of Mr. Jagdish Gupta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Satish Gupta who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s Sunil K Sood & Co., Chartered Accountants, as Auditors to hold office 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**

1. To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution:**  
  

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the monthly remuneration of Sh. Jagdish Gupta, Managing Director be increased from Rs. 125000/- p.m. to Rs. 250000/- p.m. with effect from 01.09.2010 and that the use of company's car and telephone at residence used by him for official duties, shall not be included in the remuneration package.”
2. To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution:**  
  

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XII and all other applicable provisions, if any, of the Companies Act, 1956, the monthly remuneration of Sh. Satish Gupta, Executive Director be increased from Rs. 120000/- p.m. to Rs. 250000/- p.m. with effect from 01.09.2010 and that the use of company's car and telephone at residence used by him for official duties, shall not be included in the remuneration package.”

3. To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 17 of the Companies Act, 1956, Clause 3 being the objects clause of the Memorandum of Association of the company be altered as follows:

1. The following new objects be added in the main objects of the company are as under:-
  - I. To carry on the business of developing, maintaining and operating of Special Economic Zones or other Export Promotion Parks, Software Technology Parks, Electronic Hardware Parks, Bio-Technology Parks and other industrial parks either individually or as joint venture with any company/ firm/individual/consultant whether local or foreign.
  - II. To acquire by purchase, exchange lease, transfer or otherwise howsoever, the land for buildings necessary for carrying out any of the objects of the company.

By Order of the Board  
For Stylam Industries Limited

Harkiran Kaur  
Company Secretary

**Registered Office:**

SCO 14, Sector 7-C,  
Madhya Marg, Chandigarh - 160019

Dated : 4th August, 2010

**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 LATER THAN 48 HOURS BEFORE THE 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 given below and forms part of the notice.

3. The Register of members and the Share Transfer Books of the Company will remain closed from Thursday, the 26<sup>st</sup> day of August, 2010 to Tuesday, the 31<sup>st</sup> Day of August, 2010 (both days inclusive) pursuant to provisions of Section 154 of the Companies Act, 1956 and clauses of listing agreement entered into with Stock exchanges.
4. Members holding shares in physical form are requested to notify/send any change in their address/mandate/ bank details and particulars of their account in case the same have not been sent earlier to the Company's Registrar and Transfer Agent to facilitate better services.
5. Members desirous of having any information as regards accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready.
6. Members are requested to bring their copies of the Report to the meeting, as no further copies would be made available.

By Order of the Board  
For Stylam Industries Limited

Harkiran Kaur  
Company Secretary

**Registered Office:**

SCO 14, Sector 7-C,  
Madhya Marg, Chandigarh - 160019

Dated: 4th August, 2010

**ANNEXURE TO NOTICE**

**Explanatory Statement Pursuant to Section 173(2) of Companies Act, 1956**

**Item No. 1 & 2**

The monthly remuneration of Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Executive Director were increased from 1<sup>st</sup> October, 2009 as monthly salary of Rs. 125000/- p.m. and Rs. 120000/- p.m. respectively.

However in view of the rise of cost of living the Board has decided to increase their monthly remuneration to Rs. 250000/- p.m. for Shri Jagdish Gupta, Managing Director and Rs. 250000/- p.m. for Shri Satish Gupta, Executive Director.

The members are requested to grant their consent and pass the resolution as Ordinary Resolutions.

Shri Jagdish Gupta and Shri Satish Gupta being the Directors of the Company are concerned or interested in the said resolution.

**Item no. 3**

Board has to consider from time to time proposals for diversification into areas & change in the nature of the business which would be profitable for the company as part of diversification plans. For the purpose the objects clause of the company which is presently very restricted in scope, requires to be so made out as to cover a wide range of activities to enable our company to consider embarking upon new projects & activities considered to be convenient, advantageous and feasible for the company's business. So our Directors recommend that the special resolution be passed.

None of the directors is concerned or interested in the proposed resolution except as the members of the company.

By Order of the Board  
For Stylam Industries Limited

Sd/-  
Harkiran Kaur  
Company Secretary

**Registered Office:**

SCO 14, Sector 7-C,  
Madhya Marg, Chandigarh - 160019

Dated: 4th August, 2010

**STATEMENT ALONG WITH A NOTICE CONTAINING THE FOLLOWING INFORMATION****I. GENERAL INFORMATION**

1. The Company engaged 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 for our commitment to quality.
3. During the year, your Company has exported goods worth Rs. 4677.09 Lacs, which is higher by 11.65% than previous year. The Company has earned Export Incentives worth Rs. 209.28 Lacs on Export Sales.

**II. INFORMATION ABOUT THE DIRECTORS**

1. Managing Director & Executive Director
2. Current Remuneration 125000 p.m. & 120000 p.m.
3. Proposed Remuneration 250000 p.m. (both)

**III. OTHER INFORMATION**

1. The old products sustained the pricing pressures and continued to support the bottom line & there is also 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.
2. Growth is imperative for enterprise success. We are constantly scouting for and evaluating new opportunities of growth that will take your Company to new heights.
3. To continuously upgrade the product through innovations and convergence of new technology and to produce the best quality at the lowest cost.
4. 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.

