



ISO 9001: 2000 Certified Co.

22ND
Annual Report
2012-13

STYLAM INDUSTRIES LIMITED

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

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COMPANY INFORMATION

Board of Directors

Mr. Jagdish Gupta, Chairman cum Managing Director
 Mr. Satish Gupta, Executive Director
 Mr. Mahavir Singh, Director
 Mr. Satpal Garg, Director
 Mr. Ravinder Krishan, Director
 Mr. Manav Gupta, Director

Company Secretary

CS. Nitika Sharma

Statutory Auditors

M/s Sunil k Sood & Co.
 Chartered Accountants
 #143, Sector-7,
 Panchkula-134109.

Bankers

State Bank of Patiala
 SCO 103-107, Commercial Branch,
 Sector 8-C, Chandigarh
 ING Vysya Bank Ltd.
 Sector 8-C, Chandigarh

Registered Office

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

Works

192-193, Industrial Area, Phase-I
 Panchkula -134 108 (Haryana)
 Tele - +91-172- 2565387,
 Fax - +91-172-2565033

Registrar and Transfer Agents (RTA)

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

ISIN Details: INE239C01012

Stock Code :

Bombay Stock Exchange Limited	526951
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NOTICE OF 22nd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of Stylam Industries Limited will be held on Saturday, the 28th September, 2013 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, 2013 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Satpal Garg 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

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 is proposed to be increased from Rs.3,00,000/- p.m. to Rs.3,50,000/- p.m. with effect from 01.10.2013 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 is proposed to be increased from Rs.3,00,000/- p.m. to Rs.3,50,000/- p.m. with effect from 01.10.2013 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."

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

Jagdish Gupta
Managing Director

Place: Chandigarh
Date: 4th September, 2013

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, 2nd 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 owners received from M/s Link Intime India Pvt. Ltd. (RTA) of the Company as on 30th August, 2013.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd September, 2013 to Saturday, 28th September, 2013 (Both days inclusive).
6. Members /their proxies are requested to bring their copies of the Annual Report to the Meeting as extra copies will not be distributed.
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. Members are requested to send their queries, if any on accounts and operations of the Company, if any, may please be sent to the Company Secretary of the Company, seven days in advance of the Meeting so that the information may be readily available at the Meeting.

ANNEXURE TO NOTICE**Explanatory Statement Pursuant to Section 173(2) of Companies Act, 1956****Item No. 1 & 2**

Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Executive Director are the promoter Directors of the Company. Due to their vision and guidance, the Company has made its existence world over and renowned for its quality industrial laminates under the brand name "STYLAM".

The Board has proposed to increase their monthly remuneration of Shri Jagdish Gupta, Managing Director and Shri Satish Gupta, Executive Director to be increased to Rs.3,50,000/- p.m. w.e.f. 01.10.2013.

The remuneration payable to them commensurate with responsibilities conferred on them.

The remuneration has been approved by Remuneration Committee as per Schedule XIII of the Companies Act, 1956.

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

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

By Order of the Board,
For Stylam Industries Limited

Sd/-

Jagdish Gupta
Managing Director

Place: Chandigarh

Date: 4th September, 2013

I. GENERAL INFORMATION

1. The company is in the manufacture of Luxury grade decorative laminated sheets for both home and industrial 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.

II. OTHER INFORMATION

- (1) 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 22nd Annual Report together with Audited statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

The Financial performance of the Company for the year ended 31st March 2013 is summarized below:

	Rs in Lakh	
	FY 2012-13	FY 2011-12
Net Revenue	1414.21	1045.66
Profit before depreciation and amortisation expenses, Finance Costs and tax expenses (EBDITA)	1389.92	1,056.30
Less:		
Finance Costs	466.32	355.37
Depreciation	306.98	282.22
Profit before tax	616.62	418.70
Less:		
Current Tax	221.25	115.22
Deferred Tax	-11.52	21.89
Profit for the year	406.87	281.58
Transferred to General Reserve	406.87	281.58

PERFORMANCE OVERVIEW

The company has recorded total revenue of Rs.1414.21 Lacs as against Rs. 1045.66 Lacs in the previous year showing a remarkable growth of 35.25%. The operating profit (Earnings before Depreciation, Interest and Taxes – EBDITA) for the year stood at Rs. 1389.92 (previous year Rs. 1056.30) representing Rs. 336.62 Lacs increase in the net revenue. The Profit Before Tax (PBT) and Profit After Tax (PAT) for the financial year ended March 31, 2013 was at Rs. 616.62 Lacs and Rs. 418.70Lacs respectively as against Rs. 406.87 Lacs and Rs. 281.58 Lacs of the previous year. The profit after tax has registered growth of 44.50 % .

The financial year 2012-13 was yet another significant year in terms of highest ever turnover and profit of the company. The performance of the company has a significant improvement though during this year, considering the factor that the input prices increased steeply, which coupled with the weakening of the rupee vis-a-vis with other currencies, which has also impacted margins.

During the year, the company has penetrated into newer market for exports. In the domestic market, the company has also increased its customer's base by the offering wide range of products for all sort of customers, i.e premium products for high-end customers, and value for money products for mass middle-class customers.

