



PIL ITALICA LIFESTYLE LIMITED

(An ISO 9001:2015 Certified Company)

CIN : L25207RJ1992PLC006576

Date: June 05, 2018

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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Name of Company : PIL ITALICA LIFESTYLE LIMITED
Sub : Notice of 26th Annual General Meeting
Ref : Scrip Code No.: 500327 / PILITA

Dear Sir/ Madam,

Pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith the notice of 26th Annual General Meeting of the Members of PIL ITALICA LIFESTYLE LIMITED to be held on Friday, June 29, 2018 at 09:15 a.m. at the registered office of the company at Kodyat Road, Village Sisarma, Udaipur- 313031.

Further the company is offering e-voting facility to its member(s) in respect of businesses to be transacted at the AGM. The facility to exercise the vote at the aforesaid AGM by electronic means (remote e-voting) and voting at the AGM venue on the resolution as set out in the notice will be provided to those members, holding shares either in physical or in electronic form as on the cut-off date i.e. June 22, 2018. The remote e-voting shall commence on Tuesday, June 26, 2018 at 09:00 a.m. and will end on Thursday, June 28, 2018 at 05:00 p.m. (both days inclusive).

We Request you to take the same on record.

Thanking you,

Yours faithfully,

For PIL ITALICA LIFESTYLE LIMITED


Chirag Gupta
(Company Secretary)
M.No.: A50843



Add : Kodyat Road, Udaipur - 313 031 (Rajasthan)

Mob.: +91 96 499 71111 | Ph. : +91 294 2432271/72 | Customer Care : +91 93 144 11101

Fax : +91 294 2430411 Email: info@italicafurniture.com | Website: www.italicafurniture.com

PIL ITALICA LIFESTYLE LTD.

CIN : L25207RJ1992PLC006576

Regd. Office : Kodyat Road, Village : Sisarma, UDAIPUR (Rajasthan)-313031

Tel. : +91 294 2432271 Fax : 91 294 2430411

Website : www.italicafurniture.com

E-mail : info@italicafurniture.com

NOTICE OF TWENTY SIXTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Sixth Annual General Meeting (AGM) of the Members of PIL ITALICA LIFESTYLE LIMITED will be held on Friday, 29th June, 2018 at 9.15 A.M. at the registered office of the Company at Kodyat Road, Village: Sisarma, District: Udaipur - 313031 to transact the following business:

ORDINARY BUSINESS :

- (1) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, alongwith the Reports of the Directors' and Auditors' thereon.
- (2) To appoint a Director in place of Mr. Narendra Bhanawat (00146824), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

- (3) **Appointment of Mrs. Asha Jain as an Independent Director**
To consider and, if thought fit to pass, the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the companies Act, 2013 and rules made thereunder, including any amendment, modification, variation or re-enactment thereof, Mrs. Asha Jain (DIN: 00218335), who was appointed as an additional Director of the Company by the Board of Directors w.e.f. March 07, 2018, and who holds the office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013 be and is hereby appointed as an independent Director of the company, and shall hold office for a period of five consecutive years from the date of appointment i.e. March 07, 2018 upto March 06, 2023."

Registered Office:

Kodyat Road,

Village: Sisarma

Udaipur: 313031

Dated: 18.05.2018

By Order of the Board of Directors

Sd/-

Chirag Gupta

Company Secretary

M. No.: A50843

Note :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy, in order to be effective, must be deposited in the original at the Registered Office of the company, duly completed and signed, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS/PROXIES SHOULD FILL THE ATTENDANCE SLIP FOR ATTENDING THE MEETING.

A person can act as proxy on behalf of the members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the company carrying voting rights, may appoint a single person as proxy and such other person shall not act as a proxy for any other person or member.

- (2) Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of the Board resolution authorising their representative(s) to attend and vote on their behalf at the meeting.
- (3) Brief profile and other information of Directors proposed to be appointed or reappointed is annexed.
- (4) The Register of Members and Share Transfer Books of the Company shall remain closed from 23-06-2018 to 29-06-2018 (both days inclusive) for the purpose of Annual General Meeting.

- (5) The company has a dedicated E-mail address investor@italicafurniture.com for members to mail their queries or lodge complaints, if any. We will endeavor to reply to your query at the earliest.

The company's website www.italicafurniture.com has a dedicated section on investors.

The notice of the Annual General Meeting and the Annual Report for the financial year 2017-18 will also be available on the company's website.

