

30 May, 2024

The Manager-Listing Department National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block -G Bandra Kurla Complex, Bandra -East Mumbai-400051	Listing Department BSE Limited Phiroze Jeejeebhoy Towers 25 th Floor, Dalal Street Mumbai- 400001
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Sub : Annual Report for the financial year 2023-24
Ref : Scrip Code No.: PILITA/ 500327

Dear Sir / Madam,

Pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with amendments thereto, please find the enclosed copy of Annual Report of the Company for the financial year ended March 31, 2024.

The Annual Report is also available on the website of the Company i.e. www.italica.com.

Kindly take the above on your records.

Thanking you!

Yours faithfully,
For PIL ITALICA LIFESTYLE LIMITED

Rajat Raja Kothari
(Company Secretary and Compliance Officer)

Encl: As above.



ITALICA[®]

PIL ITALICA LIFESTYLE LIMITED

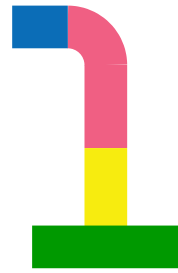
Crafted for Comfort. Designed for **Functionality.**



ANNUAL REPORT

2023-2024

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Further information can be found online by visiting italica.com



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SAFE HARBOUR STATEMENT

This document includes forward-looking statements pertaining to anticipated future events and the financial and operational outcomes of PIL Italica Lifestyle Limited ('PIL Italica' or 'PILL' or 'Company'). Given their nature, these forward-looking statements necessitate our Company to make assumptions and are inherently susceptible to risks and uncertainties. There exists a prominent risk that the assumptions, predictions, and other forward-looking statements may not prove to be precise. Readers are advised against placing undue reliance on these forward-looking statements, as various factors could lead to disparities between assumptions and actual future results and events. Consequently, this document is subject to a disclaimer and is qualified in its entirety by the assumptions, qualifications, and risk factors outlined in the Management Discussion and Analysis section of our Company's Annual Report.



CRAFTED FOR COMFORT. DESIGNED FOR FUNCTIONALITY.

PIL ITALICA LIFESTYLE LIMITED STANDS AT THE FOREFRONT OF THE PLASTIC FURNITURE INDUSTRY, EMBODYING A LEGACY OF INNOVATION AND QUALITY. OUR JOURNEY IS DEFINED BY A COMMITMENT TO EXCELLENCE AND A STRATEGIC APPROACH TO DESIGN AND FUNCTIONALITY, DISTINGUISHING US AS A PIONEER IN OUR FIELD. AS ONE OF THE INDUSTRY LEADERS, WE CONSISTENTLY CHALLENGE CONVENTIONS, INTRODUCING PRODUCTS THAT SET NEW STANDARDS IN DURABILITY, COMFORT, AND AESTHETIC APPEAL.

Our company's philosophy, built on more than 30 years of experience, demonstrates our grasp of market trends and customer needs, allowing us to develop products that offer lasting value. This year, we reinforce our commitment to this enduring philosophy, ensuring every initiative and product adheres to our core principles.

The theme for this year's annual report, 'Crafted for Comfort. Designed for Functionality.', encapsulates our mission to harmonise practicality with style, ensuring every piece from PIL Italica enriches the consumer experience. It reflects our ongoing commitment to not just meet, but exceed, the evolving needs of our customers, securing our position as the benchmark for excellence in the industry.

As we navigate the future, our focus remains steadfast on innovation and quality, driving us towards new horizons of success and customer satisfaction.

Crafted for Comfort.
Designed for Functionality.

FINANCIAL HIGHLIGHTS

● Y-o-Y Change

₹9,725 Lacs
REVENUE IN FY24

▲ 13.94%
₹8,535 Lacs
Revenue in FY23

₹812 Lacs
EBITDA IN FY24

▲ 38.52%
₹586 Lacs
EBITDA in FY23

₹462 Lacs
PAT IN FY24

▲ 51.78%
₹304 Lacs
PAT in FY23

Sculpting the future of functional comfort

Established in 1992, PIL Italica Lifestyle Limited has evolved significantly, shaping the plastic furniture sector in India. From its origins in Udaipur, Rajasthan, the Company has expanded its reach across the nation, with a corporate presence in Mumbai and operational offices in Delhi. PIL Italica also acquired a manufacturing unit in Silvassa from Kisan Mouldings Limited. As a publicly listed entity on the Bombay Stock Exchange and the National Stock Exchange, PIL Italica stands as a testament to enduring business excellence and a deep understanding of market dynamics.

PIL Italica is distinguished by its strategic approach to design and innovation, recognising the integral role of furniture and material handling products in enhancing living and work spaces. This philosophy is evident in the company's commitment to functional, durable, and aesthetically pleasing products.

PIL Italica's dedication to quality is validated by its ISO 9001:2015 certification and distinction as the only Indian brand with CE-certified plastic furniture, reflecting its leadership in product excellence.



VISION

To revolutionise modern living by offering superior plastic furniture, efficient material handling solutions and effective waste management products that combines aesthetics, durability & eco-friendliness, enriching homes, enhancing quality of life and promoting a cleaner, greener future.



MISSION

Our mission is to become the market leader in India in the next 5 years in plastic furniture, material handling solutions and waste management products by providing innovative, affordable, sustainable, and high-quality products that cater to the evolving tastes and needs of our customers. Through a commitment to excellence, exceptional craftsmanship and eco-friendly practices, we strive to enhance the living spaces and lifestyles of our customers and contribute to a cleaner environment.

KEY HIGHLIGHTS

NATIONAL PRESENCE

The Company has established a robust network, comprising over 1989 dealers and 527 distributors, covering 17 states in India.



1,989
Dealers

527
Distributors

17
States



WORKFORCE

PIL Italica employs a skilled team of 205 professionals.

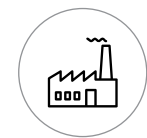


205
Professionals



FACILITIES

With 2 manufacturing units in Udaipur and Silvassa, along with 9 fulfilment centres, PIL Italica is equipped to meet diverse consumer demands efficiently.



2
Manufacturing Units

9
Fulfilment Centres



PIL Italica represents more than a brand; it is a symbol of innovation, quality, and commitment to customer satisfaction. The company's foundation is built on the principles of durability, comfort, style, and affordability, making it a preferred choice in the Indian furniture market.

Every step built on function and comfort

SINCE ITS ESTABLISHMENT IN 1992, PIL ITALICA LIFESTYLE LIMITED HAS NAVIGATED A JOURNEY OF SIGNIFICANT MILESTONES, FROM INITIAL PUBLIC OFFERINGS TO DIVERSIFYING ITS PRODUCT RANGE AND EMBRACING SUSTAINABILITY, CONSISTENTLY PRIORITISING QUALITY AND CUSTOMER SATISFACTION.

SOLID FOUNDATION

1992

Founded in 1992, PIL Italica Lifestyle Limited established itself as a cornerstone of innovation in the Indian plastic furniture industry. By 1993, the firm had inaugurated its manufacturing base in Udaipur and marked its presence on the Bombay Stock Exchange, laying a robust financial and operational foundation.

EARLY GROWTH

1994

The company's 1994 listing on the National Stock Exchange reinforced its market position, fostering investor trust and setting the stage for a sustained period of growth and product development.



INNOVATION AND REACH

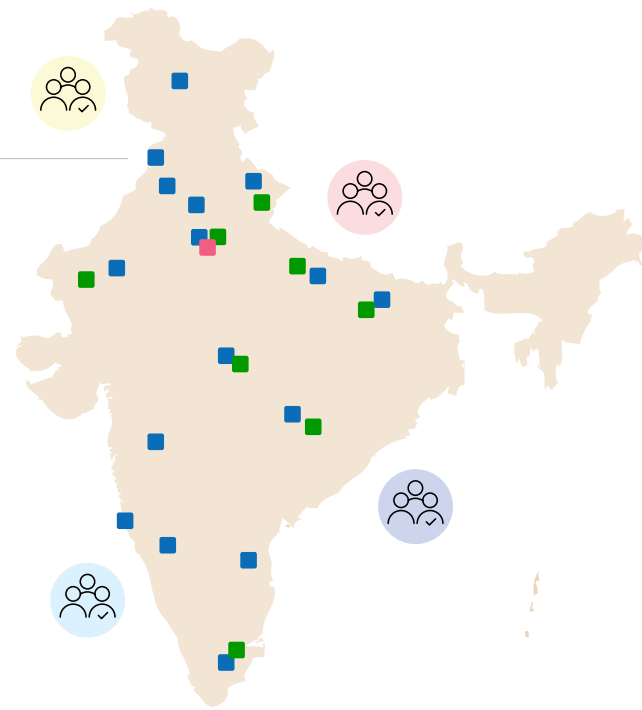
2018

2018 witnessed PIL Italica's alignment with the Clean India movement through the introduction of eco-friendly dustbins and storage bins. The same year, the launch of the Spine Care Chair Series underscored the company's dedication to ergonomic solutions. The establishment of a new marketing office in New Delhi in 2019, alongside the unveiling of the Plasteel Series, expanded PIL Italica's reach and underscored its commitment to innovation.

DIVERSIFICATION AND EXPANSION

2016

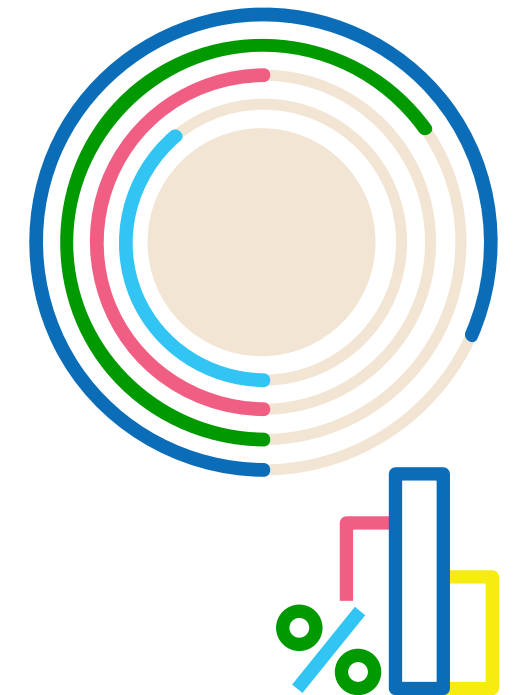
In 2016, PIL Italica broadened its portfolio to include material handling products, signifying a strategic diversification. This expansion continued in 2017 with the launch of industrial crates, further enhancing the company's product range and market adaptability.



ONGOING GROWTH

2020

The year 2020 marked a significant phase of strategic partnerships and product introductions, notably the collaboration with Kisan Mouldings Limited. In FY24, the acquisition of the Umerkui (Silvassa) furniture unit from Kisan Mouldings Limited became a major milestone, significantly enhancing our production capacity and strategic presence in southern and western India.



At the junction of comfort and functionality

PIL ITALICA LIFESTYLE LIMITED BLENDS COMFORT WITH FUNCTIONALITY, OFFERING A COMPREHENSIVE PORTFOLIO THAT SPANS PLASTIC AND WOODEN FURNITURE, MATERIAL HANDLING PRODUCTS, AND WASTE MANAGEMENT SOLUTIONS. THIS DIVERSE PRODUCT RANGE, UNDERPINNED BY A COMMITMENT TO ERGONOMIC DESIGN AND AESTHETIC APPEAL, POSITIONS PIL ITALICA AS A LEADER IN REDEFINING SPACES WITH PRODUCTS THAT MEET THE EVOLVING NEEDS OF CUSTOMERS.

15
NEW PRODUCTS
LAUNCHED IN
FY24



PRODUCT AND BRAND PHILOSOPHY

AT THE CORE OF PIL ITALICA'S ETHOS LIES A FUSION OF INSIGHTFUL INNOVATION AND CUSTOMER-CENTRIC DESIGN. THE COMPANY'S PRODUCT DEVELOPMENT JOURNEY IS CHARACTERIZED BY A DEEP UNDERSTANDING OF CONSUMER PREFERENCES, DRIVEN BY EXTENSIVE MARKET RESEARCH AND A COMMITMENT TO ERGONOMICS AND AESTHETICS.

This philosophy ensures that each PIL Italica product, from furniture to waste management solutions, not only serves its functional purpose but also enhances the user's environment and well-being. The diverse product mix encompasses a wide range of offerings, each meticulously designed to cater to distinct needs:

PLASTIC FURNITURE PRODUCTS

The plastic furniture collection stands as an example of comfort, style, and durability. From chairs to tables, PIL crafts pieces that enhance both living spaces and lifestyles.



MATERIAL HANDLING PRODUCTS

PIL Italica's commitment to innovation extends to material handling, where the fruit and vegetable crates, and industrial crates, redefine the standards of durability and utility.



WASTE MANAGEMENT PRODUCTS

Addressing the critical aspect of waste management, PIL Italica's range of dustbins combines functionality with aesthetic appeal, reflecting the company's commitment to environmental responsibility.



1

PLASTIC FURNITURE PRODUCTS

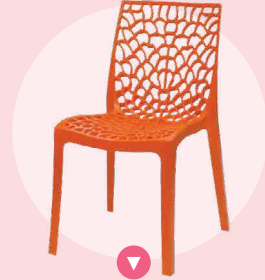
The plastic furniture segment, serving as the cornerstone of PIL Italica's portfolio under the proprietary brand name 'Italica', showcases the brand's expertise in creating products that blend style with durability. Accounting for 80% of the company's revenue, this extensive range of product variants is produced through eco-friendly practices, utilising over 150 meticulously crafted moulds to provide a sustainable alternative to conventional materials, thereby enriching consumer lifestyles and environments.



Luxury Series



Spine Care Series



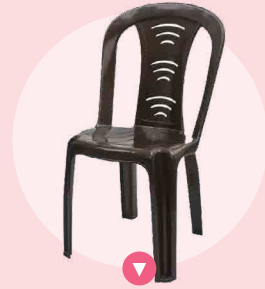
Designer Series



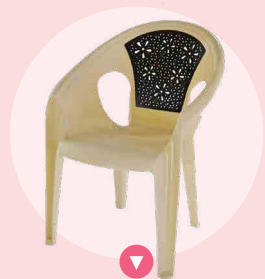
Oxy Series



Premium Series



Armless series



Premium Series



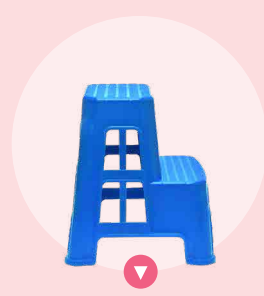
Luxury Series



Phoenix Series



Designer Series



Plastic Stool



Plastic stool



Spine Care Series



Kids Chair



Designer Series



Plastic Table,



Dining Table



Plastic Storage Cabinet

ADVANTAGES

PIL Italica's dedication to innovation, combined with the adoption of advanced production techniques, allows for the creation of a wide range of products with complex designs. This versatility meets the changing preferences of consumers, providing a broad spectrum of choices.

The company's efficient production methods go beyond mere cost savings, significantly reducing waste and promoting an eco-friendly manufacturing approach.

A vast collection of moulds empowers PIL Italica to offer an extensive variety of Stock Keeping Units (SKUs), giving customers a wide range of options and enhancing their overall experience with the brand.

APPLICATIONS

PIL Italica's products demonstrate versatility in their application, being widely used in various settings such as restaurants, swimming pools, gardens, tent houses, offices, and homes, thereby contributing to enhanced comfort and aesthetic appeal in these spaces.

51 ADDITIONAL MOULDS ADDED THROUGH KISAN MOULDING LIMITED'S UMERKUI UNIT ACQUISITION

STRATEGIC ACQUISITION

PIL Italica has recently acquired the Umerkui (Silvassa) furniture unit from Kisan Mouldings Limited, strengthening its presence in southern and western India. This strategic acquisition includes the procurement of land, building, and all assets at the Umerkui unit. With an existing capacity of 6,050 MTPA at Udaipur and an additional 2,400 MTPA at Silvassa, PIL Italica's total production capacity now stands at 8,450 MTPA. Leveraging Silvassa's strategic location, the Company aims to streamline operations and capitalise on seamless transportation networks. The roadmap involves further capacity expansion at Umerkui through machinery upgrades, introduction of new product lines, and diversification of offerings to solidify its market position across India.

2

MATERIAL HANDLING PRODUCTS

The material handling range from PIL Italice exemplifies the company's extension of innovation into utility, offering products like crates that set new benchmarks for durability and functionality. These products are designed with premium-quality, food-grade materials, ensuring weather resistance, UV protection, and longevity across challenging environments.



Use in Textile, Automobile, Home Appliances, FMCG and Retail Industry etc.

ADVANTAGES

PIL Italice's crates are produced from high-quality, food-grade materials, offering exceptional weather resistance and UV protection. Their durability makes them suitable for use in demanding environments, ensuring both reliability and long service life.

With a focus on precision engineering, these crates are designed to provide superior strength and durability, maintaining a lightweight structure for ease of handling.

APPLICATIONS

The utility of PIL Italice's products extends beyond plastic furniture to serve a wide array of industries, demonstrating versatility in applications from food and beverage to e-commerce sectors.

KEY INDUSTRIES SERVED

The company's material handling solutions cater to a diverse range of sectors, including fruits and vegetables, hospitality and catering, electronics, engineering, automotive, textiles, fisheries, and food processing. Additionally, they are pivotal for e-commerce platforms like Grofers, Big Basket, Ninja Cart, and Udaan, as well as logistics providers such as Delhivery, enhancing operational efficiency across these industries.

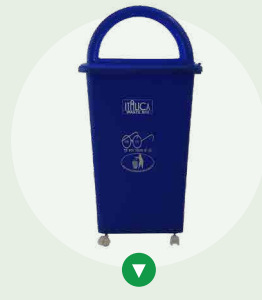
3

WASTE MANAGEMENT PRODUCTS

PIL Italice's waste management products, including an array of dustbins, reflect the company's dedication to environmental stewardship. Manufactured with high-quality materials for indoor and outdoor use, these products support initiatives like the Swachh Bharat Abhiyan, promoting cleanliness and hygiene across public spaces.



Swing Dustbin



Wastebin



Wastebin

ADVANTAGES

PIL Italice's dustbins, crafted from high-quality materials, are designed for optimal performance in both indoor and outdoor settings, ensuring durability and consistent reliability.

In support of the Swachh Bharat Initiative by the Government of India, PIL Italice contributes to waste management efforts with its range of products.

APPLICATIONS

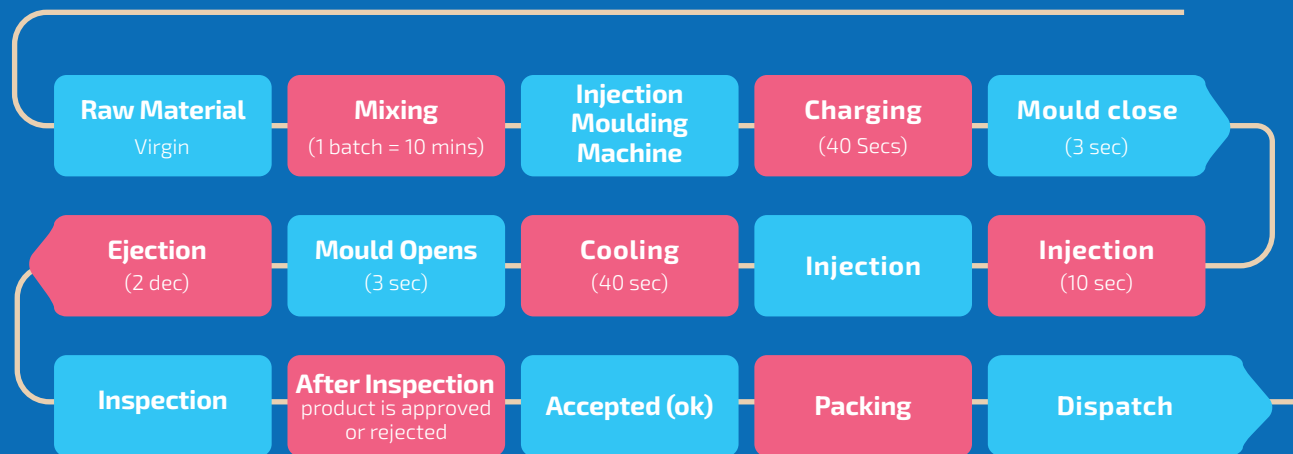
Known for their adaptability, PIL Italice's waste management solutions are extensively used in various public areas, including hospitals, railway stations, shopping centers, parks, airports, commercial buildings, and residential complexes.

These products play a key role in PIL Italice's commitment to environmental responsibility and are also distributed to numerous municipal corporations and public institutions.

Infrastructure that enables sustainable growth

PIL ITALICA LIFESTYLE LIMITED'S MANUFACTURING OPERATIONS COMBINE ADVANCED TECHNOLOGY WITH STREAMLINED EFFICIENCY ACROSS TWO KEY FACILITIES IN UDAIPUR AND SILVASSA. THESE SITES, EQUIPPED WITH CUTTING-EDGE MACHINERY AND UPHELD BY RIGOROUS QUALITY STANDARDS, UNDERSCORE PIL ITALICA'S LEADING POSITION IN THE PLASTIC FURNITURE INDUSTRY.

FLOWCHART OF THE MANUFACTURING PROCESS



UDAIPUR FACILITY

The Udaipur facility, owned by PIL Italica, spans 18,000 sq. m., with a dedicated production space of 12,500 sq. m. Certified under ISO 9001:2015, this facility is equipped with over 150 state-of-the-art moulds, underscoring its foundational role in the company's manufacturing output of 6,050 MTPA.

This facility is instrumental in producing a diverse array of products, epitomising PIL Italica's commitment to quality and innovation.

ISO 9001:2015
Certification

150+
Advanced Moulds

6,050 MTPA
Production Capacity

716
Product Variants



SILVASSA FACILITY

PIL Italica has acquired the Umerkui (Silvassa) furniture unit from Kissan Mouldings Limited, strengthening its manufacturing prowess. Spanning 17,486 sq.m. with 6,000 sq.m. dedicated to production, the Silvassa facility boasts 51 specialised moulds and a capacity of 2,400 MTPA.

This acquisition bolsters PIL Italica's presence in southern and western India, leveraging Silvassa's strategic location for streamlined operations and seamless transportation networks.