EXPORTS

During the year under review, the company has capitalized the growing demand from the export market and has explored good customers in export. Exports (including incentives) during the year were Rs. 108.61 crores which has increased from Rs. 79.33 crores, in the previous year and recorded a growth of 36.90 %. The company continues to retain dominant market share in exports.

FINANCIAL POSTION

The company's financial position continues to be comfortable. During the year under review, the company has taken term loan for capacity expansion and for setting up BPO in Panchkula Technology Park, Haryana, the revenue from these two projects will commence from the Financial Year 2014-15, which will further strengthen the leverage of the company. The net-worth as at 31st March 2013 improved to Rs. 27.84 crores from Rs. 23.75 crores.

During the year under review, CARE has assigned 'Triple B Minus' rating on the Company's Long term bank facilities at 'CARE BBB-' and assigned 'A Three' rating on the short term bank facilities at 'CARE A3'

DIVIDEND

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

FUTURE OUTLOOK

We have strong belief in our people and we are confident with the growing popularity of the company's brand and support from its employees and stake-holders the company will set up new standards.

The Indian real estate sector plays a significant role in the Country's economy. The real estate is second only to agriculture in terms of employment generation and contributes considerably towards GDP. According to a study, the real estate is expected to grow rapidly due to improvement in affordability and availability of housing finance.

Since cement, plywood, laminate and steel related products are essential part of construction right from initial brick to final stage of furnishing; the demand for these products is directly related to the growth of infrastructure and real estate sector, the demand for company's products is expected to remain buoyant.

Your Directors are confident of achieving better results in the coming years.

EXPANSION

Considering buoyant demand for the products and to improve the market share, the Board of Directors of the company has approved for enhancement of capacity from 48,00,000 to 64,00,000 sheets per annum. The project requires total estimated capital outlay of Rs.15.33 crore and the expansion is carried out at its existing location. The company has taken Term Loan for Rs. 11.50 crore for this project. The project has started in the year 2012-13 and is almost complete in all aspects. The commercial production is likely to commence by the end of this calendar year.

The Board of Directors has approved to diversify in the service sector, for BPO activities, at an estimated capital outlay of Rs.33.14 crore. The company has taken Term loan of Rs. 21.00 crore for the project. Haryana State Industrial Infrastructure Development Corporation (HSIIDC) has allotted 5572 Sq. mts. Of Land At Panchkula Technology Park, Haryana for Setting up BPO.

CAPITAL STRUCTURE

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

DIRECTORS

In accordance with the provisions of Section 2516(1) of the Companies Act, 1956 and Articles of Association of the Company, Mr. Satpal Garg retire by rotation at the company's forthcoming annual general meeting and, being eligible offer themselves for re-appointment.

The company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Satpal Garg for the office of director of the company liable to retire by rotation. Necessary resolution is placed for approval of members in this respect.

None of the directors is disqualified under provisions of Section 274(1)(g) of the Companies Act,1956.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 ("the Act"), your directors confirm that:

- (i) in preparation of the annual accounts for the year ending 31st March 2013, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2013 and the profit for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a 'going concern' basis.

AUDITORS

M/s Sunil K Sood & Co., Chartered Accountants, the statutory Auditors, hold office until the conclusion of the ensuing Annual General Meeting and being eligible to offer themselves for reappointment. The Company has received a letter from them to the effect that the re-appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956 and they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

The Notes of Financial Statement referred to in the Auditors Report are self-explanatory and therefore does not required any further clarification.

COST AUDITORS

Pursuant to Order No. F.No.52/26/CAB-2010 dated 30.06.2011 issued by the Central Government in terms of the provisions of Section 233B of the Companies Act, 1956, the board for the Financial Year 2013-14, has appointed C.L.Bansal & Associates, Cost Accountant, a practicing Cost Accountant, as Cost Auditor of the company. The appointment has been approved by Central Government.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956.

HEALTHY, SAFETY AND ENVIRONMENT PROTECTION

The company has complied with all applicable environment and labour laws. The company continues to be certified under ISO 9001: 2000 certification for complete range of laminates manufactured.

INDUSTRIAL RELATION

During the year under review, industrial relations in the company remain cordial and healthy at all levels. The directors wish to place on record their appreciation for the excellent co-operation received from employees at all levels.

PARTICULARS OF EMPLOYEES

The particulars of employees who were in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, as amended from time to time is 'Not Applicable' as no employee is in receipt of remuneration in excess of the limits prescribed under this Section.

DIRECTORS WITH MATERIALLY SIGNIFICANT ,PECUNIARY OR BUSINESS RELATION WITH THE COMPANY.

Note to Financial Statement furnishes the transaction with related parties, as stipulated under Accounting Standard- 18(AS-18) .Apart from aforesaid related party transactions, there are no transaction of material nature with the Directors/or their relatives, Which may have a potential conflict with the interest of the Company.

ACKNOWLEDGEMENT

The Board wishes to take this opportunity to thank its employees for their dedicated service and firm commitment to give the goals of the company.

The Board also wishes to place on record its sincere appreciation for the wholehearted support from shareholders, customers, vendors, bankers, and all other business associates for their support and cooperation during the year.

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

Place: Chandigarh
Date: 4th September, 2013

Jagdish Gupta
Managing Director