- (6) Queries on the Annual Report and operations of the company, if any, may please be sent to the company at least seven days prior to the date of the Annual General Meeting so that answers may be provided at the meeting.

- (7) The statement setting pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted in the meeting is annexed hereto.

- (8) **Green Initiative:** Members who are yet to register/ update their email address with the company or with the depository Participants are requested to register/ update the same for receiving the Notices, Annual Reports and other documents through electronic mode.

Members holding shares in physical form may get their email address registered/ updated by providing their Names, Folio Number, E-mail Id and consent to receive the Notices, Annual Report and other document through electronic mode by sending the email at investor@italicafurniture.com or rnt.helpdesk@linkintime.co.in.

- (9) Notice of the Annual General Meeting (along with Attendance Slip, Proxy Form and Route Map) and the annual report for the financial year 2017-18 are being sent electronically to the members whose e-mail ids are registered with the Company/ Depository Participant(s) unless any member has requested for the physical copy of the same. For members who have requested for physical copy or who has not registered their E-mail ids, physical copies of the notice and Annual Report are being sent through permitted mode.

- (10) Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

- (11) In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

- (12) The Securities and Exchange Board of India has mandated compulsory trading of the Company's equity shares in demat form for all the investors. The International Securities Identification number (ISIN) code is INE600A01035. Further considering the advantages of scripless trading like exemption from stamp duty, elimination of bad delivery, reduction in transaction cost, improved liquidity, etc., members are requested to consider dematerialisation of their shareholding, if not already done, to avoid inconvenience in future.

- (13) All the documents referred to in notice are open for inspection at the registered office of the company on the working days between 11:00 AM and 1:00 PM upto the date of Annual General Meeting.

- (14) The Registers of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

- (15) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided not less than 3 days written notice is given to the company.

- (16) **Voting Options:** The business set out in the notice of the Annual General Meeting may be transacted through electronic voting system or polling Paper. The Company is providing facility for voting by

electronic means. Information relating to e-voting facility and voting at the Annual General Meeting is given below:

1. Voting Through Electronic Means

- I. In Compliance with the provisions of Section 108 and other applicable provisions, if any, of the act read with Rule 20 of the Companies (management and Administration) Rules, 2014 as amended and Regulation 44 of the Listing Regulations, the company is pleased to provide facility to the members to exercise their right to vote on resolutions proposed to be considered at Annual General Meeting by electronic means and the items of business given in the Notice of the Annual General Meeting may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of Annual General Meeting ("remote e-Voting") will be provided by CDSL.
- II. The facility for voting through Polling Paper ("Poll") shall also be available at the Annual General Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Poll at the Annual General Meeting.
- III. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- IV. The remote e-voting period begins on 26-06-2018 (09.00 a.m.) and ends on 28-06-2018 (05.00 p.m.). During this period shareholders' of the Company, holding shares either in physical

form or in dematerialized form, as on the cut-off date i.e on June 22, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The instructions for remote e-Voting are as under:

- (a) The voting period begins on Tuesday, June 26, 2018 (9:00 a.m.) and ends on Thursday, June 28, 2018 at 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. June 22, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting, thereafter.
- (b) The shareholders should log on to the e-voting website www.evotingindia.com.
- (c) Click on "Shareholders / Members" tab.
- (d) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (g) If you are a first time user follow the steps given below:

PAN	<p>For Members holding shares in Demat Form and Physical Form</p> <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the address stickers.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the PIL ITALICA LIFESTYLE LIMITED on which you choose to vote.
- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (q) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (r) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (s) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates;
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com;
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on;
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote;
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

2. Voting at Annual General Meeting

The members who have not cast their vote by remote e- voting can exercise their voting rights at the AGM. The company will make arrangements of Polling Papers in this regard at the AGM venue.