51
Precision Moulds

Acquisition
Acquisition of Umerkui furniture unit from Kissan Mouldings Limited

275
Product Variants

2,400 MTPA
Production Capacity

COMMITMENT TO UNPARALLELED QUALITY

PIL Italica's manufacturing ethos is anchored in its unwavering commitment to quality, evidenced by the ISO-9001:2015 accreditation and the unique distinction of offering CE certified plastic furniture in India. These recognitions affirm the company's relentless pursuit of excellence, ensuring that each product not only aligns with but surpasses international quality standards.

Quality Certifications

Standard
ISO 9001:2015 Accredited

Distinction
Exclusive CE Certification for Plastic Furniture in India

Expanding presence across geographies

PIL ITALICA LIFESTYLE LIMITED HAS METICULOUSLY EXPANDED ITS OPERATIONAL FOOTPRINT, ESTABLISHING A ROBUST PRESENCE ACROSS INDIA'S DIVERSE REGIONS. WITH A STRATEGIC NETWORK COMPRISING OVER 1,900 DEALERS AND A PRESENCE IN 17 STATES AND UNION TERRITORIES, THE COMPANY'S GROWTH TRAJECTORY UNDERSCORES ITS COMMITMENT TO EXCELLENCE AND CUSTOMER SATISFACTION IN THE PLASTIC FURNITURE INDUSTRY.

NATIONAL EXPANSION: STRENGTHENING THE INDIAN SUBCONTINENT

PIL Italica's strategic expansion within India underscores its vision to be an integral part of every Indian locale, reinforcing its position as a leading brand in the plastic furniture sector. The acquisition of the Umerkui (Silvassa) furniture unit from Kisan Mouldings Limited (KML) has been pivotal in deepening PIL Italica's roots in the southern and western regions, enhancing its manufacturing capabilities and distribution network. Continued growth in central regions like Madhya Pradesh and Chhattisgarh further solidifies its national presence, showcasing a strategic blend of geographic and market diversification.

1,989
DEALERSHIPS

527
DISTRIBUTION CHANNELS

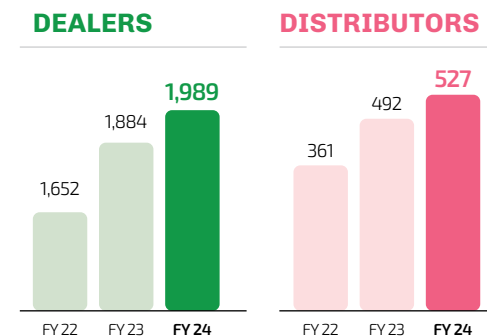
17 States & UT
REGIONAL PRESENCE

09
FULFILMENT CENTRES

FY24

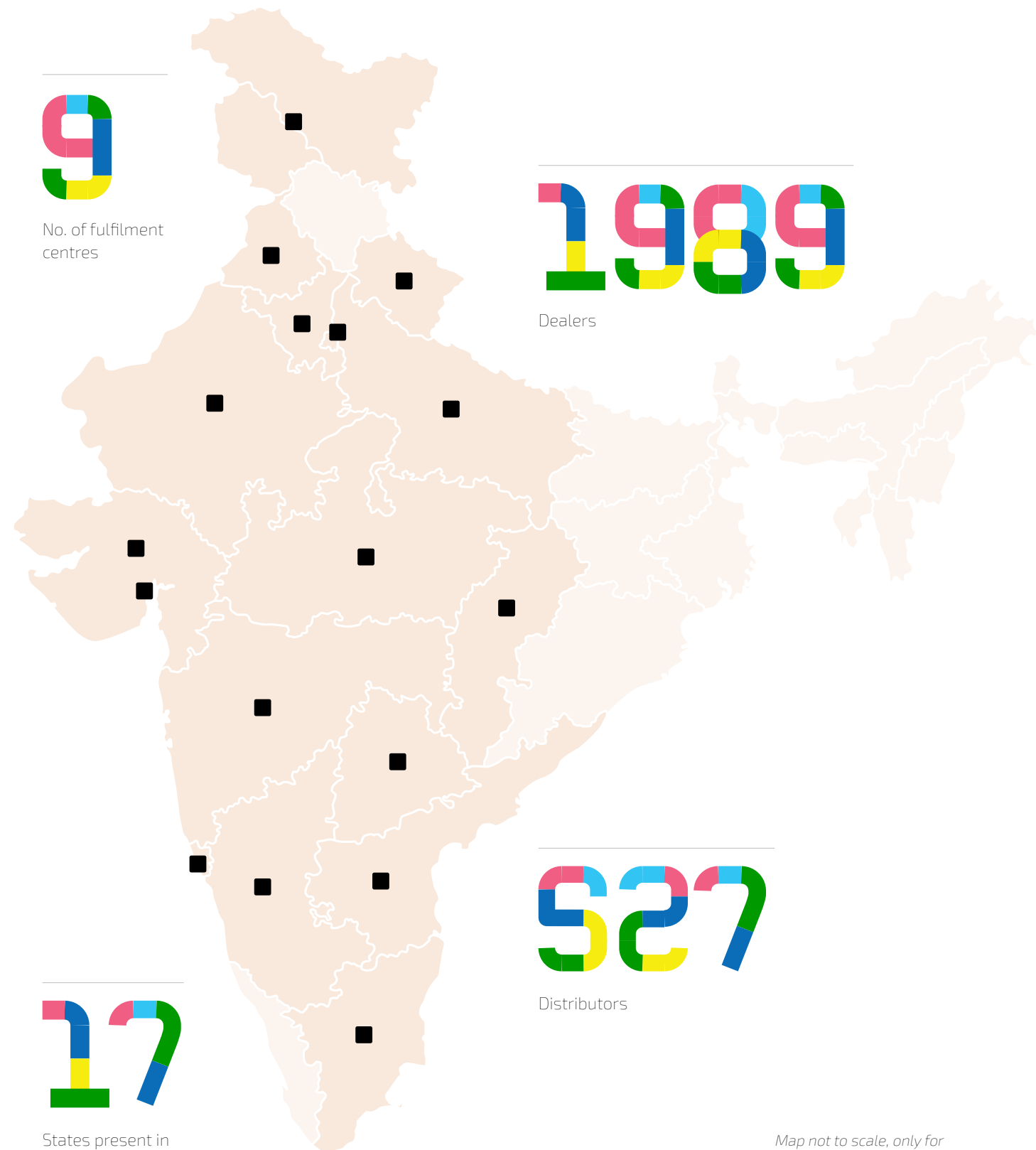
- NEW DELHI
- HARYANA
- UTTAR PRADESH
- PUNJAB
- UTTARAKHAND
- RAJASTHAN
- MADHYA PRADESH
- JAMMU & KASHMIR
- KARNATAKA
- ANDHRA PRADESH
- TELANGANA
- TAMIL NADU
- CHHATTISGARH
- MAHARASHTRA
- GOA
- GUJARAT
- DAMAN & DADRA NAGAR HAVELI

Distribution Network



DISTRIBUTION NETWORK

■ States Present In

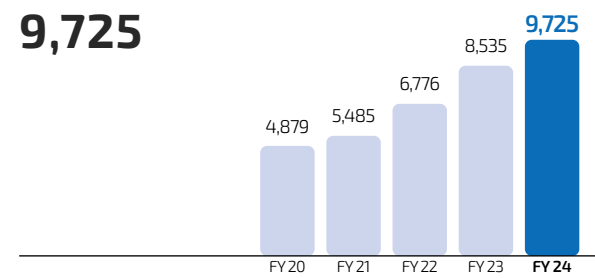


Map not to scale, only for representation purpose

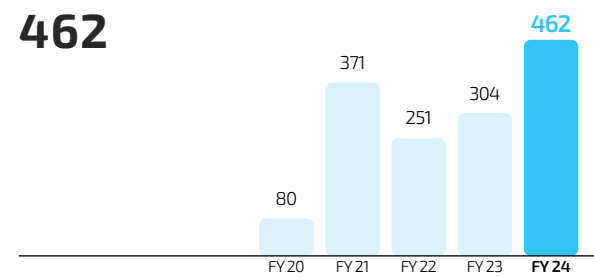
A sustainable value-accretive business

PIL ITALICA LIFESTYLE LIMITED HAS CONSISTENTLY DEMONSTRATED POSITIVE YEAR-OVER-YEAR PERFORMANCE. THIS PROGRESSION UNDERSCORES THE EFFICACY OF THE COMPANY'S EXPANSION, PRODUCT DIVERSIFICATION, AND MARKET PENETRATION STRATEGIES, CONTRIBUTING TO A SUSTAINED ENHANCEMENT OF SHAREHOLDER VALUE.

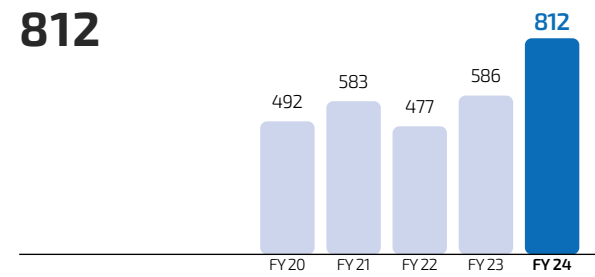
TOTAL INCOME (₹ IN LACS)



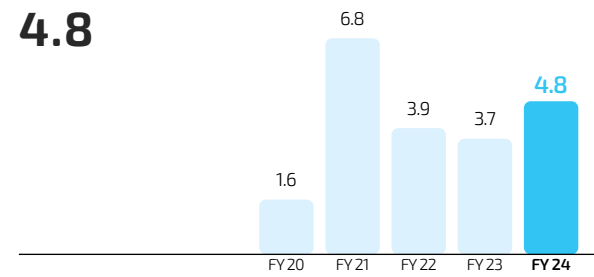
PROFIT AFTER TAX (₹ IN LACS)



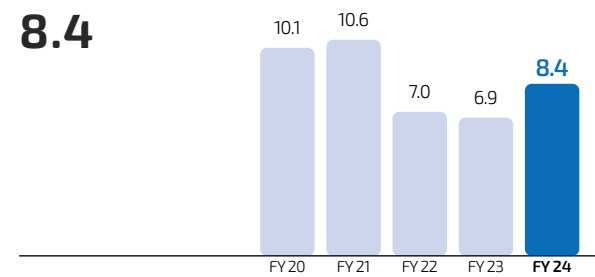
EBITDA (₹ IN LACS)



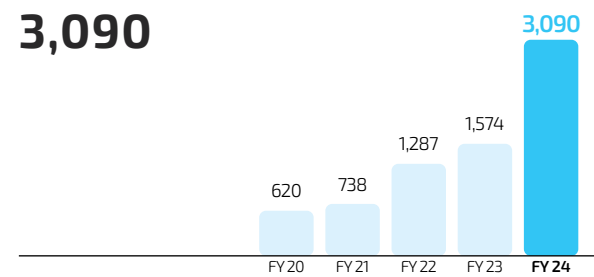
PAT MARGIN (%)



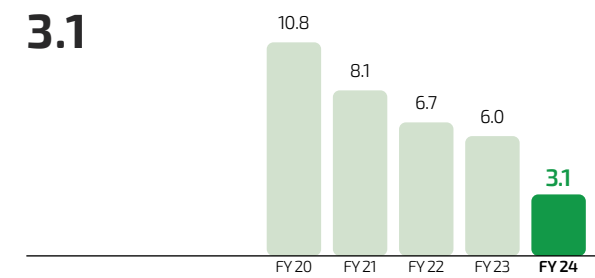
EBITDA MARGIN (%)



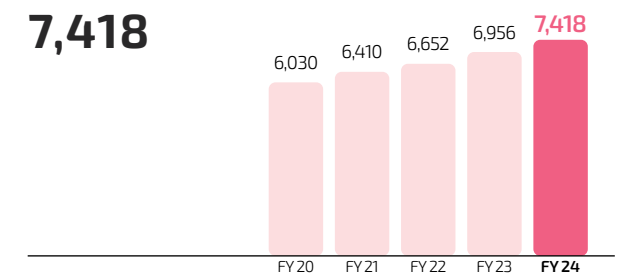
FIXED ASSETS (NET BLOCK) (₹ IN LACS)



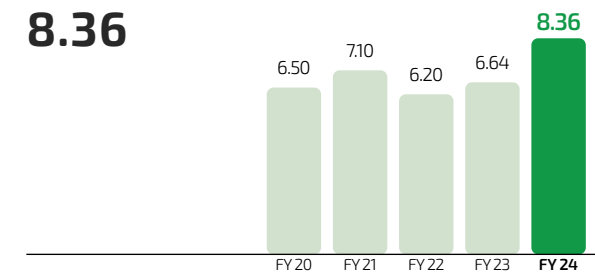
FIXED ASSETS TURNOVER (IN TIMES)



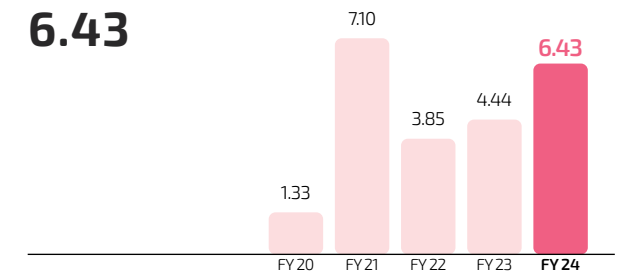
NETWORTH (₹ IN LACS)



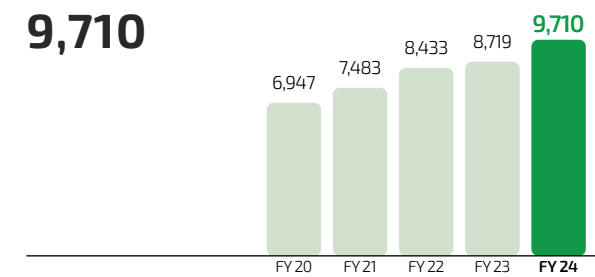
ROCE (%)



ROE (%)



CAPITAL EMPLOYED (₹ IN LACS)





Conquering challenges, seizing opportunities

DEAR SHAREHOLDERS,

IT IS MY PRIVILEGE TO PRESENT THE ANNUAL REPORT AND SHARE WITH YOU THE REMARKABLE PROGRESS PIL ITALICA LIFESTYLE LIMITED HAS ACHIEVED DURING FY24. OUR UNWAVERING COMMITMENT TO EXCELLENCE, STRATEGIC INITIATIVES, AND INNOVATIVE APPROACH HAVE PROPELLED US TO NEW HEIGHTS, SOLIDIFYING OUR POSITION AS A STRONG PLAYER IN THE INDUSTRY.

FINANCIAL PERFORMANCE

I am delighted to report that PIL Italica has achieved significant financial milestones in FY24. Our revenue for the year stood at ₹9,725 Lacs, reflecting a robust growth of 14% compared to ₹8,535 Lacs in FY23. The EBITDA for FY24 was ₹812 Lacs, marking an increase from ₹586 Lacs in the previous year. This growth underscores our operational efficiency and strategic decision-making, which have been pivotal in enhancing our financial performance.

During FY24, we faced challenges due to volatility in polymer prices, driven by ongoing global uncertainties. However, our strategic shift towards a product mix skewed towards value-added offerings enabled us to improve our margins despite these headwinds. Additionally, the acquisition of the Silvassa plant, previously leased, was financed through internal accruals, further strengthening our financial position.

ACQUISITIONS AND GEOGRAPHIC REACH

The acquisition of the Umerkui Furniture unit from Kisan Mouldings and the strategic expansion of our dealer and distributor network, particularly in the southern and western markets, have been instrumental in our success. In terms of capacity, we have expanded our production capabilities significantly. With an existing capacity of 6,050 MTPA at our Udaipur facility and an additional 2,400 MTPA capacity at the Umerkui plant in Silvassa, our total production capacity now stands at 8,450 MTPA. This expansion enhances our manufacturing capabilities while also reinforcing our commitment to meeting the evolving needs of our customers.

Looking ahead, our strategic roadmap involves further capacity expansion at the Umerkui unit through the upgrade of existing machineries and the purchase of

new high-tech machineries, as well as the introduction of new product lines. These initiatives are geared towards diversifying our offerings and further solidifying our market position across India.

Building on this momentum, we are now setting our sights on the eastern Indian markets, where we currently have limited presence. A dedicated team has been assembled to establish a robust distribution network and fulfilment centres in these regions. These fulfilment centres will ensure timely supply of products to our distributors, enabling us to expand our reach and gain a competitive advantage in the years to come.

In pursuit of operational excellence and logistical efficiency, we are open to expanding our manufacturing presence in southern, eastern, and northern India. Over the next three years, we plan to either acquire or establish new plants in these regions, bringing us closer to our end markets and optimising our supply chain.

DOMESTIC MARKET PENETRATION AND PRODUCT INNOVATION

We recognize the immense potential in the domestic markets and will continue to focus our efforts on deepening our penetration in these regions. To further strengthen our position, we have identified 5-6 new products that we plan to launch during the upcoming Diwali season. Our strategy is to shift towards more value-added products, which will drive better realisations and aid our margin growth.

This year, our goal is to establish PIL Italica as a pan-Indian player, with a special emphasis on the eastern Indian markets and plastic moulded furniture. Additionally, we aim to expand our presence in the kids' furniture and study furniture categories, building upon our existing offerings. Education furniture will be a new category for us, presenting exciting opportunities for growth and diversification.

DIGITAL INITIATIVES AND BRAND VISIBILITY

In FY24, we have made significant strides in enhancing our digital presence and brand visibility. Our digital initiatives have included the implementation of advanced digital marketing strategies. These efforts have not only increased our online engagement but also strengthened our brand recognition across various platforms. We have also invested in digital tools to streamline our operations and improve customer experience, ensuring that we remain at the forefront of technological advancements in our industry.

SUSTAINABILITY INITIATIVES

At PIL Italica, we are committed to reducing our environmental impact and promoting sustainability. All the wastage generated during the manufacturing process is being reused thereby reducing our carbon footprint. Furthermore, we are evaluating additional recycling projects and continuously improving our sustainability initiatives, as this is an ongoing process for our Company.

LOOKING AHEAD

As we embark on the new fiscal year, we are filled with optimism and determination. Our focus remains unwavering on delivering exceptional products, fostering innovation, and creating value for our stakeholders. We anticipate a growth of at least 150 basis points in EBITDA margins and a 15% growth in our topline in FY25. We are confident that our strategic initiatives, coupled with our dedicated workforce and strong corporate governance, will propel us towards continued success and sustainable growth.

On behalf of the entire PIL Italica team, I extend my sincere gratitude to our shareholders for their unwavering support and trust. Together, we will continue to scale new heights and create a lasting legacy in the industry.

Yours sincerely

Daud Ali
Managing Director

Charting the progressive path

PIL ITALICA LEVERAGES ITS DISTINGUISHED BRAND PRESENCE AND INNOVATIVE PRODUCT RANGE TO DRIVE STRATEGIC EXPANSION AND MARKET PENETRATION, UNDERSCORING A COMMITMENT TO SUSTAINABILITY AND TECHNOLOGICAL ADVANCEMENT. THROUGH TARGETED GROWTH STRATEGIES AND A FOCUS ON DIGITAL ENGAGEMENT, THE COMPANY ENSURES OPERATIONAL EFFICIENCY AND A DIVERSIFIED PORTFOLIO, FOSTERING A STRONG COMMUNITY CONNECTION AND BUILDING A FOUNDATION FOR SUSTAINED SUCCESS.

CORE STRATEGIES FOR GROWTH AND EXCELLENCE



LEVERAGING TECHNOLOGICAL ADVANCEMENTS

PIL Italica's investment in cutting-edge technology for moulds and machinery exemplifies its commitment to operational excellence and competitive edge.

This focus not only enhances production efficiency but also underpins its pursuit of product development excellence, enabling the creation of innovative designs and patterns that anticipate market trends and consumer preferences. The continuous integration of new, tested technologies ensures PIL Italica remains at the forefront of the industry, driving innovation and setting new benchmarks.



MARKET EXPANSION THROUGH STRATEGIC PENETRATION AND DIGITAL ENGAGEMENT

By strengthening its distributor and dealer network, PIL Italica deepens its domestic market penetration, aiming to become an integral part of every Indian home.

This strategy is complemented by a robust digital and multi-channel sales approach, capturing the e-commerce landscape and expanding consumer accessibility. The emphasis on enhancing brand visibility through targeted digital marketing further connects PIL Italica with its audience, ensuring the brand remains a preferred lifestyle choice.



LEADERSHIP IN SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

PIL Italica's dedication to sustainability is manifested through strategic initiatives in waste management and eco-friendly practices, aligning with national projects like the Swachh Bharat Abhiyan and setting industry standards for responsible manufacturing.

This commitment not only fosters a positive brand image but also appeals to the environmentally conscious consumer, reinforcing PIL Italica's role as a key contributor to a sustainable future.



LUXURY AND DIVERSIFICATION AS PILLARS OF GROWTH

The strategic expansion of PIL Italica's product portfolio to include imported luxury and premium items, alongside a focus on diversifying the product mix, ensures market adaptability and risk mitigation.

This approach enhances the brand's appeal across different consumer segments, driving sustained growth and redefining standards of comfort, style, and quality.



BUILDING STRONG FOUNDATIONS THROUGH INSTITUTIONAL AND B2B RELATIONSHIPS

A focused approach towards institutional sales and B2B partnerships establishes PIL Italica as the go-to brand for quality and reliability in furniture solutions.

This strategy not only strengthens the brand's market position but also builds a robust foundation for growth, catering to the nuanced needs of diverse institutional clients.



REGIONAL AND GLOBAL MARKET STRATEGIES

PIL Italica's strategic initiatives in Southern India, through meaningful acquisitions and contract manufacturing, aim to tap into unique regional market dynamics, ensuring a pan-India presence.

Concurrently, efforts to enhance the global footprint through strategic partnerships and initiatives reflect the brand's commitment to meeting the diverse needs of customers worldwide, striking a balance between global ambitions and local roots.



CONTINUOUS INNOVATION AND CONSUMER-CENTRIC PRODUCT DEVELOPMENT

The ethos of PIL Italica is defined by a relentless pursuit of innovation, with a commitment to continuously monitor production patterns and introduce groundbreaking products like the Plastic Sun-lounger.

