C O N T E N T S —

Introducing Stylam

Stylam Industries Ltd ("Company") is engaged into manufacturing of High Pressure Laminates (Building Material) for furniture, exterior cladding, floor boards and interior furnishings. The Company provides wide range of world class laminates in more than 1200 designs, textures, colours and finishes. Stylam was incorporated in India in the year 1991 as a Private Limited Company with the name of Golden Laminates Ltd and listed on BSE in 1995; subsequently, it changed its name to Stylam Industries Ltd in 2010.

Expanding our product offerings:

The Company has always focused on product innovations and in this year has added-up Cubicles to its product base; with this the Company has become the first Indian Manufacturer to offer panels with size dimensions of 1860 x 4320 mm. The Company was also the first to introduce Exterior Cladding in India in 2013.

Manufacturing Capacities

The Company's manufacturing facilities are located in Panchkula, Haryana, India.

Caution regarding Forward-Looking Statements

This Annual Report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performances or achievements could thus differ materially from those projected in any such forward-looking statements.

FINANCIAL PERFORMANCE

10 YEARS RECORD

Rs. in crore

Statement of Profit & Loss Account	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Net Sales	45.72	54.69	63.99	83.15	104.17	140.21	184.92	213.80	249.41	294.71
Other Income	0.34	0.37	0.72	3.86	0.39	1.21	1.98	0.65	0.64	0.74
Depreciation & Amortization	1.98	1.34	1.39	1.60	2.82	3.07	3.26	4.20	4.65	5.51
Interest	1.34	1.31	1.26	1.41	3.55	4.66	9.21	4.92	6.46	9.92
Profit Before Tax	1.66	2.45	4.37	5.32	4.19	6.16	9.99	13.90	19.68	28.40
Net Profit	0.82	1.58	3.00	3.76	2.82	4.07	6.82	9.39	12.15	18.35
Earnings Per Share of Rs.10/- each	1.13	2.16	4.10	5.13	3.85	5.56	9.33	12.84	16.60	25.08