3. Other Instructions

- I. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. Voting rights (for voting through remote e-Voting as well as polling paper) shall be reckoned on the paid up value of the shares registered in the name of members of the company as on Cut-off date i.e. June 22, 2018.
- III. Any person, who acquires shares of the company and becomes member of the company after dispatch of the notice of the Annual General Meeting and holding shares as of the cut-off date i.e. Friday, June 22, 2018 may obtain user ID and Password by sending a request (alongwith Name, Folio No./ DP ID & Client ID, as the case may be and shareholding) at helpdesk.evoting@cdslindia.com. or RTA at rtt.helpdesk@linkintime.co.in.
- IV. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting at the AGM through Polling Paper. A person who is not a member as on the Cut off date should treat this notice for information purpose only.
- V. Mr. Ashok Modi, a practicing Chartered Accountant (FCA No.:074488) of M/s A. Modi & Co., Chartered Accountants has been appointed as “scrutinizer” by the company to scrutinize the remote e-Voting and Poll process in a fair and transparent manner.
- VI. The Scrutinizer, after scrutinizing the voting at AGM venue and through remote e-Voting, will, not exceeding 48 hours of conclusion of the Meeting, make a consolidated scrutinizer’s report of the votes cast in favour or against, if any, and submit the same to the chairman of the meeting. The chairman or the authorized director shall declare the results. The result declared shall be available on the website of the company (www.italicafurniture.com) and on the website of CDSL

www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges. The resolution shall be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of the resolutions.

Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013

Item no. 3

Mrs. Asha Jain was appointed as an additional director on the Board of the Company w.e.f. March 07, 2018 and holds the office upto the date of this twenty Sixth Annual General Meeting. The company has received a notice in writing from a member under section 160(1) of the act proposing her candidature for the office of director of the company.

The company has received a declaration from Mrs.Asha Jain to the effect that she meets the criteria of independence as provide in section 149(6) of the act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Board is of the opinion that she fulfills the condition specified therein and is independent of the management. Accordingly, it is proposed that Mrs. Asha jain be appointed as an independent director of the company for a term of five consecutive years i.e. for a term upto March 06, 2023 and shall not be liable to retire by rotation.

Save and except Mrs. Asha jain and her relative to the extent of their shareholding interest, if any, in the company, none of other Directors/ key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at item no. 3.

The Board recommends the Resolution at item no 3 of this notice for approval of the Members. .

Registered Office:
Kodiyat Road,
Village: Sisarma
Udaipur: 313031
Dated: 18.05.2018

By Order of the Board of Directors
Sd/-
Chirag Gupta
Company Secretary
M. No.: A50843

Information of Directors to be appointed and the Directors seeking re-appointment of the forthcoming Annual General Meeting pursuant to provisions of SEBI (LODR) Regulations, 2015 and Companies Act, 2013 including Secretarial Standard -2 as on the date of the Notice

Particulars	Mr. Narendra Bhanawat	Mrs. Asha Jain
DIN	00146824	00218335
Date of Birth	29.06.1967	02.07.1971
Age	51 Years	47 Years
Date of Appointment	12.02.2002	07.03.2018
Qualifications	Graduate from Janardan Rai Nagar Rajasthan Vidyapeeth, Udaipur	Post Graduate in Economics from Mohan Lal Sukhadia University
Expertise in functional areas	Accounts and Finance	General management
Terms and Condition of appointment / reappointment and remuneration	As per the policy of Nomination and Remuneration Committee(annexed to Board Report)	NIL
Remuneration Last drawn	As mentioned in corporate Governance Report	NIL
No. of Board Meeting attended during the year	As mentioned in corporate Governance Report	NIL
Relationship with other Directorss and KMPs	NIL	NIL
Saheholding in Company	400 equity shares	NIL
Members/ Chairmanship of Committees	NIL	NIL

PIL ITALICA LIFESTYLE LIMITED

CIN: L25207RJ1992PLC006576

Regd. Office: Kodyat Road, Village : Sisarma, UDAIPUR (Rajasthan)-313 031

Tel. +91 0294 2432271/72 Fax: 91 0294 2430411

• Website: www.italicafurniture.com • e-mail: info@italicafurniture.com

FORM NO. MGT 11

PROXY FORM

[(Pursuant to Section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies Management and Administration) Rules, 2014]

26th Annual General Meeting , 29.06.2018 at 9.15 a.m.

Name of the member(s) :	
Registered address :	
E-mail ID :	
Folio No/DP ID-Client ID :	

I/We, being the member (s) of PIL Italica Lifestyle Limited holding equity shares of the above named company, hereby appoint

(1) Name:..... Address:.....

E-mail Id:.....Signature: or failing him;

(2) Name:..... Address:.....

E-mail Id :.....Signature:..... or failing him;

(3) Name:..... Address:.....