This focus on consumer-centric product development ensures that PIL Italica not only meets but exceeds the evolving tastes and preferences of its diverse customer base, maintaining industry leadership.



ENHANCING CUSTOMER EXPERIENCE THROUGH OPTIMISED FULFILMENT

By strategically locating fulfilment centres closer to target markets, PIL Italica aims to improve customer satisfaction through faster and more efficient delivery services.

This operational strategy enhances the overall customer experience, ensuring that PIL Italica remains synonymous with quality, reliability, and consumer satisfaction in every interaction.

A Company led by experience and expertise

BOARD OF DIRECTORS

MR. DAUD ALI *Managing Director*

Mr. Daud Ali, a first-generation entrepreneur and commerce graduate, brings an extensive wealth of business acumen, and over 40 years of rich experience in the plastic industry. As a visionary leader, he successfully led PIL Italica to a triumphant listing on the BSE and NSE, as early as in 1993. In his role as a key decision-maker, Mr. Ali formulates and executes strategic decisions for the Company. His hands-on approach and entrepreneurial spirit have propelled PIL Italica onto both the domestic and global stages, solidifying its position as one of the industry leaders.

Notably, he has been honoured with the prestigious Udyog Patra Award for self-made industrialists by the Institute of Trade and Industrial Development, New Delhi, and the Vikas Ratna Award by the International Society for Friendship of India.

MR. NARENDRA BHANAWAT *Whole Time Director and Chief Financial Officer*

With over 35 years of experience in the plastic furniture industry, Mr. Bhanawat, a commerce graduate, has been an integral part of PIL Italica since its inception. Serving as a key figure in the Company's operational policies, he provides strategic guidance on planning and accounting matters. Mr. Bhanawat's expertise in these areas has played a pivotal role in the successful implementation of policies, contributing significantly to the Company's journey towards excellence.

- Audit Committee
- Stakeholders Grievance Committee
- Nomination & Remuneration Committee
- Risk Management Committee



MR. MUKESH KUMAR KOTHARI *Non-Executive, Non-Independent Director*

Mr. Kothari holds a post-graduation in ABST (Accounting and Business Statistics) and brings a wealth of knowledge and work experience spanning over 30 years in Accounts, Taxation, Income Tax, GST Finance, and more. Besides his association with the Company, Mr. Kothari serves as the Treasurer in Bharat Vikas Parishad, Lake City, Udaipur.



MRS. NAMRATA BABEL *Non-Executive, Independent Director*

Mrs. Babel holds a Ph.D. in Management and brings extensive knowledge in Finance and Marketing. Serving on the Board since 2014, she assumed the role of Chairperson for the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Stakeholders Grievances Committee in 2023.



MR. HIMANSHU SURENDRAKUMAR GUPTA *Non-Executive, Independent Director*

Mr. Gupta, a Company Secretary by qualification, serves as a Practising Company Secretary. With enriched knowledge and experience in Corporate & Securities Laws, Finance, and Management, he actively engages in assignments related to Public Issues, Listing and Post-listing Matters, Acquisitions and Takeovers, Corporate Restructuring, and Planning, Drafting, Vetting, and Representation with Statutory Authorities like SEBI, SAT, etc.

MS. APEKSHA AGIWAL *Non-Executive, Independent Director*

Ms. Agiwal, a Chartered Accountant by qualification. Her diverse work experience spans across the domains of finance, including taxation, indirect & direct tax compliance, audit, and MIS reporting, among others.

SENIOR LEADERSHIP

MR. RAJENDRA KUMAR HEDA *Sr. Vice President, Operations*

An extensively qualified professional with degrees in CA, CS, LL.B., B.Com and ICMA, Mr. Heda has been an integral part of PIL Italica since 1993. He plays a pivotal role in policy-making, strategic planning, and oversees the development and implementation of operational policies and procedures. Leveraging his vast experience, Mr. Heda ensures the seamless and efficient operations of the Company.

MR. YOGESH JANGID *Vice President - Marketing, Pan India*

Mr. Yogesh Jangid, with over 16 years of experience at companies like Nilkamal and Crompton Greaves, serves as the Vice President of Marketing at PIL Italica Lifestyle Ltd, overseeing marketing across India. He is renowned for driving brand growth through innovative strategies and integrated marketing campaigns.

MR. AFTAB JAWAID *Vice President (Sales & Marketing)*

Bringing over 30 years of experience and an MBA in Marketing to the fore, Mr. Jawaid has a rich professional background with stints at renowned companies like Nilkamal Limited, Time Technoplast Limited, and Kisan Moulding Limited. His exceptional leadership skills have played a key role in successfully executing expansion strategies and launching new business lines, contributing significantly to the growth of both the top and bottom lines.

MR. P. K. HUMAD *Assistant General Manager*

With a post-graduate diploma in plastic processing technology and nearly three decades of experience in injection moulding, Mr. Hamad has been associated with PIL Italica since its inception. In his role, he oversees day-to-day production activities and strives to create an affordable framework for the production of moulded furniture.

MR. SUNIL SARASWAT *General Manager (Sales and Marketing)*

A qualified B.Tech (Civil Engineer) with over 30 years of experience, Mr. Saraswat leads the Sales & Marketing department of the plastic furniture division. His current responsibilities include developing and nurturing relationships with clients, dealers, and distributors. Notably, he brings prior experience from Nilkamal Limited.

MR. RAJAT RAJA KOTHARI *Company Secretary and Compliance Officer*

Serving as the Company Secretary and Compliance Officer of PIL Italica Lifestyle Ltd, Mr. Kothari is a commerce graduate from Mohan Lal Sukhadiya University, Udaipur. An Associate Member of the Institute of Company Secretaries of India, he possesses six years of enriched knowledge and experience in Corporate & Securities Law, Finance, and Management. Actively engaged in Company Law, SEBI LODR Compliances, along with accounting and taxation expertise.

Crafting a sustainable future

PIL ITALICA LIFESTYLE LIMITED INTEGRATES SUSTAINABLE PRACTICES ACROSS ITS OPERATIONS, EMPHASISING WASTE MANAGEMENT SOLUTIONS ALIGNED WITH INDIA'S SWACHH BHARAT ABHIYAN AND THE ADOPTION OF RECYCLABLE MATERIALS AND RENEWABLE ENERGIES IN ITS MANUFACTURING PROCESSES. THIS STRATEGIC APPROACH NOT ONLY MINIMISES THE ENVIRONMENTAL IMPACT BUT ALSO POSITIONS THE COMPANY AS A BENCHMARK FOR CORPORATE ENVIRONMENTAL STEWARDSHIP WITHIN THE PLASTIC FURNITURE INDUSTRY.

WASTE MANAGEMENT AS A CATALYST FOR CHANGE

PIL Italice's engagement in waste management products underscores its commitment to enhancing societal and environmental well-being, aligning with national efforts such as the Swachh Bharat Abhiyan. This initiative reflects PIL Italice's role in fostering a cleaner, more sustainable India.



ADVANCING SUSTAINABLE MANUFACTURING

Sustainability permeates PIL Italice's manufacturing ethos, with a focus on recyclability, innovative technology adoption, and renewable energy utilisation to minimise environmental impacts. This commitment to eco-friendly manufacturing practices exemplifies PIL Italice's dedication to reducing its carbon footprint and championing environmental conservation.



COMMITMENT TO ECO-FRIENDLY PRACTICES

PIL Italice's pursuit of sustainability is characterised by its rigorous efforts to minimise ecological impacts through zero-waste production and efficient resource management. The company's ongoing commitment to enhancing these practices highlights its resolve to contribute positively to environmental stewardship, ensuring a lasting legacy for future generations.



Annexure B: Management Discussion and Analysis Report

PURSUANT TO SEBI (LODR) REGULATIONS, 2015, YOUR DIRECTORS HAVE THE PLEASURE IN PRESENTING THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR ENDED ON MARCH 31, 2024.



GLOBAL ECONOMY

During the disinflationary period of FY23, the global economy displayed remarkable resilience. Despite a decline in global inflation from its peak in mid-2022, economic growth remained robust, outpacing forecasts and sidestepping concerns of stagflation and a global recession. This economic vitality, contrary to the anticipated impact of significant central bank rate hikes aimed at stabilising prices, was supported by stable employment and income growth. Key drivers included higher-than-expected government spending and household consumption, bolstered by an unexpected surge in labour force participation. Additionally, households in major advanced economies utilised substantial savings accumulated during the pandemic, mitigating the immediate effects of rising policy rates, which were further tempered by shifts in mortgage and housing markets from the era of low interest rates.

As we look forward, global growth is projected to maintain a steady pace of 3.2% in 2024 and 2025. While this growth rate is moderate compared to historical standards, it reflects a blend of short-term challenges such as persistent high borrowing costs and the scaling back of fiscal stimuli, alongside long-term impacts from the COVID-19 pandemic and geopolitical tensions. Furthermore, factors such as subdued productivity growth and increased geo-economic fragmentation are expected to moderate the expansion rate.

Inflation is anticipated to align closer to target levels across advanced economies, with global headline inflation projected to decrease from an average of 6.8% in 2023 to 5.9% in 2024, and further to 4.5% in 2025. This positive trend towards stabilisation is encouraging, as central banks are likely to shift towards more accommodative monetary policies.

The medium-term global growth projection stabilises at 3.1%, reflecting cautious optimism amidst enduring economic disparities that may slow the pace of improvement in living standards, particularly in middle- and lower-income countries. This outlook, while cautious, recognises the resilience and adaptability of global economies facing structural challenges. The growth trajectory, albeit modest, continues to offer opportunities for progress and innovation, particularly as economies adapt to more sustainable and efficient practices.

Despite the challenges, the global economic landscape remains a fertile ground for strategic adaptation and long-term resilience. The relatively steady growth prospects underscore the importance of continued innovation and strategic planning to overcome structural impediments and enhance capital and labour allocation. As we move forward, the focus on fostering a dynamic and inclusive global economy will remain paramount, underscoring our commitment to driving sustainable growth and prosperity.

Source: IMF - World Economic Outlook - April 2024

INDIAN ECONOMY

The Indian economy is poised to maintain its growth trajectory, with forecasts projecting a robust 7% growth rate for FY24, potentially extending into FY25. Should this prediction hold, it would mark the fourth consecutive year post-pandemic where India has achieved or surpassed this growth benchmark. This sustained performance is not only a testament to the resilience and potential of the Indian economy but also enhances its future prospects significantly.

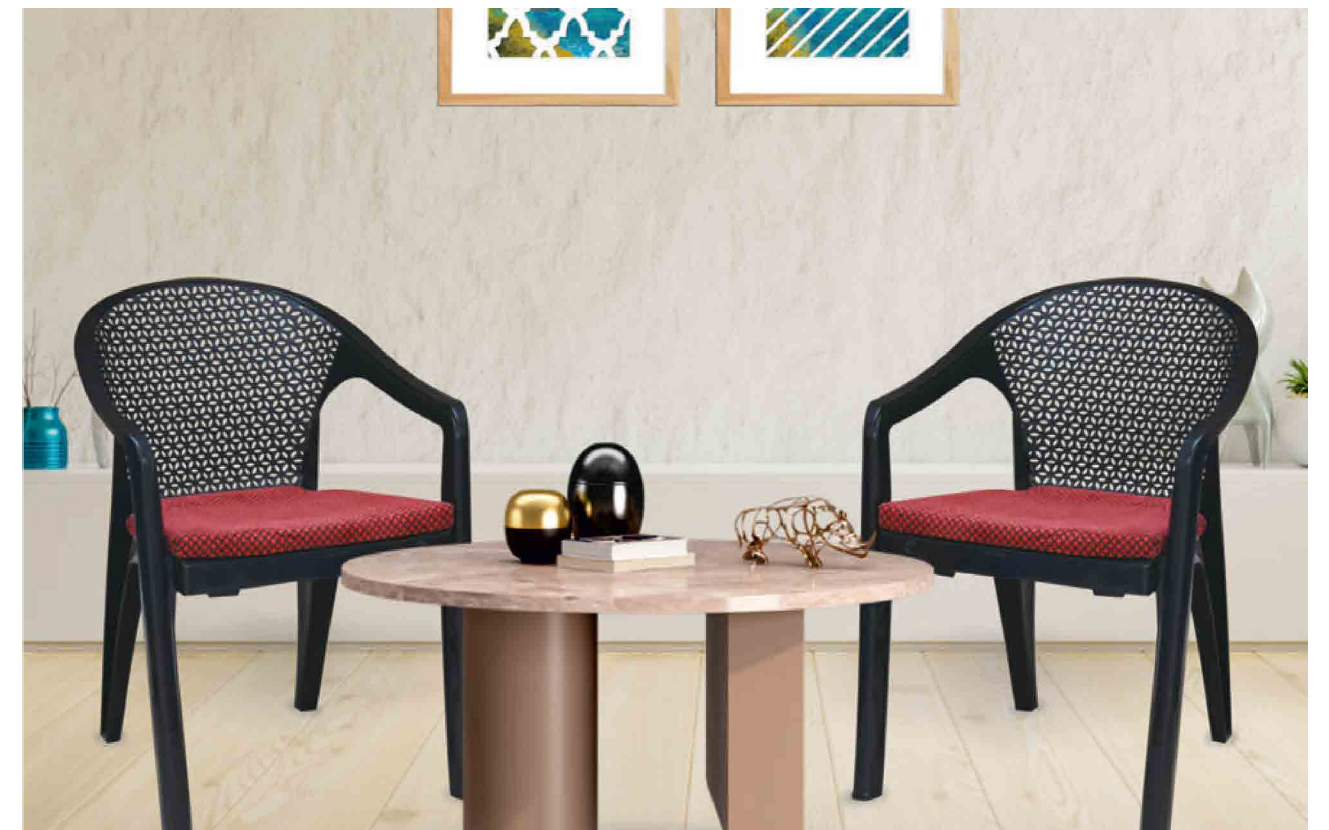
Globally, economies continue to face challenges in sustaining their post-Covid recovery, with recurring shocks such as supply chain disruptions resurfacing in 2024. These disturbances are likely to influence global trade flows, transportation costs, economic output, and inflation. Nonetheless, India's proven capacity to navigate past adversities, including the Covid pandemic and the subsequent shocks in energy and commodity prices in 2022, fosters a quiet confidence in its ability to manage upcoming challenges effectively.

Looking ahead, several key trends are poised to shape the economic landscape. The era of hyper-globalisation in manufacturing may be concluding, yet this shift does not necessarily herald the onset of de-globalisation. Rather, it signifies a new phase of understanding and possibly redefining the intricacies of global supply chains that have evolved over decades.

Furthermore, the emergence of Artificial Intelligence presents both opportunities and challenges, particularly in the realms of services trade and employment. While advancements in technology may challenge traditional cost competitiveness, they also open avenues for innovation and enhanced service delivery in the digital domain.

Lastly, the global imperative for an energy transition underscores an increasingly urgent focus on reducing carbon emissions. Despite the pressures from international bodies and developed nations for developing countries to shift away from fossil fuels, this transition represents an opportunity for India to lead in the adoption of greener energy alternatives, aligning environmental sustainability with economic progress.

In summary, while the global and domestic economic environments present multifaceted challenges, they also offer significant opportunities for strategic growth and innovation. The Indian economy, with its demonstrated resilience and adaptive strategies, is well-positioned to not only navigate these challenges but also capitalise on emerging trends to secure long-term sustainable growth.



Source: The Indian Economy: A Review by Department of Economic Affairs



INDUSTRY OVERVIEW

Global Plastic Furniture Market Overview

In 2023, the global plastic furniture market was valued at USD 17,966.10 million, demonstrating significant consumer and business interest in this sector. Projections suggest that by 2030, the market will expand to USD 26,308.82 million, growing at a Compound Annual Growth Rate (CAGR) of 5.6%. This growth underscores the sector's dynamic nature and its ability to innovate and adapt to changing consumer preferences.

Plastic furniture is increasingly recognised for its versatility, style, and sustainable qualities, making it a favoured choice in both residential and commercial spaces. The range includes everything from chairs and tables to sofas and storage units, addressing a broad spectrum of functional and aesthetic preferences. The shift towards plastic furniture is driven by its durability, affordability, and lower environmental impact, offering substantial design flexibility and ease of maintenance.

The competitive landscape of the global plastic furniture market features a wide variety of participants, including established manufacturers, innovative new designers, and specialised distributors. These entities are actively responding to escalating demand by introducing eco-friendly materials and customizable product options, catering to the diverse and evolving needs of a global clientele.

This sector's growth not only reflects changing consumer trends but also aligns with broader environmental goals, positioning plastic furniture at the forefront of sustainable living and working environments. The plastic furniture market is poised to continue its trajectory of growth and innovation, further cementing its role in the global furniture industry.

Source: <https://www.reanin.com/report-store/home-and-property-improvement/home/furniture/global-plastic-furniture-market>

Source: <https://www.imarcgroup.com/india-plastic-furniture-market>

Indian Plastic Furniture Market Overview

The Indian plastic furniture industry is poised for significant growth, driven by an expanding consumer base and evolving market dynamics. Exhibiting remarkable flexibility, this sector has adeptly adapted to the shifting preferences of discerning consumers, offering versatile and cost-effective solutions for a myriad of applications and environments.

Known for its strength, durability, lightweight nature, and environmental benefits, plastic furniture is increasingly favored for its resistance to corrosion, temperature fluctuations, and its exceptional mechanical properties. These qualities make it a preferred choice for both residential and commercial uses, enhancing the functionality and aesthetic appeal of various spaces with options for seating and storage.

In alignment with growing environmental consciousness, numerous manufacturers have pivoted towards sustainable practices, developing product lines that incorporate recycled plastics. This range includes chairs, tables, desks, wardrobes, and cabinets, crafted to meet the increasing demand for eco-friendly products.

As consumer spending and the number of users is expected to rise, the industry is well-prepared to leverage its innovative capabilities to meet diverse consumer preferences. This strategic readiness is set to further strengthen the industry's position in the market, ensuring continued growth and market penetration.

GROWTH DRIVERS

The Indian plastic furniture market is experiencing significant growth, driven by several key factors:

- **Demand for Versatility and Durability:** The market is primarily driven by the rising demand for lightweight, durable, and adaptable furniture solutions, particularly in residential and commercial spaces.
- **Youth Consumer Base:** The preference for plastic furniture is increasingly favored by India's youth, the largest generational group in the country, who are experiencing a rise in disposable income.
- **Modern Furniture Demand:** There is an increasing desire for upscale and modern furniture, which is anticipated to drive the expansion of the market.
- **Environmental Sustainability:** Growing awareness among individuals towards eco-friendly alternatives acts as a significant growth-inducing factor, with manufacturers introducing recycled plastic furniture options.
- **Urbanisation and Compact Living:** The inflating levels of urbanisation and the emerging trend towards compact living spaces are driving the demand for space-efficient furniture.
- **Dining Out Trends:** The tendency of people eating outside, including increasing restaurants and street food outlets across the country, fuels the demand for easy-to-maintain plastic furniture.
- **E-commerce Influence:** The expanding e-commerce industry in India provides consumers with convenient access to a wide range of furniture options, enhancing the market's reach and growth.
- **Foreign Direct Investment:** The 100% Foreign Direct Investment (FDI) policy for townships and settlement development projects has drawn foreign investors to the Indian market, bolstering the furniture industry.
- **Demand for Easy-to-Clean Furniture:** The escalating demand for easy-to-clean furniture variants in homes and commercial settings is anticipated to further fuel market growth across the country.

These factors collectively contribute to the dynamic expansion and continued evolution of the plastic furniture market in India.

Source: <https://www.imarcgroup.com/india-plastic-furniture-market>

COMPANY OVERVIEW

Established in 1992, PIL Italica has been a key player in the plastic furniture industry for over three decades, evolving from its origins in Udaipur, Rajasthan, to a nationwide network with corporate and marketing offices in Mumbai and Delhi.

The Company has acquired the Umerkui (Silvassa) furniture unit from Kisan Mouldings Limited, marking a significant milestone in the company's expansion strategy. This acquisition encompasses the procurement of land, building, and all other assets situated at the Umerkui unit.

By strategically acquiring this unit, PIL Italica Lifestyle Limited is positioning itself to strengthen its presence in the southern and western regions of India. Leveraging the enhanced logistics and delivery advantages offered by the strategic location of Silvassa, the Company aims to streamline operations and capitalize on seamless transportation networks across the country.

With an existing capacity of 6,050 MTPA at the Udaipur facility and an additional 2,400 MTPA capacity at the Umerkui plant in Silvassa, the total production capacity now stands at 8,450 MTPA. This expansion enhances the company's manufacturing capabilities while also reinforcing its commitment to meeting the evolving needs of its customer.

Beyond mere commercial interests, PIL Italica sees itself as a personal endeavour, deeply invested in understanding and meeting customer needs. Their focus extends beyond functionality to the creation of comfortable and aesthetically pleasing furniture, guided by a commitment to quality evident in their ISO 9001:2015 accreditation and CE certified products.

PIL Italica's product range spans a diverse array, from plastic chairs, tables, and storage bins to wooden furniture, showcasing their dedication to innovation and advanced manufacturing techniques.



FY24 PERFORMANCE OVERVIEW

(₹ IN LACS)

Particulars	FY24	FY23	Growth
Total Income	9,725.19	8,535.32	13.94%
EBIDTA	812.40	586.49	38.52%
EBIDTA (%)	8.35%	6.87%	148bps
Profit Before Tax (PBT)	619.79	406.72	52.39%
Profit After Tax (PAT)	461.95	304.36	51.78%
PAT (%)	4.75%	3.57%	118bps

FINANCIAL RATIOS

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Remark
Current Ratio	Current Assets	Current Liabilities	3.11	4.15	-25.06%	In view of increase of Utilization of CC limit
Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.31	0.25	24.00%	-
Debt Service Coverage Ratio	EBITDA	Interest plus Principal	6.41	5.19	23.51%	-
Return on Equity (ROE)	Net Profits After Taxes	Average Shareholder's Equity	6.43%	4.44%	44.81%	In view of increase in profit
Inventory Turnover Ratio	Sale of products	Average Inventory	5.49%	5.28%	3.98%	-
Trade Receivables Turnover Ratio	Revenue	Average Trade Receivable	15.16	15.79	-3.98%	-
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	21.29	21.51	-1.02%	-
Net Capital Turnover Ratio	Net Sales	Working Capital	2.20	1.59	38.36%	In view of increase in sales
Net Profit Ratio	Net Profit	Net Sales	4.89%	3.67%	33.24%	view of increase in profit
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed (4)	8.36%	6.64%	25.91%	In view of increase in profit
Return on Investment (ROI) Unquoted	Income generated from investments	Time weighted average investments	No income generated from investment.	-	-	-

OUTLOOK

PIL Italica Lifestyle Limited is poised for a dynamic future, driven by our strategic initiatives and a clear focus on market expansion and product innovation. Our strategy revolves around three core pillars: enhancing manufacturing capabilities, deepening market penetration, and prioritising sustainability. The acquisition of the Umerkui Furniture unit from Kisan Mouldings and our ongoing efforts to expand the dealer and distributor network, particularly in the southern and western markets, underscore our commitment to strengthening our operational base and market reach. With a total production capacity now standing at 8,450 MTPA, we are well-positioned to meet the growing demands of our customers.