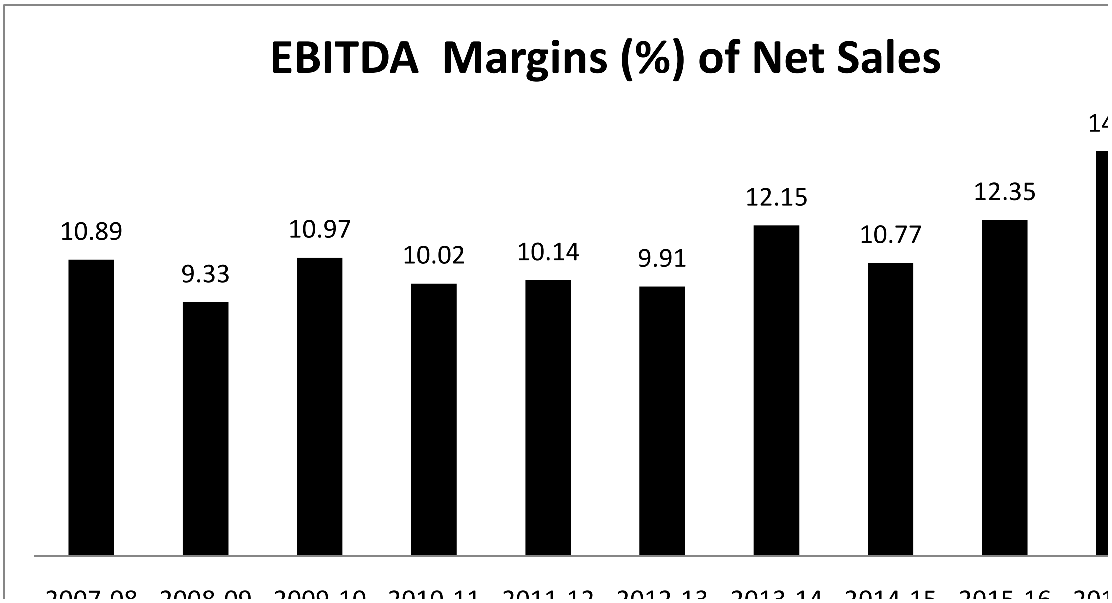
Rs. in crore

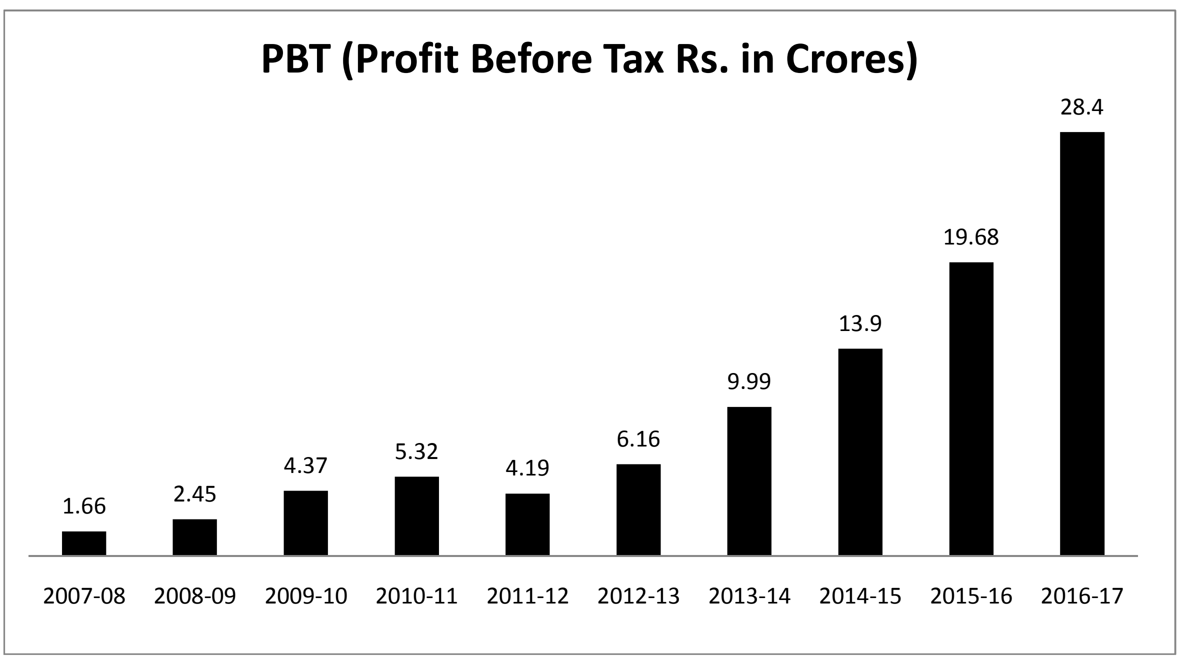
Balance Sheet	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Net Fixed Assets	10.05	12.96	15.11	26.20	33.81	49.12	71.06	79.38	112.34	182.63
Investment	0.02	0.02	0.15	-	-	-	-	-	-	-
Non Current Assets	-	-	-	-	3.40	3.38	-	-	-	-
Current Assets	23.45	17.76	27.83	41.46	45.78	60.96	60.21	70.06	98.76	114.18
Total Assets	**33.52**	**30.74**	**43.09**	**67.66**	**82.99**	**113.46**	**131.27**	**149.44**	**211.10**	**296.81**
Loans	11.69	9.18	15.64	32.91	44.43	66.21	73.29	81.73	116.78	183.80
Liabilities	6.05	3.43	7.53	12.89	13.50	18.21	21.83	22.05	36.11	36.41
Net –Worth	14.90	17.25	19.28	20.76	23.74	27.84	34.66	44.05	56.20	74.54
Deferred Tax Liability	0.88	0.88	0.64	1.10	1.32	1.20	1.49	1.61	2.01	2.06
Total Liabilities	**33.52**	**30.74**	**43.09**	**67.66**	**82.99**	**113.46**	**131.27**	**149.44**	**211.10**	**296.81**