By Order of the Board  
For Stylam Industries Limited

Sd/-  
Harkiran Kaur  
Company Secretary

**Registered Office:**  
SCO 14, Sector 7-C,  
Madhya Marg, Chandigarh - 160019

Dated: 4th August, 2010

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **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.

Growth of organized sector is 15-20% in comparison to overall industry growth of 5%, indicating the shift of customer preferences from Unbranded to Branded goods. Demand for laminates in domestic market is increasing rapidly on account of hectic activities in the Housing Sector.

The company has opted for different product- mix market-wise on order to cater to demand of Real Estate Industry. The Company has now started 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 gross turnover of Rs 63.99 cr up by 10.65 cr over the previous year. The company has earned Post-tax profits of Rs. 300 Crores.

Revenues from exports increased from Rs. 43.76 cr to Rs. 48.86 cr recording a growth of 11.65%. The revenue from Domestic sales increased from Rs. 9.58 cr to Rs. 15.13 cr recording a growth of 57.93%.

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 2009-10, 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 two (2) executive directors and three (3) independent directors.

The constitution of the Board is given below:

<b>Name of Director</b>	<b>Promoter/ Executive / Non-Executive / Independent</b>	<b>No. of other Directorships *</b>	<b>Membership of other Board Committees</b>
Jagdish Gupta	Promoter/ Executive	—	—
Satish Gupta	Promoter/ Executive	1	—
Mahavir Singh	Non-Executive / Independent (Nominee HSIDC)	5	—
Satpal Garg	Non-Executive/ Independent	—	—
Ravinder Krishan	Non-Executive/ Independent	—	—

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

### **Attendance of Directors at Board Meetings and Annual General Meeting (Incl. EOGM)**

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

20 <sup>th</sup> April, 2009	25 <sup>th</sup> June, 2009	30 <sup>th</sup> July, 2009	24 <sup>th</sup> August, 2009
29 <sup>th</sup> September, 2009	30 <sup>th</sup> October, 2009	9 <sup>th</sup> December, 2009	30 <sup>th</sup> December, 2009
12 <sup>th</sup> January, 2010	19 <sup>th</sup> January, 2010	30 <sup>th</sup> January, 2010	6 <sup>th</sup> February, 2010
11 <sup>th</sup> March, 2010	29 <sup>th</sup> March, 2010		



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

Name of Directors	No. of Board Meetings		Annual General Meeting
	Held	Attended	
Jagdish Gupta	14	14	✓
Satish Gupta	14	14	✓
Mahavir Singh	14	9	✓
Satpal Garg	14	12	✓
Ravinder Krishan	14	11	✓

### 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

During the financial year 2009-10, four Audit Committee Meetings were held, one of which was before finalization of accounts and others before the adoption of Quarterly Financial Results by the Board. The dates on which the said meetings were held are as follows:

25<sup>th</sup> June, 2009                      30<sup>th</sup> July, 2009                      30<sup>th</sup> October, 2009  
30<sup>th</sup> January, 2009

The constitution of the committee and the attendance of each member of the committee are given below:

Name	Designation	Non-executive/ Independent	No. of Committee Meetings	
			Held	Attended
Satpal Garg	Chairman	Non-Executive/ Independent	4	4
Mahavir Singh	Member	Non-Executive/ Independent	4	3
Ravinder Krishan	Member	Non-Executive/ Independent	4	3

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:

1. To review the quarterly and annual financial results of the Company before submission to the board.
2. To review the reports of Internal Audit Department and recommended to the Board to decide the scope of its work.
3. To meet the Statutory and Internal Auditors periodically and discuss their findings, suggestions and other related compliances with internal Control Systems.

4. To review the Auditor's Report on the Financial Statements and to seek clarifications thereon.
5. To review the list of Debtors outstanding for more than 6 months etc

## 5. Remuneration Committee

The Remuneration Committee reviews and makes recommendations on annual salaries, perquisites and other employment benefits for executive and non-executive directors. The constitution of the Remuneration committee is given herein below.

Name	Designation	Non-executive/ Independent
Satpal Garg	Member	Non-Executive/ Independent
Mahavir Singh	Member	Non-Executive/ Independent
Ravinder Krishan	Member	Non-Executive/ Independent

## Remuneration of Directors

Details of remuneration paid / payable to directors for the year 2009-10 are as follows:

(Rs. in lacs)

Name of Director	Salary & Perquisites #
Jagdish Gupta (Managing Director)	11.40
Satish Gupta (Executive Director)	10.80

# excluding use of Company's Car and Telephone at the Residence as per the rules of the Company.

Details of fixed component and performance linked incentives, along with performance criteria - NIL

The Company does not have any stock option scheme.

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

## 6. Shareholders / Investors Grievance Committee

The board has constituted 'Shareholders/ Investors Grievance Committee', which looks into shareholders and investors grievances. The Committee met 2 times during the year, on 31<sup>st</sup> July, 2009 and 31<sup>st</sup> October, 2009. As of date following are the members of the committee.

Name	Designation	Non-Executive/ Independent
Satish Gupta	Member	Executive
Ravinder Krishan	Member	Non-Executive/ Independent
Jagdish Gupta	Member	Executive

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