Looking ahead, we are intensifying our focus on the eastern Indian markets, where we plan to establish robust distribution networks and fulfilment centres. This strategic expansion will enable us to deliver our products more efficiently, thereby enhancing customer satisfaction and competitive positioning. Additionally, we are committed to diversifying our product offerings with the introduction of new value-added products, particularly in the kids' furniture and education furniture categories. This move aligns with our goal of becoming a pan-Indian player and capturing a larger share of the domestic market.

Our sustainability initiatives remain a cornerstone of our strategic outlook. All the wastage generated during the manufacturing process is being reused thereby reducing our carbon footprint. As we advance, we are also investing in digital tools and marketing strategies to enhance our brand visibility and streamline operations. With these initiatives, we are confident in our ability to achieve a 15% growth in our topline and an improvement of at least 150 basis points in EBITDA margins in FY25. Our unwavering dedication to innovation, operational excellence, and sustainability will continue to drive our success in the years to come.

INTERNAL CONTROL AND ADEQUACY

The Company maintains a robust system of internal control to safeguard and protect its assets from unauthorised use or disposal, ensuring that all transactions are duly authorised, recorded, and reported. Additionally, it has implemented an efficient mechanism to optimise resource utilisation, enhance operational efficiency, monitor operations, and ensure compliance with relevant laws. The auditors have affirmed the adequacy and effectiveness of the Company's internal control systems.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

PIL Italica Lifestyle places great value on its human resources, considering them as vital assets essential for the Company's growth. As such, the Company actively engages with its employees to enhance their skills and knowledge. Moreover, PIL Italica Lifestyle is committed to building its brand reputation to attract and retain top talent in the industry. Throughout the reviewed period, employee relations remained positive and cooperative across all levels, reflecting the Company's ongoing efforts to maintain such healthy relationships in the future. As of March 31, 2024, the Company employed 205 individuals across its group entities.



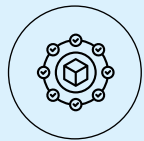
RISKS, CONCERNS AND RISK MITIGATION

The Company faces several risks in its business operations. It aims to mitigate the potential impact of financial market unpredictability on its performance



Safety risk

The manufacturing facilities must comply with stringent safety regulations. Failure to adhere to safety requirements may affect business continuity and reputation.



Supply chain risk

The supply chain is vulnerable to physical and environmental damage, trade restrictions due to geopolitical tensions, and disruptions in supplies. Infrastructure development and reliance on outsourced partners may also disrupt operations.



Credit risk

Volatility in financial markets and changing interest rates could affect the ability to service debt. Additionally, increased reliance on exports may expose the Company to currency risks in the future.



Commodity fluctuation risk

The Company's performance is closely tied to the plastic furniture industry. Changes in demand-supply dynamics, both domestically and internationally, may impact the Company's performance.



Regulatory risk

Various laws and regulations govern the operations, covering areas such as the environment, climate change, trade, competition, and taxes. Non-compliance could not only affect operating performance but also damage the reputation of the Company. Regulatory changes further increase the complexity of compliance.

For and on behalf of the Board of Directors

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole Time Director & CFO
DIN: 00146824

Place: Udaipur (Raj.)
Date: May 09, 2024

DISCLAIMER:

This section of the Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India. Shareholders and Readers are cautioned that in the case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Further, utmost care has been taken to ensure that the opinion expressed therein contain its perceptions on most of the important trends having a material impact on the Company's operations.

The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risk and uncertainties. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to new information, future events, or otherwise. Estimation and expectation made in the Report may differ from actual performance due to various Economic conditions, Government Policies and other related factors.



Directors' Report

To The Members of PIL ITALICA LIFESTYLE LIMITED

The Directors of your Company have pleasure in presenting the Thirty Second (32nd) Annual Report together with the Audited accounts of the Company for the year ended March 31, 2024.

1. FINANCIAL HIGHLIGHTS

Your Company's performance during the year as compared to the previous year is summarized below:

Particulars	(₹ in Lacs)	
	2023-24	2022-23
Revenue from Operations	9,725.19	8,535.32
Profit before Taxation	619.79	406.72
Less: Tax Expenses	157.84	(102.36)
Profit after Tax	461.95	304.36
Add: other Comprehensive Income	-	-
Add: Balance brought forward from Previous year	545.12	240.76
Balance Profit/(Loss) carry forward to the next year	1,007.07	545.12

2. STATE OF COMPANY'S AFFAIRS

The Company is engaged in the manufacturing of plastic moulded furniture, material handling products and waste management products. During the year, the Company earned Revenue from Operations of ₹ 9,723.26 Lacs as against ₹ 8,531.11 in corresponding previous year and earned a net profit after tax of ₹ 461.95 Lacs. The Company is continuously launching new and innovative products and revenue from operation increased by 13.97% during this year.

The Company is using its funds for rapid expansion of the distribution network in new geographies, new product development, new product portfolio and more effective supply chain network.

PILL is focusing on increasing its brand awareness through digital marketing channels such as Instagram, Facebook, Google, SEO and SEM Marketing.

During the financial year 2023-2024, the Company introduced several innovative products, significantly enhancing our product portfolio across various categories. In the furniture segment, we launched the Phoenix Folding Chair, a space-saving model with solid construction, along with India's first double insert stackable chair (Model No. 5115). Additionally, we introduced versatile arm chairs (Models No. 9030, 9033, 9039) suitable for both indoor and outdoor use, an armless chair (Model No. 9321), and a kids' study set (Model No. 5229).

In the material handling sector, we launched the Heavy Weight lid (Model No. FC6545315) for fishing and other industries, a model specifically designed

for e-commerce (Model No. FC503215), and storage solutions tailored to the automotive industry (Models No. FC403010). These product launches reflect our dedication to innovation and meeting diverse market needs.

3. DIVIDEND

Keeping in view the requirement of funds for future expansions, your directors do not recommend any dividend for the year ended on March 31, 2024.

4. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on March 31, 2024 stood at ₹ 2,350.00 Lacs comprising of 23,50,00,000 shares of ₹ 1/- each. The Company has not issued any further shares during the year.

5. LISTING OF SHARES

The Equity Shares of the Company are listed on National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 and BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

The Annual Listing Fees for the financial year 2024-25 have been paid.

6. CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

7. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates and the date of report.

8. EXPORTS

There was no Export during FY 2023-24.

9. TRANSFER TO RESERVES

No amount is proposed to be transferred to the Reserves for the financial year 2023-24.

10. DEPOSITS

The Company has not accepted any deposit falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

11. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS UNDER SECTION 186

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any contract or arrangement with any person including persons covered under sub-section (1) of Section 188 of the Companies Act, 2013. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's website: www.italica.com.

13. ANNUAL RETURN

The annual return of the Company is placed on the website of the Company www.italica.com and can be accessed from the following weblink: <https://italica.com/pages/extract-of-annual-return>.

14. NUMBER OF MEETINGS OF THE BOARD

During the financial year 2023-2024, the Board met Five (05) times held on May 03, 2023; July 25, 2023; October 20, 2023; January 20, 2024; and March 21, 2024.

15. COMMITTEE OF BOARD OF DIRECTORS

As on March 31, 2024, the Board has 4 Committees namely the Audit Committee, the Nomination and Remuneration Committee and Stakeholders Relationship Committee,

Risk Management Committee. A detailed note on the Composition of the Board and its Committees and other relevant details is provided in the report on Corporate Governance annexed to this report.

16. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE

As on March 31, 2024, the Company does not have any subsidiary, joint venture or associate.

17. RISK MANAGEMENT

The Company believes that managing risks helps in maximizing returns. A risk management Policy have been developed and implemented by the Company for identification of elements of risk if any, which in opinion of board may threaten the existence of the Company. It aims to identify commodity prices, Price fluctuation of raw material and finished goods, Credit Risks, inflation, Strategic Risks, etc. Board of Directors of the Company periodically reviews the effectiveness of risk management framework and system. However, in the opinion of Board, none of the above-mentioned risks threatens the existence of the Company.

18. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO HAVE APPOINTED OR HAVE RESIGNED

a) Directors

Pursuant to the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Narendra Bhanawat, Executive Director (DIN: 00146824), retires by rotation at the 32nd Annual General Meeting, and being eligible, offers himself for re-appointment and Shareholders approved the appointment of Ms. Apeksha Agiwal (DIN: 10083559) as Non-Executive Independent Director w.e.f. March 29, 2023 for a period of five years in the 31st Annual General Meeting of the Company held on June 23, 2023.

b) Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, following were the Key Managerial Personnel of the Company as on March 31, 2024:

Mr. Daud Ali	Managing Director
Mr. Narendra Bhanawat	Whole-Time Director and Chief Financial Officer
Mr. Rajat Raja Kothari	Company Secretary

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the directors to the best of their knowledge and belief confirm that:

- in the preparation of the annual accounts, the applicable Indian accounting standards had been followed along with proper explanation relating to the material departures;

- b) the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down Internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. INDEPENDENT DIRECTORS AND THEIR MEETING

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

During the year under review a separate meeting of the Independent Directors of the Company was held on March 21, 2024, without the presence of other Directors and members of Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timelines of flow of information between the Company management and the Board.

21. STATUTORY AUDITORS

M/s. H. R. Jain & Co., Chartered Accountants, Udaipur (ICAI FRN: 000262C), were appointed as Statutory Auditors of the Company at the 30th Annual General Meeting held on June 30, 2022 to hold office till the conclusion of the 35th Annual General Meeting held in the year 2027-28. M/s. H. R. Jain & Co. has confirmed that they are not disqualified from continuing as Auditors of the Company. The Statutory Auditors have issued an unmodified opinion on the financial statements for the financial

year ended March 31, 2024. The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence do not call for any further explanations or comments by the Board under Section 134 of the Act.

22. QUALIFICATION IN THE AUDITORS' REPORT - BOARD'S COMMENTS OR EXPLANATION

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

23. SECRETARIAL AUDITORS AND THEIR REPORT

The secretarial audit report given by M/s P. Talesara & Associates, Practicing Company Secretary under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2023-24 does not contain any qualification, reservation or adverse remark. The secretarial audit report is provided as "**Annexure A**" forming part of this report.

24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Management Discussion and Analysis Report is presented as a separate section as "**Annexure B**" forming part of annual report.

25. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014, appointment of cost auditor is not applicable to the Company. Hence, maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not required.

26. CEO/CFO CERTIFICATE

Chief Executive Officer and Chief Financial Officer compliance certificate as stipulated under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is annexed as "**Annexure 3**" in this report.

27. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to Section 134 of the Companies Act, 2013 are as follows:

A. Conservation of Energy

Your Company is continuously engaged in the process of energy conservation and is continuously putting its efforts to improve energy management by way of monitoring energy related parameters on regular basis.

To achieve the above objective, the following steps are taken to cut down the consumption of energy:

- Installation of Energy Efficient Equipment/Device.
- Creating awareness of energy saving within the organization to avoid wastage of energy.
- R&D Activities and Adopting new Technology.

B. Technology Absorption

- (i) Efforts made towards technology absorption:
- » Continuously monitoring the production patterns and inclusion of new tested technology products.
 - » Constantly striving towards developing of new designs and products.
 - » Investing in new technology of moulds and machinery.
- (ii) Benefits derived as a result of the above efforts:
- » Increase in the production along with the improvement in quality.
 - » New and Innovative designed products.
 - » New designed products are also catching attention of the export market.
- (iii) The Company has not imported any technology during the year under review and also the expenditure incurred on Research and Development activity is insignificant.

C. Foreign Exchange Earnings and Outgo

Particulars	Amount (₹ in Lacs)
Earnings	NIL
Outgo	203.43

28. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company does not qualify under the provisions of Section 135 of the Companies Act. Hence, the provisions related to CSR is not applicable on Company during FY 2023-24.

29. NOMINATION AND REMUNERATION POLICY

The Company has in place the Nomination and Remuneration Committee. The Company has formulated the Nomination and Remuneration Policy on Directors, Key Managerial personnel and Senior Management Personnel, their appointment and remuneration including the criteria

for determining qualifications, positive attributes and independence of director. The Remuneration Policy is placed on the website of the Company www.italica.com under Investor Relation section and is also annexed as "Annexure C".

30. CORPORATE GOVERNANCE REPORT

The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is annexed as "Annexure E".

31. ANNUAL PERFORMANCE EVALUATION

During the year under review, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees. A separate meeting was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board at its meeting following the meeting of Independent Directors.

32. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), Product Category and Corporate Function from time to time. Details of familiarization programme to Company's Independent Directors can be accessed at the Company's website www.italica.com under policy head.

33. ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY

The code of conduct and Vigil Mechanism applicable to directors and senior management of the Company is available on the Company's website at www.italica.com.

34. DISCLOSURE ON THE REMUNERATION OF MANAGERIAL PERSONNEL

None of the employees was in receipt of remuneration excess of the limits prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the FY 2023-24	Mr. Daud Ali Mr. Narendra Bhanawat	13.38 : 1 2.22 : 1
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS or manager if FY 2023-24	Name	Designation
			Increase in Remuneration in the Financial Year 2023-24 (%)
		Mr. Daud Ali	Managing Director
			No increase in FY 2023-24
		Mr. Narendra Bhanawat	Whole-Time Director and Chief Financial Officer
			Increase by 11.92%
		Mr. Rajat Raja Kothari	Company Secretary and Compliance Officer
			Increase by 8.43%
3.	The percentage increase in the median remuneration of employees in the financial year 2023-24	The percentage increase in the median remuneration of the employees in the financial year 23-24 is 6%	
4.	The number of permanent employees on the rolls of the Company as on March 31, 2024	205 employees as at March 31, 2024	
5.	Average percentile increases already made in the salaries of employees other than managing personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the salaries is around 6.28% in case of employees and percentile increase in managerial remuneration in case of Narendra Bhanawat, Whole-Time Director is 11.88% and in case of Daud Ali, Managing Director, no increase in 23-24.	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the remuneration policy of the Company	

35. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

36. DEPOSITORY SYSTEM

The Company has already entered into agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

37. INTERNAL FINANCIAL CONTROL

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies

of the Company. Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthen the controls.

Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

38. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

39. FRAUDS AGAINST THE COMPANY

No fraud has been reported by the Statutory Auditors during the Financial Year 2023-2024 pursuant to the provisions of Section 143(12) of the Act.

40. APPLICATION MADE OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

Neither any application made or nor any proceeding is pending under Insolvency and Bankruptcy Code, 2016.

41. DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

During the year the Company has not entered into any One-Time Settlement with banks or financial institutions.

42. GENERAL

Your directors state that no disclosure on reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Issue of Equity Shares with differential voting rights as to dividend, voting or otherwise;

- b) Business Responsibility Statement;
- c) Issue of shares (including sweat equity shares) to employees of the company under any scheme;
- d) No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and company's operations in future.

43. ACKNOWLEDGEMENT

Your Directors place on record their appreciation for assistance and co-operation received from various Ministries and Department of Government of India and other State Governments, financial institutions, banks, shareholders of the Company etc.

The management would also like to express great appreciation for the commitment and contribution of its employees for their committed services. Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Place: Udaipur
Dated: May 09, 2024

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole-Time Director & CFO
DIN: 00146824

"Annexure A"

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To,
The Members,
PIL ITALICA LIFESTYLE LIMITED
CIN: L25207RJ1992PLC006576
Regd. Office: Kodyat Road, Village Sisarma,
Udaipur, Rajasthan: 313001.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PIL ITALICA LIFESTYLE LIMITED** (name of the Company) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **PIL ITALICA LIFESTYLE LIMITED** (name of the Company's) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives made available to us through electronic mode, during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **PIL ITALICA LIFESTYLE LIMITED** ("the Company") for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under for specified Sections and Rules notified and came into effect from respective dates and a list of documents verified is as per **Annexure - A**.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the audit period)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment,

Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, ('SEBI Act') 1992:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 read with amendment made vide Regulations 2019;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018,
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, now known as SEBI (Share based Employees Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015.

(vi) Other Laws as applicable to the Company as certified by the Management:

1. Employee's Provident Funds & Miscellaneous Provisions Act, 1952;
2. Employee's State Insurance Act, 1948;
3. The Payment of Bonus Act, 1965;
4. Payment of Gratuity Act, 1972;
5. The Contract Labour (Regulation And Abolition) Act, 1970;
6. Negotiable Instruments Act, 1881;
7. The Central Goods And Services Tax Act, 2017;
8. The Income Tax Act, 1961;
9. Indian Stamp Act, 1899;
10. The Water (Prevention and Control of Pollution) Act, 1974;
11. The Air (Prevention and Control of Pollution) Act, 1981;
12. The Contract Act 1872;
13. Arbitration and Conciliation Act, 1996;
14. The Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013;
15. The Payment of Wages Act, 1936;
16. The Minimum Wages Act, 1948;
17. Industrial Disputes Act, 1947;
18. The Environment Protection Act, 1986.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE and NSE Stock Exchange(s).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Ms. Apeksha Agiwal was redesignated as Independent Director of the Company w.e.f. June 23, 2023, who was appointed as Additional Independent Director of the Company on March 29, 2023.

Adequate notice has been given to all the directors to schedule the Board Meetings and Committee Meetings, Agenda and detailed notes on agenda were sent in accordance with provisions of The Act, Rules and Regulations and a system exists for meaningful participation at the meeting. All decisions at board meeting and Committee meetings have been carried out as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I have relied on the Representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other Acts, laws and Regulations applicable to the Company. In case of return filing for PF, ESI, TDS and GST, I have relied on the Reports given by the Internal Auditors of the Company.

For **P. Talesara & Associates**
Company Secretaries

Sd/-
(Pawan Talesara)

Proprietor
FCS No.: 8096, C P No.: 2674
UDIN: F008096F000307538

Place: Udaipur (Raj.)
Date: May 06, 2024

ANNEXURE - A

List of Documents verified under Companies Act, 2013

1. Memorandum and Articles of Association of the Company.
2. Annual Return for the financial year ended March 31, 2023.
3. Minutes of the meetings of the Board of Directors, Audit Committee and Nomination and Remuneration Committee along with Attendance Register maintained during the financial year under Report.
4. Minutes of General Meetings held during the financial year under Report.
5. All statutory Registers.
6. Agenda papers sent for the Board Meetings and Committee Meetings.
7. Declaration received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the financial year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments there to during the financial year under Report.

For **P. Talesara & Associates**
Company Secretaries

Sd/-
(Pawan Talesara)

Proprietor

FCS No.: 8096, C P No.: 2674

UDIN: F008096F000307538

Place: Udaipur (Raj.)

Date: May 06, 2024

This Report should be read with my letter of even date which is annexed as **Appendices - A** and forms an Integral Part of this Report.

APPENDICES - A

To,
The Members,
PIL ITALICA LIFESTYLE LIMITED

My Report of given date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practice I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of Laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, rules, regulation and standards is the responsibility of management. My examination was Limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P. Talesara & Associates**
Company Secretaries

Sd/-
(Pawan Talesara)
Proprietor

FCS No.: 8096, C P No.: 2674
UDIN: F008096F000307538

Place: Udaipur (Raj.)
Date: May 06, 2024

"Annexure C"

NOMINATION AND REMUNERATION POLICY

1. PURPOSE

The Nomination and Remuneration Policy is being formulated in compliance with Section 178 of Companies Act, 2013 read along with the applicable rules thereto and Listing Regulation, as Amended from time to time. This policy is based on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by Nomination and Remuneration Committee (NRC or the committee) and has been approved by Board of Directors.

2. OBJECTIVE

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. Remunerations to directors and key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

3. DEFINITIONS

"Directors" means a director in the Company's board.

"Independent Director" means a director referred in sub-section (6) of Section 149 of Companies Act, 2013.

"Remuneration" means any money or its equivalent given or passed to person for services rendered by him and includes perquisites as defined under Income Tax Act, 1961.

"Key Managerial Personnel" or KMP means:

- a. Managing director or Chief Executive Director or Manager and in their absence a Whole-Time Director;
- b. Company Secretary;
- c. Chief Financial Officer; and
- d. Such other officer as may be prescribed under the Companies Act, 2013.

"Senior Managerial Personnel" means the personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above including all Functional Heads.

4. ROLE OF COMMITTEE

The role of NRC will be the following:

- a. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- b. To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- c. To identify the persons who are qualified to become directors and who may be appointed in Senior Management in accordance with criteria laid down in this policy.
- d. To devise a policy on Board diversity, composition, size.
- e. Succession planning for replacing Key Executives and overseeing.
- f. To perform and carry out any such other functions as is mandated by the Board from time to time and/or enforced by any statutory notification or modification, as may be applicable.

5. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

- a. The committee shall identify and ascertain the integrity, qualification, expertise of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's policy.
- b. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has Authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.
- c. The Company shall not appoint or continue the employment of any person as Whole-Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing special resolution.

6. TERM/TENURE

A. Managing Director/Whole-Time Director

The Company can appoint or re-appoint any person as its Managing Director, Whole-Time Director for a Fixed term not exceeding five years at a time or without any Limitation as to the period he is to hold such office and

from time to time remove or dismiss him from office and appoint another in his place (subject to the provisions of any contract between him and Company).