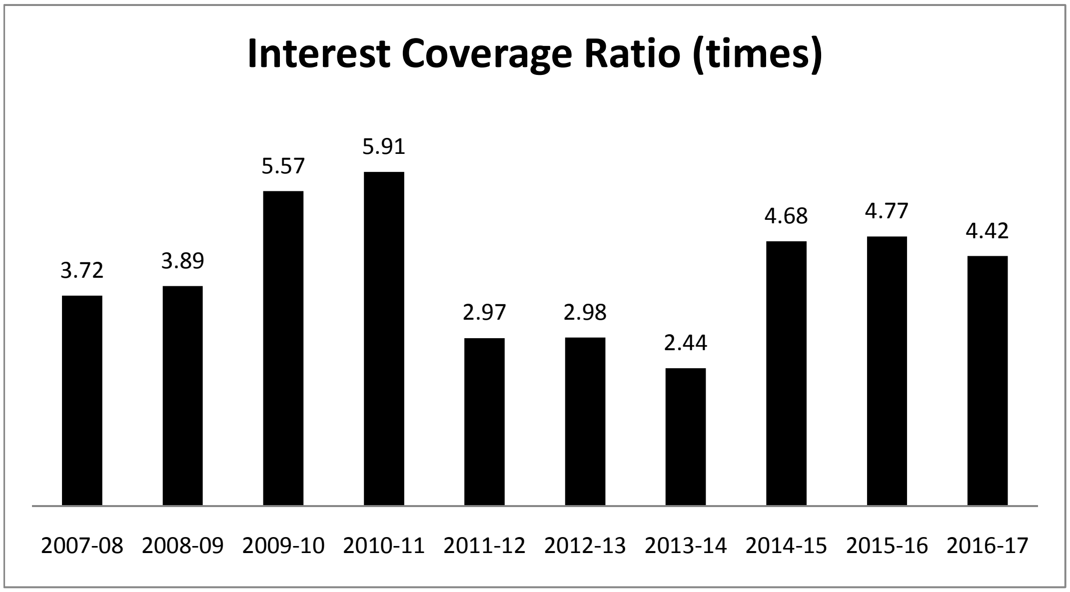
Key Ratios	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
EBITDA Margins (%) of Net Sales	10.89	9.33	10.97	10.02	10.14	9.91	12.15	10.77	12.35	14.87
Fixed asset Turnover (No. of Turnover)	4.55	4.22	4.23	3.17	3.08	2.85	2.6	2.69	2.22*	1.61*
PAT/ Net Sales (%)	1.79	2.89	4.69	4.52	2.71	2.9	3.69	4.39	4.87	6.23
Interest Coverage Ratio (EBDIT/Intt)	3.72	3.89	5.57	5.91	2.97	2.98	2.44	4.68	4.77	4.42
ROE (Net Income/Share Holder's Equity)	11.2	21.58	40.98	51.37	38.52	55.6	93.17	128.28	165.98	250.68
ROCE (%) EBDIT/Total Assets	14.86	16.59	16.29	12.31	12.72	12.24	17.11	15.4	14.59	14.77

* FA includes CWIP for expansion of capacity which will be operation from second half of financial year 2017-18
** Inclusive of loan taken for expansion of capacity, the production will commence from second half of financial year 2017-18
*** Interest coverage has increased for TL availed towards expansion projects.

Performance Indicators:






Interest Coverage Ratio (times)
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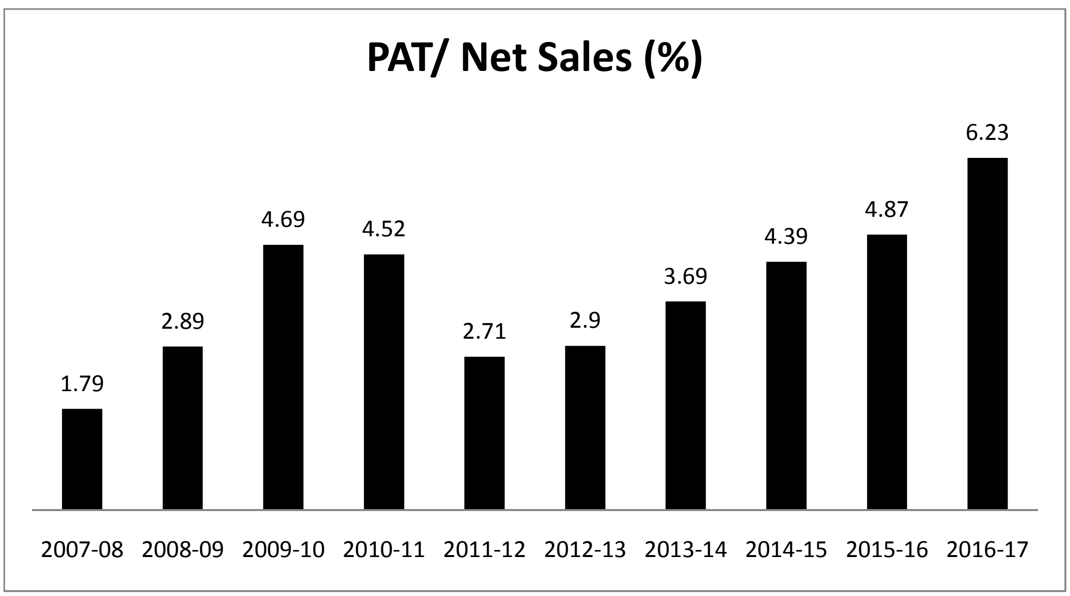
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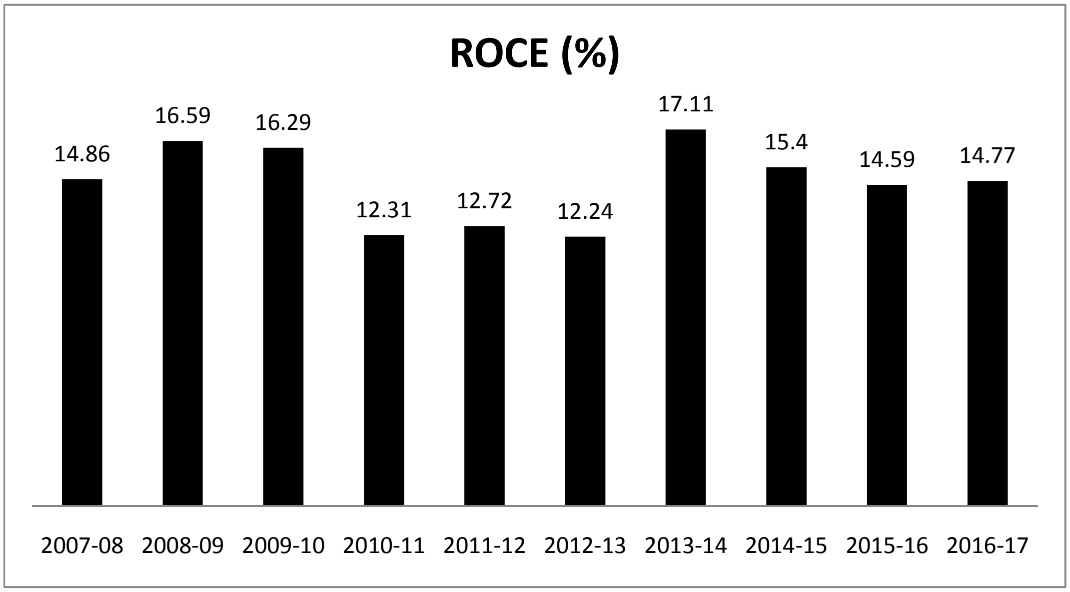
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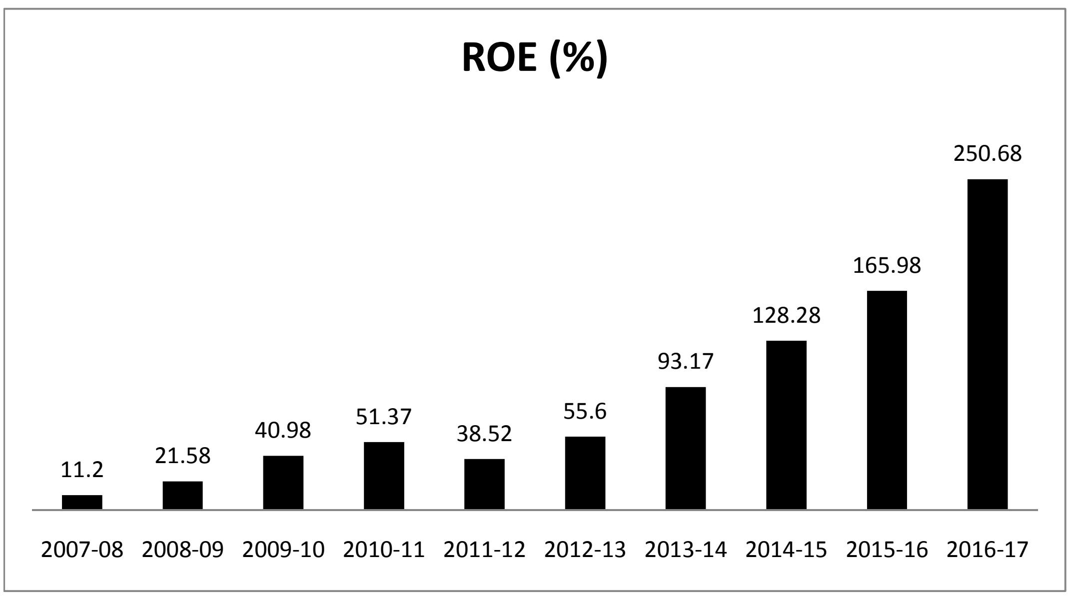
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MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of the Company.

