



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

#### ISIN Details:

INE239C01012

#### Stock Code :

Bombay Stock Exchange Limited	526951
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### 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

### C O N T E N T S

Notice	1
Director's Report	4
Annexure to Directors Report	6
Management Discussion & Analysis Report	8
Corporate Governance Report	10
CEO/CFO Certification	17
Auditors Certificate on Corporate Governance	18
Auditors Report	19
Balance Sheet	24
Profit and Loss Account	25
Cash Flow Statement	26
Significant Accounting Policies	27
Notes on Financial Statement	29
Proxy Form & Attendance Slip	43

**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.

Place: Chandigarh

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

**By Order of the Board,**  
For Stylam Industries Limited  
Sd/-  
**Jagdish Gupta**  
Managing Director

## 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 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.

## 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.