E-mail Id:Signature:..... or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Friday, 29.06.2018 at 9.15 a.m at the Registered Office: Kodyat Road, Village: Sisarma, Distt: Udaipur - 313 031 or at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolution No.	Optional	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the standalone financial statement of the company together with Reports of the Directors' and Auditors' thereon		
2	Re-appointment of Mr. Narendra Bhanawat (DIN:00146824), as a Director liable to retire by rotation		
Special Business			
3	Appointment of Mrs. Asha Jain as an Independent Director		

Signed this..... day of2018

Signature of shareholder

Signature of Proxy holder(s).....

Note :

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



PIL ITALICA LIFESTYLE LIMITED

CIN: L25207RJ1992PLC006576

Regd. Office: Kodiyat Road, Village : Sisarma, UDAIPUR (Rajasthan)-313 031

Tel. +91 0294 2432271/72 Fax : 91 0294 2430411 • Website: www.italicafurniture.com • e-mail: info@italicafurniture.com**ATTENDANCE SLIP: 26th Annual General Meeting 2018**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the company.

DP ID & Client ID/ Regd. Folio No.		No. of Shares	
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I / we hereby record my/ our presence at the twenty sixth Annual General Meeting of the Company being held on Friday, June 29, 2018 at 09:15 a.m. at the registered office of the company.

Please (✓) in the Box

Member

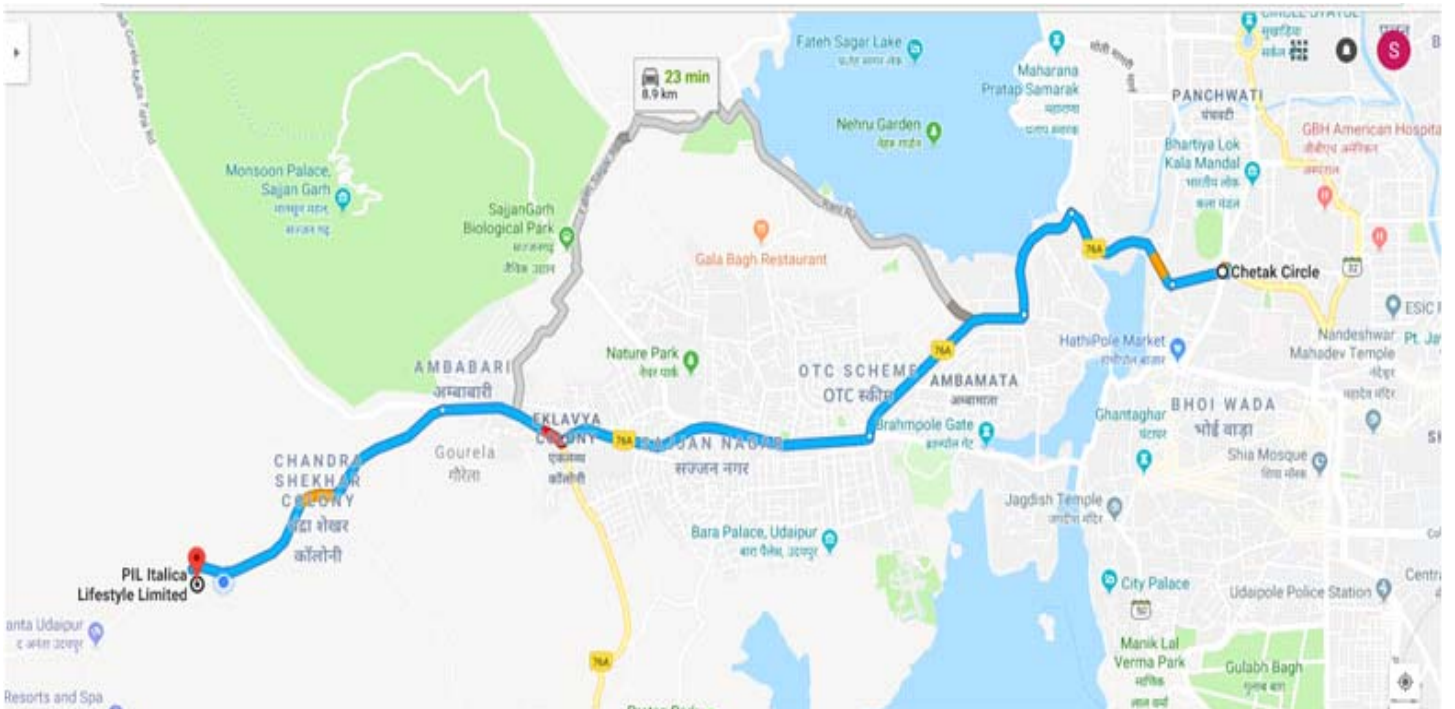
Proxy

Signature of Member/ Proxy

NOTES :

1. Shareholders / Proxyholders are requested to bring the attendance slip with them when they come to the meeting. No attendance slip will be issued at the time of meeting.
2. This attendance slip is valid only in case shares are held on the date of AGM.