I truly believe that a Company's long term success is attributable towards its focused vision and execution by staying true to its core values.

The year gone by was marked by tumultuous changes and challenging business environment on several fronts. It was yet another difficult year for the global economy, characterized by low growth and geopolitical uncertainties.
The decelerating growth in China kept everyone guessing about the future. Developments in the US relating to interest rates, dollar movement across currencies and of course, the Presidential elections of the United States of America had varied effects on global economy and business sentiments. Escalation of tensions in the Middle East and Brexit also added to regional uncertainties affecting capital flows and demand patterns across developing countries like India. Growth in the emerging economies maintained a muted momentum.

Amidst a subdued global backdrop, India continued its robust performance driven by strong domestic demand. There has been a positive momentum across the key growth sectors of the Indian economy combined with moderate inflation, lower oil prices and reduced fiscal deficit. Demonetization did have a temporary slowdown and dented in growth sentiments, but India has managed to sharply recover from that shock. With the recent GST implementation, a complete increased transparency in the taxation system can be expected leading to a better business environment.

Challenges

A key concern for the country is the health of the banking system, which continues to battle with rising bad loans and heightened corporate vulnerabilities in certain key sectors of the economy. Besides, the firming up of crude oil prices in the end of 2016 at about US$ 55/barrel against about US$ 45/barrel an year earlier, reduced commodity exports and almost stagnant non commodity exports in 2016-17 may result in an increase in trade and current account deficits.

Overall Business Performance

As a Snapshot of your Company's performance last year,

- Net Sales grew by 18%.
- EBITDA margin expanded by 18 bps.
- Profit before tax (PBT) grew by 44% to Rs.28.40 crore.
- Profit after tax (PAT) grew by 50% to Rs.18.34 crore.
- The strong track record of cash generation was sustained.

- For its expansion projects, Company had raised loans from banks which resulted in an increased debt/equity was at level of 2.46:1. To improve the debt/equity position, the Company has planned to raise fresh equity under Preferential Allotment later in the month of March 2017. Accordingly,

- The Company has raised Rs.51.08 crores by issuing 850,000 No. of Equity shares of Face Value of Rs.10/- each at premium of Rs.591/- per share in the month of May 2017.

Forward Looking Statement

The future for the industry looks bright because:

The demand for laminates has increased from its end-use applications such as cabinets, ready-to-assemble furniture and flooring. The future of the laminates industry looks bright on account of end-use applications such as cabinets, ready-to-assemble furniture and flooring. The Laminates industry will also get benefits from continuous improvements in textures and printing techniques.

Global Market

The Global Market of Decorative Laminates is growing rapidly due to its easy installation nature, flexibility and durability a stand for long period of time are some of the factors driving the market of decorative laminates. Apart from this, a shifting towards better lifestyle and increasing interest in home interior and remodeling are some of the other factors which drive the demand for the market.

The market size is estimated to surpass 12 billion square meters by 2023, growing at more than 5.5% CAGR from 2016 to 2023 and is estimated to reach USD 7.97 billion by 2021. The Asia Pacific decorative laminates market size was the largest, and accounted for over 46% of the global revenue in 2015. Rapid industrialization and increasing trend for customized and attractive interior in homes and offices is anticipated to fuel the North American decorative laminates demand. Middle East & Africa (MEA) is likely to be an attractive region owing to expansion in hotels and real estate industry in South Africa and UAE.

Domestic Market

India's economic growth is expected to improve in 2017-18. This optimism is based on two critical realities. The adoption of the Goods and Service Tax (GST) promises to create a single national market which will enhance efficiency of the movement of goods and services. This critical fiscal policy could make an important contribution to raise India's medium-term GDP growth to over 8% (Source: IMF).