B. Independent Director

An Independent Director shall hold office for a term up to 5 consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of Special Resolution by the Company and Disclosure of such Appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the Expiry of three years of ceasing to become Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. A person shall not serve as an Independent Director in more than seven listed entities and any person who is serving as a Whole-Time Director in any listed entity shall serve as an Independent Director is not more than three listed entities or such other number as may be prescribed under the Act.

7. EVALUATION:

The Committee shall carry out evaluation of performance of Directors, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

8. REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

9. RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after the retirement age, for the benefit of the Company.

10. POLICY FOR THE REMUNERATION TO DIRECTORS/SENIOR MANAGEMENT PERSONNEL

A. Remuneration to Managing Director/ Whole-Time Directors

a) The Remuneration/Commission etc. to be paid to Managing Directors, etc. shall be governed as per provisions of Companies Act, 2013 and rules made there under or any other enactment for the time being in force and approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-Time Directors.

B. Remuneration to Non-Executive/ Independent Directors

a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The Amount of sitting fees shall be such as may be recommended by Nomination and Remuneration Committee and approved by Board of Directors.

b) All the Remuneration of the Non-Executive/Independent Directors (excluding remuneration for attending meeting as prescribed as under Section 197(5) of Companies Act 2013) shall be subject to ceiling limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Amount of remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholder as the case may be.

c) An Independent Director shall not be eligible to get Stock options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non-Executive/Independent Directors for Services rendered which are of professional in nature shall not be considered as part of remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i. The services are rendered by such Director in his capacity as the professional; and
- ii. In the opinion of the Committee, the director possesses the requisite for the practice of that professional.

C. Remuneration to Key Managerial Personnel and Senior Management Personnel

a) The Remuneration to KMP and Senior Management Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the companies policy.

b) The fixed pay shall include monthly remuneration, employees contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

c) The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decide annually or at such intervals as may be considered appropriate.

D. Implementation

- a) The committee may issue guidelines, procedures, formats, reporting, mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- b) The committee may delegate any of its powers to one or more of its members.

For and on behalf of the Board of Directors

Place: Udaipur
Dated: May 09, 2024

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole-Time Director & CFO
DIN: 00146824

"Annexure D"

DIVIDEND DISTRIBUTION POLICY OF PIL ITALICA LIFESTYLE LIMITED

1. INTRODUCTION

This Dividend Distribution Policy is made pursuant to the applicable provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the 'SEBI Regulations'). The Board of Directors of **PIL ITALICA LIFESTYLE LIMITED** (the "Company"), herein after referred as "the Board", has approved the Dividend Distribution Policy of the Company ("the Policy") and shall disclose the same on a voluntary basis in the annual reports and on the website of the Company. This Policy sets out the general parameters adopted by the Company for declaration of dividend for guidance purposes.

2. OBJECTIVE

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. This Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

3. PHILOSOPHY

The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distribute the surplus profits in the form of dividend to the shareholders.

4. REGULATORY FRAMEWORK

The Securities Exchange Board of India ("SEBI") on July 08, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate and disclose a Dividend Distribution Policy.

Further, vide SEBI in its notification dated May 05, 2021 in SEBI (Listing Obligations and Disclosure Requirements)

(Second Amendment) Regulations, 2015, the requirement for formulation of dividend distribution policy by the existing top 500 listed entities has been extended to the top 1,000 listed entities on the basis of market capitalization.

PIL Italica Lifestyle Limited, though not covered under the top thousand listed companies as per the market capitalization as on the last day of the immediately preceding financial year voluntarily frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2015.

5. DEFINITIONS

- 5.1 "Act" shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time-to-time.
- 5.2 "Applicable Laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- 5.3 "Company or PILL" shall mean **PIL Italica Lifestyle Limited**.
- 5.4 "Chairman" shall mean the Chairman of the Board of Directors of the Company.
- 5.5 "Compliance Officer" shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5.6 "Board" or "Board of Directors" shall mean Board of Directors of the Company.
- 5.7 "Dividend" shall mean Dividend as defined under Companies Act, 2013.
- 5.8 "Policy or this Policy" shall mean the Dividend Distribution Policy.

6. PARAMETERS FOR DECLARATION OF DIVIDEND

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

Financial Parameters/Internal Factors	External Factors:
<ul style="list-style-type: none"> • Consolidated net operating profit after tax • Working capital requirements • Capital expenditure requirements • Resources required to fund acquisitions and/or new businesses • Cash flow required to meet contingencies • Outstanding borrowings • Past Dividend Trends • Surplus funds available with the Company • The Company's liquidity position and future cash flow requirements • Any other relevant factors that the Board may deem fit to consider before declaring Dividend 	<ul style="list-style-type: none"> • Prevailing legal requirements • Macroeconomic conditions • Regulatory conditions or restrictions laid down under the Applicable Laws including tax laws • Dividend pay-out ratios of companies in the same industry

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect Dividend under the following circumstances:

- i. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- ii. Significantly higher working capital requirements adversely impacting free cash flow;
- iii. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- iv. Whenever it proposes to utilise surplus cash for buy-back of securities; or
- v. In the event of inadequacy of profits or whenever the Company has incurred losses.

Utilization of Retained Earnings:

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure for working capital;
- ii. Organic and/or inorganic growth;
- iii. Investment in new business(es) and/or additional investment in existing business(es);
- iv. Declaration of dividend;
- v. Capitalisation of shares;
- vi. Buy back of shares;

- vii. General corporate purposes, including contingencies;
- viii. Correcting the capital structure;
- ix. Any other permitted usage as per the Companies Act, 2013.

Parameters adopted with regard to various classes of shares:

The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date. Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare interim dividends as may be permitted by the Companies Act. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

8. PROCEDURE

- 8.1 The Company Secretary in consultation with the Chairman of the Company shall recommend any amount to be declared/recommended as Dividend to the Board of Directors of the Company.
- 8.2. The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.
- 8.3. Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board

of Directors, will be subject to the shareholders' approval, at the ensuing Annual General Meeting of the Company.

- 8.4. The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

9. DISCLOSURE

The Company shall make appropriate disclosures as required under the SEBI Regulations and per Secretarial Standards issued by ICSI.

This policy is available on the Company's website at www.italica.com under Investor Relations section and also be disclosed in the Company's annual report.

10. POLICY REVIEW

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

"Annexure E"

CORPORATE GOVERNANCE REPORT

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended March 31, 2024 is presented below:

1. COMPANY'S PHILOSOPHY

At **PIL ITALICA LIFESTYLE LIMITED** we are committed of doing business in an efficient, responsible, honest, and ethical manner. Our Corporate Governance is the reflection of our value system encompassing our culture, policies and relationships with our stakeholders.

Corporate Governance is all about commitment to values and ethical business conduct. Corporate Governance practices goes beyond compliance and involves a companywide commitment and has become the integral part of business to ensure fairness, transparency and integrity of the management. Our guiding principles and practices are summarized in Corporate Governance Report. Pursuant to provision of Companies Act 2013 and

Regulation 34 of the Listing regulation, the report contains the details of Corporate Governance System and process at **PIL ITALICA LIFESTYLE LIMITED**. We believe in adopting the well accepted corporate Governance practices and benchmark the same and strive to improve them continuously.

2. BOARD OF DIRECTORS

a. Composition and category of Directors

As on March 31, 2024 the Board comprises of 6 members, out of which 3 are Independent Directors. Mr. Daud Ali is the Managing Director of the Company, who conducts the day to day management of the Company, under consistent support of Board of Directors. The Independent Directors on the Board are also the specialist in their respective fields. There is a fixed Chairman on the Board.

Board Composition and category of directors during the Financial Year 2023-24:

Sr. No.	Name of Director	Promoter/ Non-Promoter	Category
1	Mr. Daud Ali	Promoter	Executive Director
2	Mr. Narendra Bhanawat	Non-Promoter	Executive Director
3	Mr. Himanshu Surendrakumar Gupta	Non-Promoter	Non-Executive Independent Director
4	Mr. Mukesh Kumar Kothari	Non-Promoter	Non-Executive
5	Mrs. Namrata Babel	Non-Promoter	Non-Executive Independent Director
6	Ms. Apeksha Agiwal	Non-Promoter	Non-Executive Independent Director (appointed w.e.f. March 29, 2023)

b. Attendance of each Director at the Board Meeting and Annual General Meeting

Details of Directors and their attendance in meetings held in FY 2023-24 are referred below:

Sr. No.	Name of Director	Attendance at Board meeting		Whether last Annual General Meeting
		No. of meetings held	No. of meetings attended	
1	Mr. Daud Ali	5	5	Yes
2	Mr. Narendra Bhanawat	5	5	Yes
3	Mr. Mukesh Kumar Kothari	5	5	No
4	Mrs. Namrata Babel	5	5	Yes
5	Mr. Himanshu Surendrakumar Gupta	5	5	Yes
6	Ms. Apeksha Agiwal	5	5	Yes

Number of other Board Of Directors or committees in which a directors is a member or chairperson:

Sr. No.	Name of Director	Directorships in Other Board of Directors	Memberships of Committees of Other Boards	Chairmanships of Committees of Other Boards	Names of the other listed entities where the person is a director and the category of directorship
1	Mr. Daud Ali	2	-	-	-
2	Mr. Narendra Bhanawat	-	-	-	-
3	Mr. Himanshu S Gupta	1	-	-	-
4	Mr. Mukesh Kumar Kothari	-	-	-	-
5	Mrs. Namrata Babel	-	-	-	-
6	Ms. Apeksha Agiwal	2	-	-	Aditya Vision Limited and Ducon Infratechnologies Limited, the category is Non-Executive Independent Director

Notes:

- None of the directors holds shares in the Company except Mr. Daud Ali (3,16,200 shares) and Mr. Narendra Bhanawat (400 shares) as on March 31, 2024 and Mr. Mukesh Kumar Kothari (3,700 shares) as on March 31, 2024.
- Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

c. Number of meetings of the Board of Directors held and dates on which held

During the financial year 2023-24, the Board met Five (05) times on May 03, 2023, July 25, 2023, October 20, 2023, January 20, 2024 and March 21, 2024. The agenda of the business matters to be transacted at the Board Meeting along with detailed note(s) thereto are circulated to the Board members, as per the time limits specified under the applicable acts, rules and regulations.

d. Disclosure of relationships between directors inter-se

There are no inter se relationships between our Board Member.

e. Number of shares and convertible instruments held by Non-Executive Directors

Except Mr. Mukesh Kumar Kothari (3,700 shares), none of the Non-Executive Directors holds any share in the Company, during the FY 2023-24.

f. Web link where details of familiarization programmes imparted to Independent Directors is disclosed

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals.

The details regarding Independent Directors' Familiarization Programmes are given under the 'Investor Relation' section on the website of the Company and can be accessed at <https://italica.com/investor-relations>.

g. Chart/matrix setting out the skills/expertise/competence of the Board of Directors

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise and special skills. The skills and attributes of the Company can be broadly categorized as follows:

- **Business Leadership & Strategic Planning:** Experience in driving business in global market and leading management teams to make decisions in uncertain environments based on practical understanding, appreciation and understanding of short-term and long-term trends, strategic choices and demonstrating strengths, developing talent, succession planning.
- **Accounts and Finance:** Knowledge in financial and legal matters, financial planning, capital allocation and maintaining cordial relationship with various Bankers.
- **Compliance & Governance:** Experience in developing governance practices and observing the same, accountability and insight to the best interests of all stakeholders, driving corporate ethics and values.

- **Regulatory Expertise:** Understanding the legal regulations, for undertaking the best decision under the ambit of law, updation of such skills and monitoring of person performing such functions:

Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	Names of Directors who have such skills/expertise/competence
Business Leadership and Strategic Planning	Mr. Daud Ali and Mr. Narendra Bhanawat
Accounts and Finance	Ms. Apeksha Agiwal and Mrs. Namrata Babel
Compliance & Governance	Mr. Daud Ali and Mr. Himanshu S. Gupta
Regulatory Expertise	Mr. Himanshu S. Gupta and Mr. Daud Ali

h. Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. In the opinion of the Board, the Independent Directors fulfill the conditions specified under Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and affirm that they are independence of the management.

i. Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided

During the financial year 2023-24, none of the Independent Director resigned from the post of Independent Director from the Company. Hence, this point is not applicable to the Company.

j. Directors Appointment/Re-Appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Narendra Bhanawat (DIN: 00146824) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Committees of The Board

In Compliance with the Companies Act 2013 and Listing Regulation, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on issues and ensure expedient resolution of the diverse matter. The constitution of the Board Committees is available on the Company's website, www.italica.com.

3. AUDIT COMMITTEE

a. Terms of reference

The Audit Committee inter alia performs the function of approving Annual Internal Audit plan, review of

financial reporting system, Internal controls system, discussion on quarterly, half yearly and annual financial results, interaction with statutory and internal Auditors, one-on-one meetings with statutory and internal Auditors, recommendation for the appointment of statutory auditor and their remuneration, recommendation for the appointment and remuneration of internal auditors, review of Business Management plan, review of internal audit reports significant related party transactions. The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of Section 177 of the Companies Act, 2013 and Regulation 18 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

There are no subsidiary companies of the Company, hence new clause under Schedule II Part C, in Clause A(21) of SEBI (LODR) Regulations 2015 vide notification dated May 09, 2018 is not applicable.

Composition, Name of Members and Chairperson

As on March 31, 2024, Audit Committee comprises of 3 directors and all of them are Non-Executive Director. Mrs. Namrata Babel became Chairperson of Audit Committee (w.e.f. March 05, 2023) is an independent director and has sound financial knowledge. The composition of audit Committee meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulation. The Company secretary acts as the secretary to committee. Mrs. Namrata Babel, the Chairperson of Audit Committee was present in AGM 2023 to answer the queries of shareholders, if any.

Name of Director(s)	Designation	Category
Mrs. Namrata Babel	Chairperson	Non-Executive Independent Director
Mr. Mukesh Kumar Kothari	Member	Non-Executive Director
Mr. Himanshu S. Gupta	Member	Non-Executive Independent Director

b. Meetings and attendance during the year

The Audit Committee met four times during the financial year on May 03, 2023, July 25, 2023, October 20, 2023 and January 20, 2024. The necessary Quorum was present at the meetings.

The composition and attendance of members at the meeting held for FY 2023-24 are given below:

Name of Director(s)	No. of Meetings held	No. of Meetings attended
Mr. Mukesh Kumar Kothari	04	04
Mrs. Namrata Babel	04	04
Mr. Himanshu S. Gupta	04	04

4. NOMINATION AND REMUNERATION COMMITTEE

a. Brief description of Terms of reference

The role of the Committee inter alia will be following:

Reviewing the overall compensation policy, service, agreements and other employment conditions of Managing/Whole-Time Director(s) and Senior Management (one level below the Board):

- i) To help in determining the appropriate size, diversify and composition of the Board;
- ii) To recommend to the Board appointment/reappointment and removal of Directors;
- iii) To frame criteria for determining qualifications, positive attributes and Independence of Directors;
- iv) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- v) Fixing the remuneration to executive Directors (the restrictions contained in the Companies Act, 2013 is to be considered;
- vi) To create an evaluation framework for Independent Directors and the Board;
- vii) To provide necessary reports to the chairman after the evaluation process is completed by the Directors;
- viii) To assist in developing a succession plan for the Board;
- ix) To assist the Board in fulfilling responsibilities entrusted from time to time;
- x) Delegation of any of its powers to any Member of the Committee of the Compliance Officer.

The Company has laid down Code of conduct for its Board members and Senior Management Personnel. All directors and designated personnel have affirmed compliance with their respective codes for the year under review. The declaration to this effect signed by Mr. Daud Ali, Managing Director and the same is annexed to this report.

b. Composition, Name of members and Chairperson

As on March 31, 2024 the Nomination and Remuneration Committee comprises of three Non-Executive Directors Mrs. Namrata Babel appointed as Chairperson of the Nomination and Remuneration Committee w.e.f. March 05, 2023. The composition of the Committee meets the requirement of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Company Secretary shall act the secretary to the committee. The Nomination and Remuneration Committee met once i.e. on May 03, 2023. The necessary Quorum was present at the meeting.

Name of Director(s)	Designation	Category
Mrs. Namrata Babel	Chairperson	Non-Executive Independent Director
Mr. Mukesh Kumar Kothari	Member	Non-Executive Director
Mr. Himanshu S. Gupta	Member	Non-Executive Independent Director

c. Meeting and attendance during the year

The composition and attendance of members at the meeting held for FY 2023-24 are given below:

Name of Director(s)	No. of Meetings held	No. of Meetings attended
Mr. Mukesh Kumar Kothari	1	1
Mrs. Namrata Babel	1	1
Mr. Himanshu S. Gupta	1	1

d. Performance evaluation criteria for Independent Directors

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The entire Board of Directors (excluding the Director being evaluated) did the evaluation of all directors (including Independent Directors).

e. Senior management

Particulars of senior management including the changes therein since the close of the previous financial year: Not Applicable.

5. REMUNERATION OF DIRECTORS

a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company: There is no pecuniary relationship or transactions of the Non-Executive Director vis-à-vis the Company.

b) Criteria of making payments to Non-Executive Directors: No sitting fee is paid to Non-Executive Directors. The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Nomination and Remuneration Policy is also available on the website of the Company www.italica.com.

c) Disclosures with respect to Remuneration for FY 2023-2024:

(₹ in Lacs)

Name of Director	Category	Remuneration	Stock option/Bonus/Other Performance linked incentives	Total
Mr. Daud Ali	Managing Director	46.84	NIL	46.84
Mr. Narendra Bhanawat	Whole-Time Director and Chief Financial Officer	6.76	NIL	6.76

Note:

- Service contract is of three years for Mr. Daud Ali w.e.f. April 01, 2024 and for Mr. Narendra Bhanawat w.e.f May 28, 2024.
- Notice period is 3 Months from either side and Severance fees is not applicable.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Stakeholders Relationship Committee in compliance with the requirement of SEBI Listing Regulations and provisions of Section 178 of the Companies Act, 2013. As on March 31, 2024, the committee comprises of 3 members of whom 2 are Independent Director and 1 is Non-Executive Director. Mrs. Namrata Babel acts as the chairperson of Stakeholders Relationship Committee. The Company Secretary acts as the secretary to the committee.

The role of the committee shall inter-alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of

dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests/grievances are redressed within a stipulated time period.

a) Name of Non-Executive Director heading the committee

Mrs. Namrata Babel, Non-Executive Independent Director was appointed as the Chairperson of the Stakeholders Relationship/Grievance Redressal Committee w.e.f. March 05, 2023. The Committee consists of the following persons:

Name of Director(s)	Designation	Category
Mrs. Namrata Babel	Chairperson	Non-Executive Independent Director
Mr. Mukesh Kumar Kothari	Member	Non-Executive Director
Mr. Himanshu S. Gupta	Member	Non-Executive Independent Director

b) Meetings and attendance during the year

During Financial Year 2023-24, the Stakeholders Relationship Committee met once on May 03, 2023. The necessary quorum was present at all meetings.

Attendance of members at the meeting held for FY 2023-24 are given below:

Name of Director(s)	Category	No. of Meetings held	No. of Meetings attended
Mr. Himanshu S. Gupta	Independent Non-Executive	1	1
Mr. Mukesh Kumar Kothari	Non-Executive	1	1
Mrs. Namrata Babel	Independent Non-Executive	1	1

c) Name and Designation of compliance officer: Mr. Rajat Raja Kothari, Company Secretary acts as Compliance Officer of the Company.

d) Number of shareholders' complaints received so far: One shareholder complaint was received and the same was resolved in the financial year.

e) Number not solved to the satisfaction of shareholders: NIL

f) Number of pending complaints: NIL

To redress investor grievances, the Company has a dedicated e-mail id investor@italica.com to which investor may send their grievance.

7. RISK MANAGEMENT COMMITTEE

The 'Risk Management Committee' ('RMC') was formed on July 09, 2021 but as on March 31, 2024 Following members:

Name of Director(s)	Designation	Category
Mrs. Namrata Babel	Chairperson	Non-Executive Independent Director

Mr. Mukesh Kumar Kothari	Member	Non-Executive Director
Mr. Himanshu S. Gupta	Member	Non-Executive Independent Director

The role of the committee shall inter-alia include the following:

- A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectorial, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks; and
- Business continuity plan.

a) Meetings and attendance during the year

During Financial Year 2023-24 the Risk Management committee met twice on July 03, 2023 and December 26, 2023. The necessary quorum was present at all meetings.

Attendance of members at the meeting held for FY 2023-24 are given below:

Name of Director(s)	Category	No. of Meetings held	No. of Meetings attended
Mr. Himanshu S. Gupta	Independent Non-Executive	2	2
Mr. Mukesh Kumar Kothari	Non-Executive	2	2
Mrs. Namrata Babel	Independent Non-Executive	2	2

8. GENERAL BODY MEETING

a) Location, Time and any special resolutions passed in the previous three annual general meetings

The details of last three Annual General Meetings and special resolutions passed there at are as follows:

Year	Date	Time	Venue	No. of Special Resolutions Passed
2022-23	June 23, 2023	11:00 a.m.	Through Video Conferencing/Other Audio Visual Means and at Kodyat Road, Village: Sisarma, Udaipur: 313031	04
2021-22	June 30, 2022	11:00 a.m.	Through Video Conferencing/Other Audio Visual Means and at Kodyat Road, Village: Sisarma, Udaipur: 313031	01
2020-21	June 24, 2021	11:00 a.m.	Through Video Conferencing/Other Audio Visual Means and at Kodyat Road, Village: Sisarma, Udaipur: 313031	00

b) Postal Ballot:

During the financial year ended March 31, 2024, no resolution was passed by Postal Ballot.

9. MEANS OF COMMUNICATION

- a) Quarterly Results:** The quarterly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and NSE websites. During this year Company has sent the quarterly business updates to all the shareholders of the Company.
- b) Newspaper wherein results normally published and website, where displayed:** The quarterly/half-yearly/annual financial results are published in prominent daily newspaper viz. The Free Press Journal and Jai Rajasthan/Dainik Pukar. The financial results and the official news releases are also uploaded on the Company's website www.italica.com in the 'Investor Relations' section.
- c) News Release:** The Company regularly publishes an official Business Update Report which are sent to the stock exchanges and posted on the Company's website as well.
- d) Presentation made to institutional investors or to the analysts:** During the year under review there were no presentations made to institutional investors or the analysts.