ROUTE MAP TO THE VENUE OF THE AGM





PIL ITALICA LIFESTYLE LIMITED

26th ANNUAL REPORT

2017-2018

BOARD OF DIRECTORS

Daud Ali	Managing Director
Narendra Bhanawat	Whole Time Director and Chief Financial Officer
Magan Lal Sharma	Director
Mukesh Kumar Kothari	Director
Namrata Babel	Director
Ram Swaroop Sodani	Director (ceased w.e.f. March 07, 2018)
Asha Jain	Director (appointed w.e.f. March 07, 2018)

COMMITTEE OF THE BOARD**AUDIT COMMITTEE**

Magan Lal Sharma - Chairman
Mukesh Kumar Kothari
Namrata Babel

NOMINATION AND REMUNERATION COMMITTEE

Magan Lal Sharma - Chairman
Mukesh Kumar Kothari
Namrata Babel

STAKEHOLDERS RELATIONSHIP COMMITTEE

Magan Lal Sharma - Chairman
Mukesh Kumar Kothari
Namrata Babel

AUDITORS

M/s Ajay Paliwal & Co.
Chartered Accountants

COMPANY SECRETARY

Chirag Gupta

BANKERS

ICICI Bank Limited
YES Bank Limited
IDBI Bank

REGISTERED OFFICE & WORKS

Kodiyat Road,
Village : Sisarma
District : Udaipur (Raj.) 313031

INVESTOR QUERIES

email:-investor@italicafurniture.com

Growth (Financials)

- Revenue up by 12.76%
- EBITDA up by 59.35%
- Cash profit up by 88%
- PAT up by 18.17%

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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants, Members who hold shares in physical form are requested to register their e-mail addresses with the company.

DIRECTORS' REPORT

To The Members of PIL ITALICA LIFESTYLE LIMITED

Your Directors have pleasure in presenting 26th Director's Report of your Company together with the Audited Statement of Accounts and Auditors' Report of your company for the financial year ended on March 31, 2018.

FINANCIAL HIGHLIGHTS

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

Particulars	(Rs. in Lacs)	
	2017-2018	2016-2017
Revenue from Operations	7319.83	6491.27
Profit/Loss (-) before Taxation	607.70	913.68
Less: Tax Expenses*	(472.01)	0
Profit/(Loss) after Tax	1079.71	913.68
Add: other Comprehensive Income	(4.77)	-
Add: balance B/F from Previous year	(1850.27)	(2763.95)
Balance Profit/(Loss) C/F to the next year	(775.33)	(1850.27)

*Tax Expenses includes additional deferred tax expense which is an income to the company.

INDIAN ACCOUNTING STANDARD (IND AS)

The Ministry of Corporate Affairs (MCA) dated, vide its notification in the official Gazette dated February 16, 2015, notified the IND AS applicable to certain class of the companies. IND AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. On April 01, 2017 the company has adopted IND AS w.e.f April 01, 2016.

The reconciliation and description of the effect of the transition from IGAAP to IND AS has been provided in Note No. 42 of the financial statement for the year ended on March 31, 2018.

STATE OF COMPANY'S AFFAIRS

The Company is engaged in the manufacturing of plastic moulded furniture and is one of the top most leading manufacturer of plastic moulded furniture. Your Company recorded a revenue of Rs. 7319.83 Lacs in comparison to previous year i.e. Rs. 6491.27 Lacs registering a growth of 12.76% over the previous year. Profit after tax increased by Rs. 166.03 Lacs and the company earned a cash profit of Rs. 437.69 Lacs in comparison to previous year i.e Rs. 232.69 Lacs. The increase in profits of the Company is due to higher margin in manufactured goods in comparison to previous year and increasing growth in trading activities and financing activities.

As per the revival scheme sanctioned by BIFR, Company booked waiver of Principal dues and the same is shown under the head exceptional items. The revival scheme sanctioned by BIFR is under implementation.