Emerging as future ready

The laminate market can be segmented on the basis of distribution channels where the unorganized market accounts for the a major share. However, with changing consumer preferences, the market has seen a shift towards the organized segment due to increased demand for good quality and branded products. The share of organized players in the industry is expected is to rise further in the coming years to come. This shift is taking place primarily due to urbanization and more increased disposable income. In addition, the implementation of Goods and services Tax (GST) in the near future will is also likely to provide an impetus to the industry.

Going Forward - Our Strategy

The Company strategy will be plans to consolidate all 'business verticals related with Building Material' under Stylam and to promote Stylam brand.

On Business front your Company anticipates many developments in the economic and business environment, some of which are local phenomena and some triggered by global trends. The Indian Economy is on the threshold of the next phase of growth through government sponsored "Make-In-India" programmers and other investment-led strategies.

IT/ BPO Project

The Company, going through the economies of the IT/BPO sector, had planned to diversify into IT/BPO Sector in the year 2012-13 and purchased land of 5520 sq mtr in Panchkula Technology Park in Haryana (India), the conceptual design of the building, named as 'Stylam Tower' was designed by well-known architect RSP Designs. The eight storey building with two basements having built-up areas of 20697.200 sq. mtrs is fully complete. All the basic amenities are provided in the tower.

However, with the expansion in the laminate business and the strategy going forward to concentrate on its core business related with 'Building Materials', the Company endeavors to sell-off the tower.

In Conclusion

All things considered, I believe your Company has delivered another year of record operational and financial performance despite the odds. The bar is now set high but I am confident that with the growth strategies and plans in place and ably supported by a determined and passionate team, your Company will continue to excel in the coming years. I thank you all for the confidence you have reposed in the Company. I would like to acknowledge the valuable support and contribution of our extended family of customers, dealers, suppliers, financial institutions and partners.

Best Regards,
Jagdish Gupta
(DIN: 00115113)

MANAGEMENT DISCUSSION AND ANYALYSIS

Economy - India

India's economic growth in 2016-17 didn't seem as wasn't encouraging. The Central Statistical Organization of the Government of India has estimated India's real GDP growth for FY2017 at 7.1%. While it is better than all developed countries and most emerging markets including China. However, it is not as good as the 7.9% GDP growth achieved in FY2016. Qualitatively, the results were similar when measured in terms of gross value added (GVA) at constant prices. Real GVA growth for FY2017 is estimated at 6.7% versus 7.8% in FY2016. There are three main reasons for this deceleration of growth.

The first is insufficient investments which translate to additional income and employment. Gross fixed capital formation (GFCF) for FY2017 as a share of GDP has steadily fallen: from 31.7% in FY2015 to 31.1% in FY2016 to a low of 29.2% for FY2017.

The second has to do with the substantial overhang of non-performing loans across the banking system, especially the public sector banks. This has significantly reduced the banks' appetite for making large term loans, without which there can be no investment-led growth.

The third reason is related to the temporary effects of demonetising of Rs.500 and Rs. 1,000 notes, which came into effect on 8 November 2016. Although the third quarter estimates (for October-December 2016) show no appreciable dip in either real GDP or GVA, there is no doubt that removing over 86% of the value of currency in circulation and substituting it with a slower injection of new notes created demand and cash constraints throughout the economy. It remains to be seen what the overall effect of this will be on growth for the second half of FY2017.

For FY 2017-18, growth is estimated to pick up to 7.4% levels. There is an expectation of stable to slightly positive inflationary pressures due to pick-up in economy as well as impact of seventh pay commission. It is widely expected that GST implementation in FY 2017-18 would auger well for economic growth. Economists estimate potential long term GDP growth impact at 2-4 percentage points attributable to GST.

There is a gradual revival being seen in the construction sector. While investments are still subdued due to excess capacity across sectors, it is expected that a prolonged period of controlled inflation, a stable government policy and steadily improving per-capita income would improve consumption and lead to a more sustained growth in the range of 7.0-8.5%.

Economy- Global

The International Monetary Fund projects the World growth to rise from 3.1% in 2016 to 3.5% in 2017 and further to 3.6% in 2018 as the long awaited cyclical recovery in manufacturing and trade is currently underway with support from buoyant financial markets worldwide. It expects growth to be broad based across the globe with developed economies expected to grow at 2.0% in 2017 (1.7% in 2016) and emerging & developing economies at 4.5% in 2017 (4.1% in 2016).