10. GENERAL SHAREHOLDER INFORMATION**a) Annual General Meeting - Date, Time And Venue**

DAY & DATE: Thursday, June 27, 2024

TIME: 11: 00 a.m.

VENUE: Meeting will be held through Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility and also at the registered office of the Company. Deemed address will be the registered office of the Company.

b) Financial year:

April 01, 2023 to March 31, 2024

c) Record Date:

As mentioned in the Notice of this AGM i.e. from June 21, 2024 to June 27, 2024 (both the dates are inclusive)

Dividend Payment Date: Not Applicable

d) Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s):

The Equity Shares of the Companies are listed on below two Stock Exchanges and annual listing fees for Financial Year 2023-2024 to both the stock exchanges have been paid by the Company within stipulated time.

Name & Address of Stock Exchanges, Stock Codes and Symbol:

The Stock Exchange, Mumbai (BSE) BSE Limited Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Streetm, Mumbai-400001.	National Stock Exchange of India Ltd. (NSE) National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra-East, Mumbai-400051.
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e) Stock Code:

BSE (500327) and NSE (PILITA)

f) STOCK MARKET DATA

The monthly high & low during each month, in last financial year 23-24, is as follows:

Month	BSE		NSE	
	High	Low	High	Low
Apr-23	7.29	6.10	7.25	6.20
May-23	9.41	6.90	9.40	6.95
Jun-23	10.61	8.32	10.80	8.35
Jul-23	10.30	8.60	9.95	8.60
Aug-23	11.76	9.41	11.95	9.65
Sep-23	10.40	8.50	10.55	8.50
Oct-23	11.80	8.51	11.95	8.45
Nov-23	10.90	9.75	10.85	9.60
Dec-23	13.14	10	13.20	9.95
Jan-24	14.90	12.25	14.95	12.15
Feb-24	17.63	13.69	17.65	13.80
Mar-24	15.24	11.30	15.10	11.10

g) Performance of PIL ITALICA LIFESTYLE LIMITED (PILL) Share Price in Comparison to Bse Sensex and Nse Nifty Fifty is as under:

(Closing value of (PILL) share price Vs BSE Sensex & PILL share price Vs NSE NIFTY 50 on the last trading day of the month) Base is considered 100 as at April 01, 2024 in both the charts.

h) In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:

Not applicable

i) Registrar & Transfer Agent:

The work related to Share Transfer Registry in terms of both physical and electronic mode is being deal with by LINK INTIME INDIA PVT. LIMITED at the address given below:

ADDRESS FOR CORRESPONDENCE:

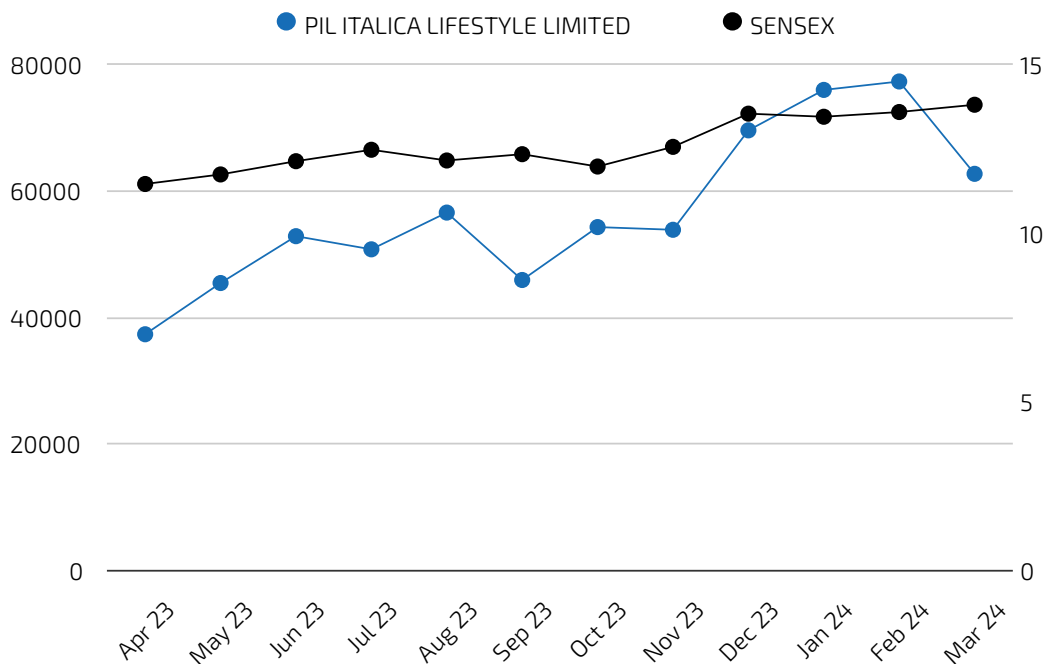
LINK INTIME INDIA PVT. LTD.
247 Park, C-101, 1st Floor,
LBS Marg, Vikroli (W),
Mumbai-400083.
E-Mail: rnt.helpdesk@linkintime.co.in
Tel No.: +91 22 49186000
Fax No.: +91 22 49186060

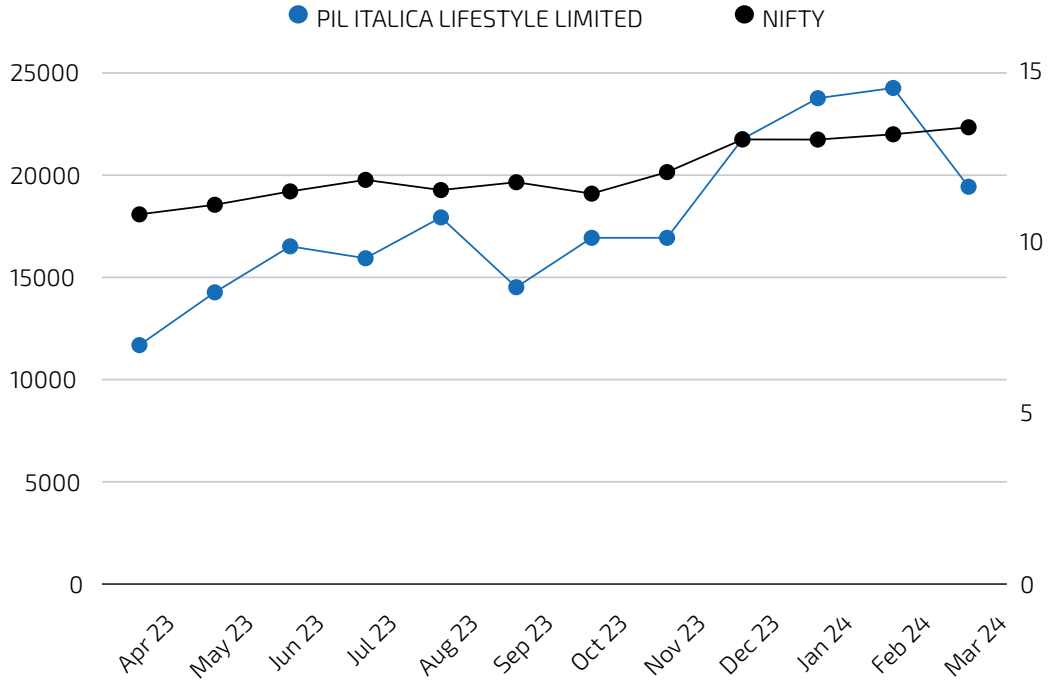
j) share transfer system and other related matters:

The shares, which are received in physical form for transfer/transmission/split etc., are immediately processed and dispatched within the stipulated time period. Also pursuant to the Listing Regulations, certificate is obtained from practicing Company secretary on yearly basis to the effect that all the transfer is completed within stipulated statutory period. A copy of the certificate so received is submitted to both the stock exchanges, where shares of Company are listed.

k) Distribution of Shareholding as on March 31, 2024:

Size of holding	No. of Share Holders	Percentage (%)	No. of Shares	Percentage (%)
Up to 500	43,419	73.25	56,35,686	2.40
501 to 1000	6,715	11.33	57,90,350	2.46
1001 to 2000	4,151	7.00	66,18,436	2.81
2001 to 3000	1,326	2.24	34,84,576	1.48
3001 to 4000	908	1.53	33,94,530	1.44
4001 to 5000	724	1.22	34,99,072	1.49
5001 to 10000	1,066	1.80	82,28,117	3.50
Above 10000	963	1.62	19,83,49,233	84.42
Total	59,272	100.00	23,50,00,000	100.000





Categories of Equity Shareholders

Sr. No.	Particulars	No. of Shares	% of Share Holding
1	Promoters' Holdings		
	Individuals	3,16,200	0.13
	Bodies Corporate	11,74,00,000	49.96
	Sub Total	11,77,16,200	50.09
2	Non-Promoter Holdings		
	Individuals	9,13,82,511	38.89
	Banks & Other Financial Institution	14,72,048	0.62
	Mutual Fund	54,000	0.02
	HUF	84,57,825	3.60
	Bodies Corporate	1,40,07,009	5.96
	Overseas Body Corporate	6,000	0.00
	NRI	11,74,131	0.50
	Clearing members	5,199	0.00
	Foreign Portfolio Investor	5,40,043	0.23
	LLP	1,85,034	0.09
	Sub Total	11,72,83,800	49.91
	Grand Total (1+2)	23,50,00,000	100.00

l) Dematerialisation of Shares and Liquidity:

The share of the Company are traded in dematerialized form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholder can hold the Company's share with any of the Depository Participant. The International Securities Identification No. (ISIN) for Company's shares is INE600A01035. As on March 31, 2024, 99.47% shares of the Company are in dematerialized form with the depositories.

m) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:

As on March 31, 2024, the Company does not have any outstanding GDRs/ADRs/Warrants or any other convertible instruments.

n) Location of Plants:

The Company does not have Subsidiary Company as on reporting date. Hence, the said disclosure is not applicable.

The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2023-24.

Offices & Depot: Delhi, Mumbai, Silvassa, Bengaluru, Bhiwandi, Ghaziabad, Jabalpur, Zirakpur, Vijayawada, Udaipur and Kanpur.

o) Address for Correspondence:

	Contact	Email	Address
Investor Relation Department of Company	Mr. Rajat Raja Kothari, Company Secretary and Compliance Officer	corporate@italica.com	PIL ITALICA LIFESTYLE LIMITED Kodiyat Road, Village Sisarma, Udaipur (Raj.): 313031. Mob No.: 7230092282
Registrar & Transfer Agent	Link Intime India Pvt. Ltd.	rnthelpdesk@linkintime.co.in	LINK INTIME INDIA PVT. LTD. 247 Park, C-101, 1 st Floor, LBS Marg, Vikroli (W), Mumbai-400083. Tel No.: 022-49186000 Fax No.: 022-49186060

p) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

Not Applicable.

11. OTHER DISCLOSURES

a) Materially Significant related party transaction:

All the related party transactions have been done at arm's length price and in the ordinary course of Business with the prior approval of Audit Committee. Policy related to related party transactions of the Company is also available on the website of the Company at www.italica.com.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: The Company has not been penalized, nor have the Stock Exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

c) Establishment of Vigil Mechanism/Whistle Blower Policy: In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee.

d) Details of compliance with mandatory requirements and adoption of the no mandatory requirements: The Board of Directors periodically reviews the compliance of all applicable laws. The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Web link where policy for determining 'material' subsidiaries is disclosed: The policy for determining material subsidiaries is available on the website of the Company at www.italica.com although it is not applicable on Company.

f) Web link where policy on dealing with related party transactions is disclosed: The policy for determining related party transactions is available on the website of the Company at www.italica.com

g) Commodity Price Risk or Foreign exchange risk and hedging activities: The Company does not deal in commodities price risks and commodity hedging activities, hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

i) A certificate from a Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority: The Certificate of Company Secretary in practice is annexed as herewith as "Annexure 4" of this report.

j) **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:** During the Financial Year 2023-24, the Board has accepted all the recommendations of its Committees

k) **Total fees for all services paid by the listed entity, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:** The annual fees paid to Statutory Auditors during the Financial Year 2023-24 was ₹ 40,000/-.

l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, Company has constituted Internal Complaints Committee which is responsible for Redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

m) **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loan to firms/companies in which directors are interested by name and amount:** During the FY 2023-24, the Company has not given any 'Loans and Advances' in the nature of loan to Firms/Companies in which Directors are interested. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2023-24.

n) **Details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** The Company does not have Subsidiary Company as on reporting date. Hence, the said disclosure is Not Applicable.

The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2023-24.

12. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II

a) **The Board of Directors:** The Company has fixed Chairman.

b) **Shareholder Rights:** As the Quarterly and Half Yearly Financial Results are published in the newspapers as well as displayed on the Company's website www.italica.com, hence the results are not sent to household of each of the shareholders. The complete Annual report is sent to each and every shareholder of the Company.

c) **Audit Qualifications:** The Auditors have raised no qualification on the financial statements for the year ended March 31, 2024.

d) **Reporting of Internal Auditor:** The Internal Auditor of the Company reports directly to the Audit Committee of the Company.

13. DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB REGULATION (2) OF REGULATION 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The report from M/s H. R. Jain & Co. Chartered Accountant have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of the SEBI Listing Regulations and the said certificate is annexed to the Report.

14. DECLARATION SIGNED BY MANAGING DIRECTOR STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. The Board has adopted a Code of conduct for Directors and Senior Management of the Company. The Code is available on the website of the Company: www.italica.com and the declaration is annexed as "Annexure 1" and forms part of corporate governance report.

15. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE SHALL BE ANNEXED WITH THE DIRECTORS REPORT

The certificate from M/s H. R. Jain & Co. Chartered Accountant statutory auditor of the Company regarding compliance of conditions of corporate governance is annexed as "Annexure 2" and forms an integral part of the Annual Report.

16. CEO/CFO CERTIFICATION

The required certificate under Regulation 17(8) of the Listing Regulations signed by the Managing Director (C.E.O.) and the Chief Financial Officer (C.F.O.) is attached as "Annexure 3" with this report.

17. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

18. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations: Not Applicable.

19. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

a) Green Initiative by MCA: In compliance with the provisions of Section 20 of the companies act, 2013 and as a continuous endeavor towards 'Go Green' initiative, the Company proposes to send all correspondences/communications through email to those shareholder's, who have registered their emailId with their depository participant's/Company registrar and share transfer agent. In case the shareholder's is desire to receive printed copy of such communications, they may send requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective shareholder.

b) Consolidation of Multiple Folios: Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

c) Nomination Facility: Provision of Section 72 of the Companies Act, 2013 read with rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/successors get the shares transmitted in their favour, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialized form are requested to register their nominations directly with their respective DPs.

d) Update your Correspondence Address/Bank Mandate/Email-Id: To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company change in their address/bank details/email Id instantly by written request under the signatures of sole/first joint holder. Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details/address/email Id directly with their respective DPs.

e) Quote Folio No./DP ID No.: Shareholders/Beneficial Owners are requested to quote their Folio Nos./DP ID Nos., as the case may be, in all correspondence with the Company. Shareholders are also requested to quote their Email IDs, Contact/Fax numbers for prompt reply to their correspondence.

For and on behalf of the Board of Directors

Place: Udaipur
Dated: May 09, 2024

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole-Time Director & CFO
DIN: 00146824

"Annexure 1"

Declaration affirming compliance with Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, affirmation of Compliance with the Code of Conduct for Directors and Senior Management in respect of the financial year ended on March 31, 2024.

For and on behalf of the Board of Directors

Place: Udaipur
Dated: May 09, 2024

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole-Time Director & CFO
DIN: 00146824

"Annexure 2"

AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Board of Directors
PIL ITALICA LIFESTYLE LIMITED,
Kodiyat Road, Sisarma,
Udaipur.

We have examined the compliance of conditions of Corporate Governance by **PIL ITALICA LIFESTYLE Limited** for the year ended on March 31, 2024 ("Period Under Review").

We certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Compliance of the conditions of Corporate Governance is the responsibility of the management/board of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India (if any), we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

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 **H.R.Jain & Co.**
Chartered Accountants
ICAI FRN: 000262C

Sd/-

Manoj Jain
(Partner)

M.No.: 400459

UDIN: 24400459BKEMVT2330

Place: Udaipur
Date: May 09, 2024

"Annexure 3"

CEO/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

We, Daud Ali, Managing Director and Narendra Bhanawat, Whole-Time Director and CFO of **PIL ITALICA LIFESTYLE LIMITED**, to the best of our knowledge and belief hereby certify that:

- a) We have reviewed financial statements and the cash flow statement of **PIL ITALICA LIFESTYLE LIMITED** for the year ended March 31, 2024 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting.

We have not come across any reportable deficiencies in the design or operation of such internal controls.

- d) We have indicated to the Auditors and the Audit Committee:
 - i) that there are no significant changes in internal control over financial reporting during the year;
 - ii) that there are no significant changes in accounting policies during the year; and
 - iii) that there are no instances of significant fraud of which we have become aware.

For and on behalf of the Board of Directors

Place: Udaipur
Dated: May 09, 2024

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole-Time Director & CFO
DIN: 00146824

"Annexure 4"

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
PIL ITALICA LIFESTYLE LIMITED
Kodiyat Road, Village: Sisarma,
Udaipur (Raj.): 313031.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PIL ITALICA LIFESTYLE LIMITED** having CIN: L25207RJ1992PLC006576 having registered office at Kodiyat Road, Village: Sisarma, Udaipur (Raj.): 313031 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Daud Ali	00185336	01.05.1992
2	Mr. Narendra Bhanawat	00146824	21.07.2010
3	Mr. Himanshu Surendrakumar Gupta	09607045	21.05.2022
4	Mr. Mukesh Kumar Kothari	03103336	25.01.2010
5	Mrs. Namrata Babel	06910061	29.05.2014
6	Ms. Apeksha Agiwal	10083559	29.03.2023

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P. Talesara & Associates**
Company Secretaries

Sd/-
(Pawan Talesara)
Proprietor

FCS No.: 8096, C P No.: 2674
UDIN: F008096F000318285

Place: Udaipur (Raj.)
Date: May 06, 2024

Independent Auditors' Report

TO THE MEMBERS OF PIL ITALICA LIFESTYLE LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of **PIL ITALICA LIFESTYLE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA's") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

On the facts and circumstances of the Company and the audit, we determine that there are no key Audit matters to communicate.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our Auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users statements.

As part of an audit in accordance with SA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors as on March 31, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
 - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under and (b) above, contain any material misstatement.
- v. The Company has neither proposed nor paid any dividend during the previous year and during the current year hence compliance as per Section 123 of the companies act is not applicable.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same was in operation throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit

trail feature being tampered with. Additionally the audit trail has been preserved by the Company as per the statutory requirement for record retention.

2. As required by the Companies (Auditors' Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M/s H.R. JAIN & CO.**
Chartered Accountants
Firm Reg. No.: 000262C

Sd/-

(Manoj Jain)

Partner

Membership No.: 400459 **Place:** Udaipur

Date: May 09, 2024

UDIN: 24400459BKEMVS3161

“Annexure A”

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of **PIL Italica Lifestyle Limited**)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of **PIL ITALICA LIFESTYLE LIMITED** (the “Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls

over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **M/s H.R. JAIN & CO.**
Chartered Accountants
Firm Reg. No.: 000262C

Sd/-

(Manoj Jain)

Partner

Membership No.: 400459 **Place:** Udaipur

Date: May 09, 2024

UDIN: 24400459BKEMVS3161

“Annexure B”

TO THE INDEPENDENT Auditors' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of **PIL ITALICA LIFESTYLE LIMITED** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has maintained proper records showing full particulars of intangible assets:
- (A) As explained to us, all the Property, Plant and Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (B) According to information's and explanations given by the management Except the following, there are no immovable properties whose title deeds are not in the name of the Company:

Particulars	Location	Amount (₹ in Lacs)	Remark
Land	Umarkui	500.00	On the reporting date execution of the documents were in process and the same were executed on April 05, 2024 and the property was entered in the name of the Company.
Building	Umarkui	650.00	

- (C) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (D) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) As explained to us that the inventory has been physically verified during the year by management. In our opinion the frequency of verification is reasonable and the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business; and the Company is maintaining proper records of inventory, no material discrepancies were noticed on physical verification of the inventory.
- (b) The Company is availing working capital in excess of ₹ 5 Crore during the year on the basis of security of current assets and the quarterly returns or statements filed by the Company with financial institutions or banks, are in agreement with the books of account of the Company.
- iii) During the year the Company has not made investments in but has granted unsecured loans to companies, firms, Limited Liability Partnerships or other parties but has not stood guarantee or provided security to any other entity:
- (a) During the year the Company has provided loans or provided advances in the nature of loans but has not stood guarantee or provided security to any other entity:
- (A) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances to subsidiaries, joint ventures and associates: NIL

(B) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances to parties other than subsidiaries, joint ventures and associates:

(₹ in Lacs)

	Aggregate amount during the year	Amount outstanding as on March 31, 2024
Loan to others	300.26	3333.17

- (b) The Company has neither provided guarantees nor given security. The investments made are not prejudicial to the interest of the Company. Further the terms and conditions of the grant of all loans and advances in the nature of loans, except wherever interest free loans have been granted, are not prejudicial to the Company's interest;
- (c) In respect of loans and advances in the nature of loans, no schedule of repayment of principal and payment of interest has been stipulated;
- (d) In respect of aforesaid loans, there is no amount overdue for more than ninety days;
- (e) During the year no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;
- (f) During the year the Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of Section 2 of the Companies Act, 2013 are as under:

(₹ in Lacs)

Aggregate amount	% of the total loans granted	Aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of Section 2 of the Companies Act, 2013
300.26	NIL	NIL

- iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

In respect of statutory dues:

- vii) (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is	Period to which the Amount Relates	Amount (₹ in Lacs)
Penalty of enforcement directorate (Net of Predeposit)	Penalty	Rajasthan high court, Jodhpur	2003-2004	122.00

- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) The Company has not defaulted in repayment of dues to a financial institution, bank.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company do not have any subsidiary, associate and joint venture hence, reporting under clause 3(ix)(e) and (f) of the Order are not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the informations and explanations given to us, We have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor we have been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the informations and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, was not required to be filed with the Central Government. Accordingly reporting under clause 3(xi)(b) of the order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the informations and explanations given to us and as represented by the Management, the Company has received no whistle blower complaints during the year. Accordingly reporting under clause 3(xi)(c) of the order is not applicable to the Company.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) In our opinion and according to informations and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The Company has not conducted any Non-Banking Financial or Housing Financial activities without a valid certificate of registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, Accordingly reporting under clause 3(b) of the order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, Accordingly reporting under clause 3(xvi)(c) of the order is not applicable to the Company.
- (d) Based on the information and explanations provided by the Management of Company. The Company does not have any CIC, we have not however, separately evaluated whether the

information provided by the management is accurate and complete, Accordingly reporting under clause 3(xvi)(d) of the order is not applicable to the Company.

- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- Xviii) There has been no resignation of the statutory auditors' of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date

of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) The Company does not qualify under the provisions of Section 135 of the Companies Act, 2013 accordingly reporting under clause 20(a) and (b) of the order is not applicable.
- xxi) Clause xxi of CARO, 2020 is not applicable as this audit report is relating to Standalone Financial Statements.

For **M/s H.R. JAIN & CO.**
Chartered Accountants
Firm Reg. No.: 000262C

Sd/-

(Manoj Jain)

Partner

Membership No.: 400459 **Place:** Udaipur

Date: May 09, 2024

UDIN: 24400459BKEMVS3161

BALANCE SHEET

Balance Sheet

As at March 31, 2024

(₹ in Lacs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
A ASSETS			
1 Non-Current assets			
(a) Property, plant and equipment	4	3,076.45	1,571.07
(b) Capital work in progress		-	-
(c) Investment Properties		-	-
(d) Goodwill		-	-
(e) Other Intangible assets	5	13.75	3.03
(f) Intangible Assets under Development		-	-
(g) Biological Assets other than bearer plants		-	-
(h) Financial Assets			
(1) Investments	6	248.93	248.93
(2) Trade receivables		-	-
(3) Loans		-	-
(4) Others		-	-
(i) Deferred Tax Assets (net)		-	-
(j) Other Non-Current assets	7	61.97	94.82
Total Non-Current Assets		3,401.10	1,917.85
2 Current Assets			
(a) Inventories	8	1,781.24	1,660.29
(b) Financial Assets			
(1) Investments		-	-
(2) Trade Receivables	9	652.83	593.30
(3) Cash and cash equivalents	10	6.68	89.43
(4) Bank Balances other than cash and cash equivalents	11	181.66	157.89
(5) Loans	12	3,340.86	4,125.80
(6) Others		-	-
(c) Current Tax Assets (Net)	13	64.78	34.07
(d) Other Current Assets	14	281.28	140.07
Total Current Assets		6,309.33	6,800.85
Total Assets		9,710.43	8,718.70
B EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	2,350.00	2,350.00
(b) Other Equity	16	5,068.20	4,606.25
Total Equity		7,418.20	6,956.25
Liabilities			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(1) Borrowings	17	65.15	79.32
(A) Lease Liabilities		-	-
(2) Trade Payables		-	-
(3) Other Financial Liabilities (other than those specified in item b)		-	-
(b) Provisions		-	-
(c) Deferred Tax Liabilities Net	35	202.19	45.82
(d) Other Non-Current Liabilities		-	-
Total Non-Current Liabilities		267.34	125.14
2 Current liabilities			
(a) Financial Liabilities			
(1) Borrowings	18	1,495.65	1,038.73
(A) Lease Liabilities		-	-
(2) Trade Payables			
(A) Total outstanding of micro and small Enterprises		-	-
(B) Total outstanding other than micro and small Enterprises	19	207.21	323.77
(3) Other Financial Liabilities (other than those specified in c)		-	-
(b) Other Current Liabilities	20	290.21	249.82
(c) Provisions	21	31.82	24.99
(d) Current Tax Liabilities (Net)		-	-
Total Current Liabilities		2,024.89	1,637.31
Total Liabilities		2,292.23	1,762.45
Total Equity and Liabilities		9,710.43	8,718.70

See accompanying notes to financial statements 1 to 65.

As per our audit report of even date.

For **M/s H.R. JAIN & CO.**
Chartered Accountants
Firm Reg. No.: 000262C

For and on behalf of the Board of Directors

Sd/-
Manoj Jain
Partner
Membership No.: 400459
Place: Udaipur
Date: May 09, 2024
UDIN: 24400459BKEMVS3161

Sd/-
Rajat Raja Kothari
Company Secretary
M. No.: A51610

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole-Time Director
Chief Financial Officer
DIN: 00146824

Statement of Profit and Loss

For the year ended March 31, 2024

(₹ in Lacs)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue From Opeartions	22	9,723.26	8,531.11
Other Income	23	1.93	4.21
Total Income		9,725.19	8,535.32
Expenses			
Cost of materials consumed	24	5,393.93	5,187.65
Purchases of traded goods	25	363.87	278.92
Changes in inventories of Finished goods, WIP and Stock In Trade	26	(72.35)	(206.74)
Employee benefit expenses	27	928.12	831.52
Finance costs	28	100.54	100.46
Depreciation and amortization expenses	29	92.07	79.31
Other expenses	30	2,299.22	1,857.48
Total expenses		9,105.40	8,128.60
Profit before exceptional item and tax		619.79	406.72
Exceptional items		-	-
Profit before tax		619.79	406.72
Tax expenses:			
Current Tax		1.47	-
Deferred tax	35	156.37	102.36
Profit for the year from continuing operations		461.95	304.36
Profit for the year from dis continuing operations		-	-
Tax expenses of discontinuing operations		-	-
Profit (Loss) for the period		461.95	304.36
Other comprehensive income			
(a) Items that will not to be reclassified to P&L			
Remeasurement of the defined benefit plan		-	-
Income Tax on items not to be reclassified to P&L		-	-
(b) Items that will be reclassified to P&L			
Income Tax on items reclassified to P&L		-	-
Total comprehensive income for the year		461.95	304.36
Earning per share of continuing operation (of ₹ 1/- each)			
Basic earning per share ₹	31	0.20	0.13
Diluted earnings per share ₹	31	0.20	0.13
Earning per share of discontinuing operation (of ₹ 1/- each)			
Basic earning per share ₹		-	-
Diluted earnings per share ₹		-	-
Earning per share of continuing and discontinued operation			
Basic earning per share ₹		0.20	0.13
Diluted earnings per share ₹		0.20	0.13

See accompanying notes to financial statements 1 to 65.

As per our audit report of even date.

For **M/s H.R. JAIN & CO.**
Chartered Accountants
Firm Reg. No.: 000262C

For and on behalf of the Board of Directors

Sd/-
Manoj Jain
Partner
Membership No.: 400459
Place: Udaipur
Date: May 09, 2024
UDIN: 24400459BKEMV53161

Sd/-
Rajat Raja Kothari
Company Secretary
M. No.: A51610

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole-Time Director
Chief Financial Officer
DIN: 00146824

Cash Flow Statement

For the year ended March 31, 2024

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) CASH FLOW FROM OPEARTING ACTIVITIES		
Net profit before tax	619.79	406.72
Adjustment for		
Depreciation and amortization expenses	92.07	79.31
Interest expenses	100.54	100.46
Provision for leave encashment	6.83	7.14
Profit on sale of property, plant and equipment	(1.93)	-
Operating profit before working capital changes	817.30	593.63
Adjustment for		
(Increase)/decrease non-current assets - other assets	32.85	(3.69)
(Increase)/decrease in inventories	(120.95)	(206.63)
(Increase)/decrease in trade receivables	(59.53)	(145.45)
(Increase)/decrease in current assets-loans	784.94	364.37
(Increase)/decrease in current tax assets	(30.71)	(34.07)
(Increase)/decrease in other current assets	(141.21)	93.28
(Increase)/decrease in bank balances other than cash and cash equivalent	(23.77)	(39.73)
Increase/(decrease) in trade payables	(116.55)	141.37
Increase/(decrease) in other current liabilities	40.39	80.76
Cash Generated from operations	1,182.76	843.84
Income taxes paid during the year	(1.47)	-
Net cash inflow/(outflow) from operations (A)	1,181.29	843.84
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipments	(1,613.25)	(366.78)
Proceeds from sale of property, plant and equipments	7.00	-
Net cash inflow/(outflow) from investing activities (B)	(1,606.25)	(366.78)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	13.68	-
Repayment of borrowing	(109.69)	(282.42)
Interest paid	(100.54)	(100.46)
Net cash inflow/(outflow) from financing activities (C)	(196.55)	(382.88)
Net increase/decrease in cash and cash equivalents	(621.51)	94.18

CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
At the beginning of the year	89.43	7.07
Less: Cash credit at the beginning of the year	830.70	842.52
At the end of the year	6.68	89.43
Less: Cash credit at the end of the year	1,369.46	830.70
Net Increase/(Decrease) in Cash and Cash Equivalent	(621.51)	94.18

Cash and cash equivalent as per above comprise of the following:

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash on hand	2.76	0.98
Balances with schedule bank in current account	3.92	88.45
Cash and cash equivalent as per note	6.68	89.43

The above statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows" specified under Section 133 of the Companies Act 2013.

See accompanying notes to financial statements 1 to 65.

This is the statement of cash flow is referred in our audit report of even date.

For **M/s H.R. JAIN & CO.**
Chartered Accountants
Firm Reg. No.: 000262C

For and on behalf of the Board of Directors

Sd/-
Manoj Jain
Partner
Membership No.: 400459
Place: Udaipur
Date: May 09, 2024
UDIN: 24400459BKEMVS3161

Sd/-
Rajat Raja Kothari
Company Secretary
M. No.: A51610

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole-Time Director
Chief Financial Officer
DIN: 00146824

Statement of Changes in Equity

For the year ended March 31, 2024

(A) EQUITY SHARE CAPITAL

(₹ in Lacs)

Equity Share Capital	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the current year	Balance at the end of the reporting period
For the year ended on March 31, 2024	2,350.00	-	-	-	2,350.00
For the year ended on March 31, 2023	2,350.00	-	-	-	2,350.00

(B) OTHER EQUITY

(₹ in Lacs)

Other Equity	Securities Premium	General Reserve	Retained Earnings	Total
Balances at the beginning of reporting period April 01, 2023	4,036.00	25.13	545.12	4,606.25
Profit for the year	-	-	461.95	461.95
Balances at the end of reporting period March 31, 2024	4,036.00	25.13	1,007.07	5,068.20
Balances at the beginning of reporting period April 01, 2022	4,036.00	25.13	240.76	4,301.89
Profit for the year	-	-	304.36	304.36
Balances at the end of reporting period March 31, 2023	4,036.00	25.13	545.12	4,606.25

For **M/s H.R. JAIN & CO.**
Chartered Accountants
Firm Reg. No.: 000262C

For and on behalf of the Board of Directors

Sd/-
Manoj Jain
Partner
Membership No.: 400459
Place: Udaipur
Date: May 09, 2024
UDIN: 24400459BKEMV53161

Sd/-
Rajat Raja Kothari
Company Secretary
M. No.: A51610

Sd/-
Daud Ali
Managing Director
DIN: 00185336

Sd/-
Narendra Bhanawat
Whole-Time Director
Chief Financial Officer
DIN: 00146824

Notes to the Financial Statements

For the year ended March 31, 2024

NOTE 1: CORPORATE INFORMATION

PIL ITALICA LIFESTYLE LIMITED (The Company) is a public limited Company domiciled India and incorporated under the provisions of Companies Act, 1956. The Company is engaged in the manufacturing of Plastic Molded furniture and other articles. The Company was incorporated on March 16, 1992 and has its registered office at Kodyat Road, Sisarma, Udaipur (Rajasthan), The Company shares are listed on National Stock Exchange and Bombay Stock Exchange.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

NOTE 3: BASIS OF PREPARATION

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of

assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All up gradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Buildings	30 Years
Plant and Equipment	25 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office Equipment	5 Years
Intangible Assets	3 Years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination or by way of a government grant, at fair value on the date of acquisition/grant.
- for separately acquired assets, at cost comprising the purchase price (including import duties and nonrefundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licenses, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite. Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and/or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

Inventories

- The valuation is on the basis of F I F O method.
- Raw Materials, Stores and Spare Parts, Colors and Pigments etc. and Stock in transit are valued at cost.
- Finished Goods and Work-in-Process are valued at estimated cost or net realizable value whichever is lower.
- Scrap is valued at net realizable value.

Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in Foreign Currency Translation Reserve.

Financial instruments, Financial assets, Financial liabilities and Equity instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets

Recognition:

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification:

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- a. amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- b. fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- c. fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with

unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment:

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification:

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition:

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- a. amortised cost, the gain or loss is recognised in the Statement of Profit and Loss.
- b. fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition:

Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods includes duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as goods and service tax.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership/control have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognised in the periods in which the services are rendered.

Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

- a. related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.
- b. related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

- c. by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Employee Benefits

i. Short-term Employee benefits

Liabilities for wages and salaries including nonmonetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Post-Employment Benefits Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Statement of Profit and Loss as they fall due.

Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

The contributions to the Provident Fund of employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

iii. Other Long Term Employee Benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method.

Re-measurements are recognised in profit or loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to Statement of Profit and Loss in the period in which they arise.

Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

Financial and Management Information Systems

The Company's Accounting System is designed to comply with the relevant provisions of the Companies Act, 2013, to provide financial information appropriate to the businesses and facilitate Internal Control.

Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is

a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortized over their useful economic life. Refer notes to the financial statements.

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

2. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available.

Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

3. Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

4. Claims, Provisions and Contingent Liabilities:

In the case of litigations where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	Owned Assets							Total
	Land - Free hold	Building	Plant and Equipment	Moulds	Furniture and fixtures	Vehicles	Office Equipments	
Year ended March, 2024								
GROSS CARRYING AMOUNT								
Opening Gross Carrying Amount	11.43	753.00	1,031.54	3,665.69	5.55	54.82	43.07	5,565.10
Additions	500.00	652.51	215.20	206.52	1.67	15.37	9.93	1,601.20
Disposals/Adjustment	-	-	-	7.00	-	9.24	-	16.24
Closing Gross Carrying Amount	511.43	1,405.51	1,246.74	3,865.21	7.22	60.95	53.00	7,150.06
ACCUMULATED DEPRECIATION								
Opening Accumulated Depreciation	-	565.82	689.32	2,696.92	1.57	17.10	23.29	3,994.02
Depreciation charged during the year	-	19.97	15.13	42.01	0.50	6.75	6.41	90.77
Disposals/Adjustments	-	-	-	2.39	-	8.79	-	11.18
Closing Accumulated Depreciation	-	585.79	704.45	2,736.54	2.07	15.06	29.70	4,073.61
Net Carrying Amount	511.43	819.72	542.29	1,128.67	5.15	45.89	23.30	3,076.45
Year ended March, 2023								
GROSS CARRYING AMOUNT								
Opening Gross Carrying Amount	11.43	746.87	1,018.87	3,327.78	3.90	54.81	36.52	5,200.18
Additions	-	6.13	12.68	337.92	1.64	-	6.54	364.91
Disposals/Adjustment	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	11.43	753.00	1,031.55	3,665.70	5.54	54.81	43.06	5,565.09
ACCUMULATED DEPRECIATION								
Opening Accumulated Depreciation	-	546.12	675.27	2,664.33	1.13	10.56	18.52	3,915.93
Depreciation charged during the year	-	19.68	14.06	32.61	0.45	6.51	4.78	78.09
Disposals/Adjustments	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	565.80	689.33	2,696.94	1.58	17.07	23.30	3,994.02
Net Carrying Amount	11.43	187.20	342.22	968.76	3.96	37.74	19.76	1,571.07

Note 4.1:

The Company does not have any capital work in progress.

Note 4.2:

Except the following, there are no immovable properties whose title deeds are not in the name of the Company:

(₹ in Lacs)

Particulars	Location	Amount	Remark
Land	Umarkui	500.00	On the reporting date execution of documents were in process and the same were executed on April 05, 2024 and the property.
Building	Umarkui	650.00	

Note 4.3: The assets were not revalued during the year.

NOTE 5: INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	Owned Assets
Year ended March, 2024	
GROSS CARRYING AMOUNT	
Opening Gross Carrying Amount	20.16
Additions	12.02
Disposals/Adjustment	-
Closing Gross Carrying Amount	32.18
ACCUMULATED DEPRECIATION	
Opening Accumulated Depreciation	17.13
Depreciation charged during the year	1.30
Disposals/Adjustments	-
Closing Accumulated Depreciation	18.43
Net Carrying Amount	13.75
Year ended March, 2023	
GROSS CARRYING AMOUNT	
Opening Gross Carrying Amount	18.29
Additions	1.87
Disposals/Adjustment	-
Closing Gross Carrying Amount	20.16
ACCUMULATED DEPRECIATION	
Opening Accumulated Depreciation	15.91
Depreciation charged during the year	1.22
Disposals/Adjustments	-
Closing Accumulated Depreciation	17.13
Net Carrying Amount	3.03

Note 5.1: There is no intangible assets is under development.

Note 5.2: The Company has not revalued its intangible assets.

NOTE 6: NON-CURRENT ASSETS (INVESTMENTS)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
UNQUOTED-1421 (p.y. 1421) Compulsorily Convertible Preference Shares each of ₹ 10 in Atmosphere Workspace Solutions Private Limited	248.93	248.93
Total	248.93	248.93

Note 6.1: Subject to Applicable Laws, the CCPS shall be converted in the ratio of 1 (one) Equity Share for 1 (one) CCPS ("CCPS Conversion Ratio"), at any time at the option of the holder of the CCPS.

NOTE 7: OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	61.97	94.82
Total	61.97	94.82

NOTE 8: CURRENT ASSETS (INVENTORIES)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lower of cost or net realizable value		
Raw Material	540.68	514.97
Work in progress	76.81	54.70
Finished goods	806.47	833.56
Stock in trade	217.93	140.59
Stores and spares	44.69	37.49
Packing material	94.66	78.98
Total	1,781.24	1,660.29

NOTE 9: TRADE RECEIVABLES (AT AMORTIZED COST)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables - Considered good secured	-	-
Trade Receivables - Considered good un secured	652.83	593.30
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
Trade Receivables - Considered doubtful-unsecured	337.57	337.57
Total	990.40	930.87
Less: Allowances for doubtful receivables	337.57	337.57
Total	652.83	593.30

Note No. 9.1: No trade receivables are due from Directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

Trade receivables ageing schedule for the year ended as on March 31, 2024

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - considered good - Unsecured	434.84	196.21	8.78	2.63	9.49	0.88	652.83

Trade receivables ageing schedule for the year ended as on March 31, 2024 (Contd.)

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - which have significant increase in credit risk - Unsecured	-	-	-	-	-	-	-
Trade receivables - credit impaired - Unsecured	-	-	-	-	-	-	-
Trade receivables - considered doubtful - Unsecured	-	-	-	-	-	337.57	337.57
Total March 31, 2024	434.84	196.21	8.78	2.63	9.49	338.45	990.40

Trade receivables ageing schedule for the year ended as on March 31, 2023

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - considered good - Unsecured	400.78	176.01	2.32	3.93	10.26	-	593.30
Trade receivables - which have significant increase in credit risk - Unsecured	-	-	-	-	-	-	-
Trade receivables - credit impaired - Unsecured	-	-	-	-	-	-	-
Trade receivables - considered doubtful - Unsecured	-	-	-	-	-	337.57	337.57
Total March 31, 2023	400.78	176.01	2.32	3.93	10.26	337.57	930.87

NOTE 10: CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in current accounts	3.92	88.45
Cash on hand	2.76	0.98
Total	6.68	89.43

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

NOTE 11: BANK BALANCES (OTHER THAN CASH AND CASH EQUIVALENTS)

(₹ in Lacs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Balances with banks in fixed deposit (Fixed deposit having maturity more than 3 months, less than 12 Months)	181.66	157.89
Total	181.66	157.89

Note 11.1: Balance includes accrued interest on FDR ₹ 1.28 Lacs (P.Y. 0.58 Lacs)**NOTE 12: LOANS (AT AMORTIZED COST) - CURRENT**

(₹ in Lacs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Loans and advances to employees - Considered good - Unsecured	7.69	8.12
Loans and advances to employees - Considered doubtful - Unsecured	-	-
Loan to others - Considered good - Unsecured	3,333.17	4,117.68
Loan to others - Considered doubtful - Unsecured	-	-
Total	3,340.86	4,125.80

Note 12.1: No loan given to Promoters, Directors, Key Managerial personnel and related parties.**NOTE 13: CURRENT TAX ASSETS**

(₹ in Lacs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Income Tax Refund	64.78	34.07
Total	64.78	34.07

NOTE 14: OTHER ASSETS

(₹ in Lacs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Unsecured, Considered Goods Prepaid Expenses	6.10	4.93
Others	203.77	120.45
Balances with government authorities	71.41	14.69
Total	281.28	140.07

NOTE 15: EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Authorised				
Equity Shares of ₹ 1 each	25,00,00,000	2,500.00	25,00,00,000	2,500.00
Total	25,00,00,000	2,500.00	25,00,00,000	2,500.00

NOTE 15: EQUITY SHARE CAPITAL (Contd.)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Issued, subscribed and fully paid up				
Equity Shares of ₹ 1 each	23,50,00,000	2,350.00	23,50,00,000	2,350.00
Total	23,50,00,000	2,350.00	23,50,00,000	2,350.00

Note 15.1: Reconciliation of No. of Shares

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Shares outstanding at the beginning of the year	23,50,00,000	2,350.00	23,50,00,000	2,350.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	23,50,00,000	2,350.00	23,50,00,000	2,350.00

Note 15.2: Names of Share Holders holding more than 5%

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Equity Shares	%	No. of Equity Shares	%
DA Trade Tech Private limited	11,74,00,000	49.96	11,74,00,000	49.96

Note 15.3: Shares held by promoter at the end of the year

Promoter Name	No. of Sharers	% of total shares	% changes during the year
Daud Ali	3,16,200	0.13	-
DA Trade Tech Private limited	11,74,00,000	49.96	-

Note: Same in previous year and no changes during the year.

Note 15.4: No Bonus Shares allotted during the period of five years immediately preceding the year.