Your Directors are continuously looking for avenues for future growth of the company.

CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the company. Your Company tends to run the same business activities. However, the company has shown finance and investment activities of the company via separate segment reporting as per the requirement of IND AS.

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.

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, 2018.

SHARE CAPITAL

The paid-up share capital of the company has increased from Rs. 2176.00 lacs to 2350.00 lacs during the financial year 2017-18, pursuant to conversion of warrants into equity shares by the company.

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.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS UNDER SECTION 186

Details of loans, guarantee and investments covered under provision of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

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 A** forming part of annual report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particular of contract or arrangements entered into by the company with related party referred to in Section 188(1) of the Companies Act, 2013 is disclosed in AOC-2 furnished in **Annexure B** and is attached to this report. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the company's website at www.italicafurniture.com.

EXTRACT OF ANNUAL RETURN

Extract of the Annual Return as required under Section 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form MGT-9 is attached as **Annexure C** for your kind perusal and information.

NUMBER OF MEETINGS OF THE BOARD

Number of meetings of the Board during the year were Seven (07), held at 06.05.2017, 13.06.2017, 10.08.2017, 14.11.2017, 04.01.2018, 06.02.2018 and 07.03.2018.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE

As on March 31, 2018 the Company does not have any subsidiary, Joint venture or associate. The Policy for determining of material subsidiary is placed on the website of the Company at www.italicafurniture.com.

RISK MANAGEMENT

We at PIL ITALICA LIFESTYLE LIMITED 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. The effectiveness of risk management framework and system is periodically reviewed by Board of Directors of the company.

However, In the opinion of Board, none of the above mentioned risks threaten the existence of the company.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) DIRECTORS:

Mr. Ram Swaroop Sodani, Non-Executive Director resigned from the Board w.e.f. March 07, 2018. The Board placed on record its sincere appreciation for the guidance and contribution made by Mr. Ram Swaroop Sodani during his tenure as director.

Mrs. Asha Jain was appointed as a Non-Executive Additional Director on the Board w.e.f. March 07, 2018. The company has received the notice from the member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of director not liable to retire by rotation.

Pursuant to provisions of the Companies Act, 2013, Mr. Narendra Bhanawat, Whole time Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

A brief resume, nature of expertise, details of directorships and other information of directors proposed to be appointed/ re-appointed as stipulated in Secretarial Standard 2 and Regulation 36 of Listing Regulations is appended as an annexure to notice of ensuing Annual General Meeting.

b) KEY MANAGERIAL PERSONNEL:

During the year, Mr. Daud Ali was re-appointed as the Managing Director of the company w.e.f. April 01, 2018 and his tenure was fixed by the members for 3 (three) years at the last Annual General Meeting held on June 30, 2017.

Ms. Aditi Parmar, Company Secretary and Compliance Officer has resigned w.e.f. June 12, 2017. The directors placed on record its sincere appreciation for the contribution made by her during the tenure. The Board in its Meeting held on June 13, 2017 has appointed Mr. Chirag Gupta as the Company Secretary and Compliance Officer of the Company w.e.f. June 13, 2017.

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

STATUTORY AUDITORS

In terms of the provisions of section 139 of the Companies Act, 2013, M/s Ajay Paliwal & Co., Chartered Accountant, Udaipur (FRN:012345C) were appointed as the auditor of the company by the shareholder in the 24th Annual General Meeting for a period of 5 years i.e. up to 29th Annual General Meeting of the company.

AUDIT REPORT

The Board has duly examined the Statutory Auditors' report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to accounts, section of the financial statements of this Annual report. The Auditors Report does not contain any qualification or adverse remark.

SECRETARIAL AUDITORS AND THEIR REPORT

M/s P. Talesra & Associates, practicing Company Secretary have been conducting the Secretarial Audit of the company on continuous basis. The Board re-appointed M/s P. Talesra & Associates, practicing Company Secretary, to carry out secretarial audit under the provisions of section 204 of the Companies Act, 2013 for F.Y. 2017-18. The secretarial audit report is provided as **Annexure D** forming part of this report.

The report does not contain any qualifications or adverse remarks.

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 form part of this report and are set out in **Annexure E** forming part of this report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company does not qualify under the provisions of Section 135 of the Companies Act, 2013. The operating profit is Rs. 405.55 Lacs which is below the threshold limit and exceptional items comprises of waiver of principal Loan amount as per the scheme sanctioned by BIFR, which is capital receipt and is not profit under Section 198(3)(c) Companies Act, 2013. Hence the company is not required to constitute Corporate Social Responsibility committee as it does not fall under the purview of Section 135 of the Companies Act 2013.

NOMINATION AND REMUNERATION COMMITTEE POLICY

The Board has adopted a policy on Nomination and Remuneration, which

sets out the criteria for determining qualifications, positive attributes, diversity of board, independence of director, remuneration, etc. The detailed policy is available on the website of the company at www.italicafurniture.com and is also stated in Corporate Governance Report.

ANNUAL BOARD EVALUATION AND FAMILIARIZATION PROGRAM

The Nomination and Remuneration Committee has put in place a robust framework for evaluation of the Board, Committees and Individual Directors. Customized questionnaires were circulated, responses were analyzed and the results were subsequently discussed by the Board. Recommendations arising from the evaluation process will be considered by the Board to optimize its effectiveness.

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 program to company's independent directors can be accessed at the company's website www.italicafurniture.com under policy head.

ESTABLISHMENT OF VIGIL MECHANISM

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.italicafurniture.com.

CORPORATE GOVERNANCE REPORT

Your company is committed to benchmark itself with global standards for providing good corporate governance. The company has put in place an effective corporate governance system which ensures that the provisions of Listing Regulations have been complied with. A detailed report on Corporate Governance pursuant to requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is forming part of this annual report as **Annexure F**.

PARTICULARS OF EMPLOYEES

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.

Disclosures relating to remuneration of director's u/s 197(12) of the Companies Act, 2013 read with rule 5(1) of Companies (Appointment of Managerial Personnel) Rules, 2014 is annexed as **Annexure G** to this report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Details regarding internal control system and their adequacy forms part of Management Discussion and analysis report forming part of Directors Report.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

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:

- i) in the preparation of the annual accounts, the applicable Indian accounting standards had been followed along with proper explanation relating to the material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgement 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;

- iii) 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;
- iv) the directors had prepared the annual accounts on a going concern basis;
- v) 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.
- vi) 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.

UTILISATION OF FUNDS RAISED FROM PREFERENTIAL ISSUE

The funds raised from preferential issue of equity shares, pursuant to conversion of warrants into equity shares were fully utilized for investment purpose, repayment of borrowings, etc.

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

ANNEXURE A

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, 2018.

A. INDUSTRIAL STRUCTURE AND DEVELOPMENT

PIL ITALICA LIFESTYLE LIMITED is the leading producer of plastic moulded furniture and other moulded articles. In the current year, we have added new varieties of furniture in our portfolio to provide a wider range of choice to our distributors, dealers and consumers.

The implementation of GST from July 01, 2017 has brought a big revolution in the indirect taxation system in our country. GST rates has been reduced from 28% to 18% w.e.f November 15, 2017 which has also created benefits for the customers of the company. Even though there were few challenges with the GST in the initial phase, in the long run, GST will prove to be highly beneficial. As more and more people will enter the tax system, the organized players in our industry will benefit from it. The threat from unorganized players will reduce over time. We believe that GST will have a positive impact on the company's performance in the long run. The revisions in rates has also leads to reduce in prices and increase consumption and thereby bring growth for the consumer and industry.

Our efforts in supporting the Swachh Bharat initiative has been on going and we are making continuous efforts in spreading awareness about this campaign by providing dust bins from capacity ranging from 30 liters to 120 liters even in the remotest of the areas.

Another milestone achieved in this year is the growth of the brand on major e-commerce platforms also. At PIL ITALICA LIFESTYLE LIMITED, we believe in the power of technology and we are hopeful that in the years to come, we will be able to reach with every part of the country because of this power. Our products have already gained popularity on Pepper fry, Amazon, Industry buying, etc. and in a short span of time PIL ITALICA LIFESTYLE LIMITED has become a preferred brand for furniture for customers.

B. OPPORTUNITIES AND THREATS

The global economy is witnessing a slow growth while the growth in India has been fairly robust.

- 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.
- e) There were NIL cases filed pursuant to the Sexual harassment of Women at workplace (Prevention, prohibition and Redressal) Act, 2013

ACKNOWLEDGEMENT

Your Directors express their deep sense of appreciation for the contribution made by the staff, workers and all other employees of the Company for the successful growth in the operations of our business.