Note 15.5: Other Disclosures - The Company has one class of equity shares having a par value @ ₹ 1 per share held. Each equity share holder is entitled to dividends as and when declared by the Company. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their share holding.

The Company has not allotted any bonus shares during the period of five years immediately preceding March 31, 2024.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

There are no call unpaid on equity shares.

No shares have been reserved for issue on option.

No equity shares have been forfeited.

NOTE 16: OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
1. Securities Premium		
As per the last year accounts	4,036.00	4,036.00
Add: Addition during the year	-	-
	4,036.00	4,036.00
2. General Reserve		
As per the last year accounts	25.13	25.13
3. Retained Earnings		
As per the last year accounts	545.12	240.76
Add: Surplus for the year	461.95	304.36
	1,007.07	545.12
TOTAL	5,068.20	4,606.25

1) Share Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Act.

2) General Reserve

This includes the amount received from the Government under an incentive scheme for capital expansion and on the expiry of requisite period, the amount was transferred to it.

3) Retained Earnings

This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

NOTE 17: BORROWINGS (NON-CURRENT)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured - Uco Bank:		
Guaranteed Emergency Credit	-	1.12
Covid Emergency Credit	35.33	55.33
Car Loan	29.82	22.87
Total	65.15	79.32

Note:**a) Covid emergency credit from UCO Bank:**

Secured against equitable mortgage of land and building of the Company situated at Kodyat Road, Udaipur and by way of first charge of all current assets such as Raw Material, finished goods, work in progress, stores and spares, book debts and packing material etc. Also secured by way of personal Guarantee of Mr. Daud Ali, Managing Director of the Company. Rate of Interest on Guaranteed Emergency Credit as on March 31, 2024 is 7.50%.

b) Car Loan from UCO Bank:

Secured against hypothecation of Car No. MH01 DT 5202 and rate of interest is 7.60%
Secured against hypothecation of Car No. RJ27 CM 6324 and rate of interest is 9.55%

c) There is no default in the payment of interest and principal.

NOTE 18: BORROWINGS (CURRENT)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Current maturities of long term borrowings	26.04	17.28
Repayable on Demand		
From Banks		
Uco Bank		
Cash Credit Facilities	1,369.46	830.70
ICICI Bank		
Overdraft	100.15	36.75
Unsecured - other than related parties	-	154.00
Total	1,495.65	1,038.73

Note:**a) Cash Credit from UCO Bank**

Secured against equitable mortgage of land and building of the Company situated at Kodyat Road, Udaipur and by way of first charge of all current assets such as raw material, finished goods, work in progress, stores and spares, book debts and packing material etc. Also secured by way of personal guarantee of Mr. Daud Ali, Managing Director of the Company. Rate of interest on cash credit as on March 31, 2024 is 10.45%.

b) Overdraft from ICICI Bank

Secured against fixed deposit receipt of the Company, rate of interest as on March 31, 2024 is 7.85%.

c) There is no default in the payment of interest and principal.

NOTE 19: CURRENT LIABILITIES (TRADE PAYABLES)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Outstanding of creditors micro and small enterprises	-	-
Total Outstanding of creditors other than micro and small enterprises	207.21	323.77
Total	207.21	323.77

Disputed Dues (MSME and Others): **NIL**

Trade payables ageing schedule for the year ended as on March 31, 2024

(₹ in Lacs)

Particulars	Not due	Less than 1 year	1 year to 2 year	2 year to 3 year	more than 3 year	Total
Un-disputed - Outstanding dues to Micro and small enterprises	-	-	-	-	-	-
Un-disputed - Others	195.98	10.63	0.58	-	0.02	207.21
Disputed - Outstanding dues to Micro and small enterprises	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-

Trade payables ageing schedule for the year ended as on March 31, 2023

(₹ in Lacs)

Particulars	Not due	Less than 1 year	1 year to 2 year	2 year to 3 year	more than 3 year	Total
Un-disputed - Outstanding dues to Micro and small enterprises	-	-	-	-	-	-
Un-disputed - Others	281.05	42.69	0.03	-	-	323.77
Disputed - Outstanding dues to Micro and small enterprises	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-

NOTE 20: CURRENT LIABILITIES (OTHER CURRENT LIABILITIES)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory remittances	30.65	17.84
Other payables	259.56	231.98
Total	290.21	249.82

NOTE 21: CURRENT LIABILITIES (PROVISIONS)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for leave encashment of employees	31.82	24.99
Total	31.82	24.99

NOTE 22: REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products	9,448.63	8,232.07
Interest	274.63	299.04
Revenue from operations	9,723.26	8,531.11

NOTE 23: OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Income Tax refund	-	4.21
Profit on sale of Property, Plant & Equipment	1.93	-
Total	1.93	4.21

NOTE 24: COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock	514.97	526.81
Add: Purchases	5,419.64	5,175.80
Less: Closing Stock	540.68	514.96
Total	5,393.93	5,187.65

NOTE 25: PURCHASE OF TRADED GOODS

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases	363.87	278.92
Total	363.87	278.92

NOTE 26: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year:		
Finished goods	806.47	833.56
Work-in-progress	76.81	54.70
Stock in trade	217.93	140.60
	1,101.21	1,028.86
Inventories at the beginning of the year:		
Finished goods	833.56	769.80
Work-in-progress	54.70	40.06
Stock in trade	140.60	12.25
	1,028.86	822.11
Net (increase)/decrease	(72.35)	(206.74)

NOTE 27: EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	862.38	766.69
Contributions to provident and other funds	52.37	50.01
Staff welfare expenses	13.37	14.82
Total	928.12	831.52

Refer note 33

NOTE 28: FINANCE COSTS

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Borrowing	95.29	93.80
Processing Fees for Cash Credit limits	5.25	6.66
Total	100.54	100.46

NOTE 29: DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation Expenses	90.77	78.09
Amortization Expenses	1.30	1.22
Total	92.07	79.31

NOTE 30: OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spare parts	72.62	72.14
Consumption of packing materials	460.64	290.03
Power and fuel	349.72	327.99
Lease rentals	206.55	230.99
Job Charges	16.20	29.05
Other Manufacturing Expenses	71.39	8.41
Listing Fees	5.85	5.60
Other Miscellaneous expenses	9.93	8.19
Rent	82.46	65.86
Bank Charges and commission	5.61	2.39
Advertisement and Publicity Expenses	109.77	56.11
Repairs and maintenance - Buildings	6.73	3.80
Repairs and maintenance - Others	4.73	7.52
Insurance	8.49	8.05
Communication	9.39	7.20
Travelling and conveyance	145.75	126.45
Printing and stationery	3.31	1.98
Freight and forwarding	256.53	193.69
Sales Expenses	50.59	34.05
Business Promotion Expenses	162.71	127.42
Discount and incentive	178.54	133.57
Rebate and claim	1.63	55.31
Commission on sales	51.67	43.83
Legal and professional	28.01	17.45
Payments to auditors' - As auditor	0.40	0.40
Total	2,299.22	1,857.48

NOTE 31: EARNING PER SHARE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1) Profit after tax attributable to owners of the Company (₹ in Lacs)	461.95	304.36
2) Earning used in the calculation of basic earnings for the year (₹ in Lacs)	461.95	304.36
3) Weighted average number of equity shares used as denominator for calculating Basic EPS	23,50,00,000	23,50,00,000
4) Weighted average number of equity shares and convertible warrants used as denominator for calculating diluted EPS	23,50,00,000	23,50,00,000
5) Basic earnings per share (in ₹)	0.20	0.13
6) Diluted earning per share (in ₹)	0.20	0.13

NOTE 32: CONTINGENT LIABILITIES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1) Penalty imposed by the Enforcement Directorate - Net of deposit under protest - Subjudiced at High Court, Jodhpur	122.00	122.00

(₹ in Lacs)

NOTE 33: RETIREMENT AND OTHER EMPLOYEE BENEFITS**(a) Family Pension Scheme**

The contribution are based on fixed percentage of the employees salary, subject to a ceiling as prescribed in the scheme.

Defined Benefit plans**(a) Provident Fund**

The contribution are based on fixed percentage of the employees salary.

Contribution to defined contribution plan, recognised as expenses for the year is as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employers Contribution to provident fund	18.82	18.08
Empolyers contribution to pension fund	23.14	21.53
Empolyers contribution to EDLI	1.43	1.34
Empolyers contribution to Nationl pension scheme	6.59	6.31
Empolyers contribution to ESI	2.39	2.75
Total	52.37	50.01

(₹ in Lacs)

(b) Gratuity Plan

The Company participates in the Employees Group Gratuity - scheme of life insurance corporation limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on seperation/ termination in terms of the payment of gratuity (amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

NOTE 34: SEGMENTAL REPORTING

The Company has identified two reportable segment i.e Manufacturing and finance taking in to account nature of product. The accounting policies adopted for segment reporting are in line with accounting policy of the Company.

Segment-wise Revenue, Results and Capital Employed

(₹ in Lacs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Segment Revenue		
1 Manufacturing	9,448.63	8,232.07
2 Finance	274.63	299.04
Gross value of sales and services	9,723.26	8,531.11
Less: Inter Segment transfers	-	-
Revenue From Operation	9,723.26	8,531.11
Other Income	1.93	4.21
Total Revenue	9,725.19	8,535.32
Segment results		
1 Manufacturing	534.86	304.99
2 Finance	183.54	197.98
Total Segment Results	718.40	502.97
Other Income	1.93	4.21
Profit before Interest and tax	720.33	507.18
Less: Interest	100.54	100.46
Profit before tax	619.79	406.72
Provision for tax		
Income Tax	1.47	-
Deferred Tax	156.37	102.36
Profit after tax	461.95	304.36
Segment Assets		
1 Manufacturing	6,377.26	4,601.02
2 Finance	3,333.17	4,117.68
Total	9,710.43	8,718.70
Segment Liabilities		
1 Manufacturing	2,292.23	1,762.45
2 Finance	-	-
Total	2,292.23	1,762.45
Capital Employed	7,418.20	6,956.25
Capital Expenditure		
Manufacturing	1,613.22	366.78
Depreciation and amortization		
Manufacturing	92.07	79.31

NOTE 35: CURRENT TAX, DEFERRED TAX AND DEFERRED TAX ASSETS

The major components for the year ended March 31, 2024 are as under:

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax expenses recognised in the Statement of Profit and Loss		
Current Tax:		
Current tax on profits for the year	1.47	-
Deferred tax (Net)	156.37	102.36
Total income tax (Deferred Tax) expenses	157.84	102.36

Reconciliation of tax expenses and the accounting profit

The reconciliation between estimated income tax at statutory income tax rate into income tax expenses reported in Statement of Profit and Loss is given below:

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before income tax	619.79	406.72
Indian statutory income tax rate	25.168%	25.168%
Expected income tax expenses	155.99	102.36
Tax effect of adjustment to reconcile expected income tax Expenses to reported Income ax Expenses		
Tax impact of income not subject to tax	-	-
Tax effects of amounts which are not deductible for taxable income	1.85	-
Additional tax paid on book profits	-	-
Others	155.99	102.36
	157.84	102.36
Total income tax (deferred Tax) expenses	157.84	102.36

Deferred Tax (Liabilities)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Property Plant and Equipment and others	-	-
Total deferred tax liabilities	202.19	45.82

Deferred Tax Assets

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Property Plant and Equipment and others	-	-
Total deferred tax Assets	-	-
Net Deferred tax (Liabilities)/Assets	(202.19)	(48.82)

Movement in Deferred tax Assets

(₹ in Lacs)

Particulars	Property, plant and equipment	Other deferred tax liability	MAT	Other Deferred Tax Assets	Deferred Tax Liabilities/ Asset (Net)
As at March 31, 2022	52.04	-	-	4.50	56.54
(Charged)/Credited to profit and Loss account	(103.62)	-	-	1.26	(102.36)
As at March 31, 2023	(51.58)	-	-	5.76	(45.82)
(Charged)/Credited to profit and Loss account	(158.09)	-	-	1.72	(156.37)
As at March 31, 2024	(209.67)	-	-	7.48	(202.19)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

The Company has opted taxation under Section 115 BAA of income tax act, as per provisions of this section minimum alternate tax is not payable.

NOTE 36: FINANCIAL INSTRUMENTS

Financial Instruments and Related Disclosures:

1. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt and adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current borrowing	65.15	79.32
Current borrowing	1,495.65	1,038.73
Gross debt	1,560.80	1,118.05
Less: Cash and cash equivalents	6.68	89.43
Less: Other bank deposits	181.66	157.89
Adjusted net debt (A)	1,372.46	870.73
Total equity (B)	7,418.20	6,956.25
Adjusted net debt to equity ratio	18.50%	12.52%
Total Capital (A+B)	8,790.66	7,826.98
Gearing Ratio*	21.04%	16.07%

*The Company's Ideal gearing ratio is 21.04% to 16.07%.

2. Categories of Financial Instruments

(₹ in Lacs)

Particulars	Note	As at March 31, 2024		As at March 31, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets (Measured at amortised cost)					
(i) Cash and cash equivalent	10	6.68	6.68	89.43	89.43
(ii) Other Bank Balance	11	181.66	181.66	157.89	157.89
(iii) Trade receivables	9	652.83	652.83	593.30	593.30
(iv) Other financial assests	7 & 14	343.25	343.25	234.89	234.89
Total Financial assets		1,184.42	1,184.42	1,075.51	1,075.51
Financial Liabilities (Measured at amortised cost)					
(i) Trade Payables	19	207.21	207.21	323.77	323.77
(ii) Cash Credit Facilities	18	1,369.46	1,369.46	830.70	830.70
(iii) Term Loan - Non-Current	17	65.15	65.15	79.32	79.32
Total financial liabilities		1,641.82	1,641.82	1,233.79	1,233.79

3. Financial Risk Management

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Company does regularly monitor, analyze and manage the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

A. Management Of Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises of three types of risks:

Interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings and investments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

(i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowing and investment are all in fixed rate instruments.

(ii) Management of price risk:

The Company has no surplus for investment in debt mutual funds, deposits etc. The Company does make deposit with the banks to provide security against Overdrafts given by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising

from changes in interest rates or market yields which may impact the return and value of the investments.

B. Management Of Credit Risk:

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and foreign exchange transactions and financial instruments.

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed.

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

C. Management of Liquidity Risk:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to

meet its obligations. The Company closely monitors its liquidity position and has a cash management system. The Company maintains adequate sources of financing including debt and overdraft from domestic and international banks and financial markets at optimized cost.

The Company's Current assets aggregate to ₹ 6,309.33 Lacs (2023 – ₹ 6,800.85 Lacs) including Cash and cash equivalents and Other bank balances of ₹ 6.68 Lacs (2023 – ₹ 89.43 Lacs) against an aggregate Current liability of ₹ 2,024.89 Lacs (2023 – ₹ 1,637.31 Lacs); Non-current liabilities due between one year to three years amounting to ₹ 65.15 Lacs (2023 – ₹ 79.32 Lacs) and Non-current liability due after three years amounting to ₹ NIL (2023 – NIL) on the reporting date. Further, while the Company's total equity stand 7,418.20 Lacs (2023 – ₹ 6,956.25 Lacs), it has non-current borrowings of ₹ 65.15 Lacs (2023 – 79.32 Lacs). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

D. Fair value measurement

Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis: (₹ in Lacs)

Particulars	Fair value hierarchy	As at March 31, 2024		As at March 31, 2023	
		Fair Value		Fair Value	
Financial assets (Measured at amortised cost)					
(i) Cash and cash equivalent	L2	6.68	6.68	89.43	89.43
(ii) Other Bank Balance	L2	181.66	181.66	157.89	157.89
(iii) Trade receivables	L2	652.83	652.83	593.30	593.30
(iv) Other financial assets	L2	343.25	343.25	234.89	234.89
Total Financial assets		1,184.42	1,184.42	1,075.51	1,075.51

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:
(Contd.)

(₹ in Lacs)

Particulars	Fair value hierarchy	As at March 31, 2024		As at March 31, 2023	
		Fair Value		Fair Value	
Financial Liabilities (Measured at amortised cost)					
(i) Trade Payables	L2	207.21	207.21	323.77	323.77
(ii) Cash Credit Facilities	L2	1,369.46	1,369.46	830.70	830.70
(iii) Term Loan - Non-Current	L2	65.15	65.15	79.32	79.32
Total financial liabilities		1,641.82	1,641.82	1,233.79	1,233.79

NOTE 37:

The Company has not been declared wilful defaulter by any bank and institution.

NOTE 38:

No charges are pending to be created with Registrar of companies and no satisfaction of charges is pending.

NOTE 39: RATIOS

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Remark
Current Ratio	Current assets	Current liabilities	3.11	4.15	-25.06%	In view of increase of Utilization of CC limit
Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.31	0.25	24.00%	
Debt Service Coverage Ratio	EBITDA	Interest plus principal	6.41	5.19	23.51%	
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	6.43%	4.44%	44.81%	In view of increase in profit
Inventory Turnover Ratio	Sale of products	Average Inventory	5.49%	5.28%	3.98%	
Trade receivables turnover ratio	Revenue	Average Trade Receivable	15.16	15.79	-3.98%	
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	21.29	21.51	-1.02%	
Net capital turnover ratio	Net Sales	Working Capital	2.20	1.59	38.36%	In view of increase in sales
Net profit ratio	Net Profit	Net Sales	4.89%	3.67%	33.24%	In view of increase in profit
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed (4)	8.36%	6.64%	25.91%	In view of increase in profit
Return on Investment (ROI) Unquoted	Income generated from investments	Time weighted average investments	No income generated from investment			

NOTE 40:

The Company has utilized funds for the purpose for which they were borrowed.

NOTE 41:

The Company has not received funds from any person or entities including foreign entities to further lend or invest or provide any guarantee, security to third party.

NOTE 42:

The Company has not made any scheme of arrangement during the year.

NOTE 43:

The books of accounts are tallied with stock statement submitted by the Company with bank.

NOTE 44:

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the

tax assessment under the Income Tax Act, 1961 (43 of 1961).

NOTE 45:

The Company has no transactions with struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

NOTE 46:

The Company acquired certain immoveable and moveable assets along with the brand – "KISAN CREST", (hereinafter referred to as "the Assets") located at vill: Umarkui, Silvasa, from Kisan Moulding Limited having plastic processing capacity of 2400 MT per annum, for a purchase consideration of ₹ 1350 Lacs excluding taxes as may be applicable being effective from March 28, 2024. It will increase the plastic processing capacity of the Company to 8450 MT per annum.

The Company obtained the possession of the said assets from the date mentioned. Execution of conveyance deed/ registration etc. with respect to the immoveable properties in the name of the Company are in process.

NOTE 47: RELATED PARTY DISCLOSURE

Disclosures in respect of related parties pursuant to Ind AS 24.

During the year following transactions were carried out with the related parties in the ordinary course of business at arm length price:

(₹ in Lacs)

Name of related party	Nature of relation	As at March 31, 2024	As at March 31, 2023	Nature of transaction
Mr. Daud Ali	key Managerial Personnel	46.84	46.84	Remuneration
Mr. Narendra Bhanawat	key Managerial Personnel	6.76	6.04	Remuneration
Closing Balances				NIL

No amount in respect of the related parties have been written off/back are provided for during the year. Related party relationship has been identified by the Management and relied upon by the auditors'.

NOTE 48:

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (principal and/or interest), which are outstanding for more than 45 days as at the balance sheet date. During the year, there have been no payments made to Micro, Small and Medium Enterprises beyond 45 days. There were no amounts on account of interest due that were payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid. Further, there were no amounts towards interest accrued that were remaining unpaid at the end of accounting year. Accordingly, there were no amounts due to further interest due and payable in the succeeding years.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company:

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; (i) Principal amount (ii) Interest;	-	-

NOTE 48: (Contd.)

(₹ in Lacs)

Particulars	As at March 31, 2024	As at March 31, 2023
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTE 49:

Balances of banks, sundry debtors and trade payables, current liabilities etc. as on March 31, 2024 are subject to confirmation and reconciliation.

NOTE 50:

No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.

NOTE 51:

The Company is not covered under Section 135 of the companies Act, 2013.

NOTE 52:

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

NOTE 53:

In the opinion of the Management, there is no impairment of assets in accordance with the Ind AS 36 as on the Balance Sheet date.

NOTE 54:

There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

NOTE 55:

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

NOTE 56:

The financial statements were authorised for issue by the Board of Directorson May 09, 2024.

NOTE 57:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lacs and decimal thereof as per the requirements of Schedule III, unless otherwise stated.

NOTE 58:

Previous year's figures have been reclassified/regrouped wherever necessary to conform with the current year's Financial Statements.

NOTE 59:

There is no charges or satisfaction yet to be registered with ROC beyond the statutory period.

NOTE 60:

No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013.

NOTE 61:

The Company has used the borrowings from banks for the specific purpose for which it was taken the balance sheet date.

NOTE 62:

The Company has done an assessment to Identify Core Investment Company (CIC) [including CICs in the Company] as per the necessary guidelines of Reserve Bank of India [including Core Investment Companies (Reserve Bank) Directions, 2016]. The Company is not a CIC.

NOTE 63:

The Company has assets (equipment etc.) with a lease term of 12 months or less. The Company applies the 'short-term lease' recognition exemption for these leases. The Company also has certain leases of assets of low

value. The Company applies 'low values lease' recognition exemption for these leases.

NOTE 64:

The Parliament of India has approved the Code on Social Securities, 2020 (the code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The ministry of labour and employment has released draft rules for the code on November 13, 2020. Final rules are yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any.

NOTE 65:

Maintenance of Books of account under Section 128 of the Companies Act, 2013. The Company has defined process to take daily back-up of books of account maintained electronically and complied with the provisions of the Companies (Accounts) Rules, 2014 (as amended).

For **M/s H.R. JAIN & CO.**
Chartered Accountants
Firm Reg. No.: 000262C

For and on behalf of the Board of Directors

Sd/-

Manoj Jain

Partner

Membership No.: 400459

Place: Udaipur

Date: May 09, 2024

UDIN: 24400459BKEMVS3161

Sd/-

Rajat Raja Kothari

Company Secretary

M. No.: A51610

Sd/-

Daud Ali

Managing Director

DIN: 00185336

Sd/-

Narendra Bhanawat

Whole-Time Director

Chief Financial Officer

DIN: 00146824



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