The Directors also thank the banks, financial Institutions, customers, suppliers, shareholders, etc. for their continuous co-operation and support that contributed in the growth and prosperity of your Company. Your Directors look forward to the continued support of these partners in progress.

For and On behalf of the Board of Directors

Sd/-

DAUD ALI

Managing Director

Sd/-

NARENDRA BHANAWAT

Whole Time Director
and Chief Financial Officer

Place : Udaipur

Date : 18.05.2018

DIN : 00185336

DIN : 00146824

The company is also exploring to sell its products in other markets where it does not exist. Due to the better quality and prices of the product, the company is in advantageous position to enhance its sales. Plastic moulded furniture is replacing wooden and iron furniture day by day due to its low cost hence demand and scope of plastic moulded furniture is also increasing drastically. The company has undertaken various measures to cut down the cost and re-arrange the product and sales mix. The company foresee huge opportunity for growth in the business of furniture segment.

The capacity utilization is presently lower due to high growth of market competitors and changing demands of consumers. With the rise in demand and overall industrial sentiment, the industry is witnessing many new entrants with low capital base to serve the local market. The company is also facing risks from unethical practices by unorganized manufacturers. Company is trying to meet the requirements of market by manufacturing new varieties and changes in the existing furniture and adding more varieties in crates and bins and has also achieved a level of growth.

C. SEGMENT-WISE PERFORMANCE

During the year the company clocked a revenue of Rs. 7319.83 Lacs including the revenue of Rs. 2669.81 Lacs from the trading segment. Also, the company witness turnover of Rs. 366.24 lacs from investment and financing activity.

D. OUTLOOK

Your company has introduced new products during the year and is expecting good growth over time. The outlook for the Company appears bright on a long-term basis. The Company is hopeful that its performance in the years to come would be encouraging, as the Company is planning to launch new models of chairs and other articles. Your Company will endeavor to maintain and enhance its position in the furniture market.

E. RISKS AND CONCERNS

Your company is exposed to risk of price fluctuation on raw material as well as on finished goods, business risk, commodity risk, etc. in its entire product range and economic risk. The risk identified are reviewed and evaluated on continuous basis and suitable steps are taken on timely basis to mitigate the same. The board reviews the Risk Management Process periodically.

F. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your company has adequate systems of internal control covering all financial and operational activities. The internal control is designed to provide reasonable assurance with regard to maintaining proper accounting controls, protecting assets from unauthorized losses and ensuring reliability of financial and operational information and proper compliance with regulations. In the opinion of the Board, an internal control system are in place is efficient to the size of the Company.

Your company's statutory auditors have, in their report, confirmed the existence of effective internal control procedures.

G. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the Year, your company achieved a revenue of Rs. 7319.83 lacs in comparison to previous year i.e. Rs. 6491.27 Lacs registering a growth of 12.76% over the previous year. Out of which exports were Rs. 39.02 Lacs as against Rs. 2.66 Lac in the previous year. The profit before tax and exceptional item is Rs. 405.55 Lacs as against Rs. 201.82 Lacs in the last financial year.

H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

We at PIL ITALICA LIFESTYLE LIMITED is of the opinion that our people plays a vital role in shaping the organization and hence we lay great emphasize on optimizing their performance. The company provides fair and safe, equal environment at work to all the employees at PIL ITALICA LIFESTYLE LIMITED. The training and education of employees across department is ongoing process of the company. Your Company has the strength of 47 staffs and 63 workers. Our technical and well qualified staff efficiently use their skills in internal as well as external opportunities for capturing new market trends and high growth of your organization. The company acknowledges and appreciates the contribution made by each and every employee of PIL ITALICA LIFESTYLE LIMITED.

For and On behalf of the Board of Directors

Sd/-

DAUD ALI

Managing Director

Place : Udaipur
Date : 18.05.2018

DIN : 00185336

Sd/-

NARENDRA BHANAWAT

Whole Time Director
and Chief Financial Officer
DIN : 00146824

ANNEXURE B:

FORM No. AOC – 2

(Pursuant to clause(h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

S. No.	Particulars	Details
a)	Name of Related Party & nature of relationship	Genext Students Private Limited
b)	Nature of transaction	Renting of Property
c)	Relationship	Directors Concern
d)	Date of Approval by the Committee/Board	10.08.2017
e)	Amount Involved	35000/-

Annexure C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1. CIN	L25207RJ1992PLC006576
2. Registration Date	16.03.1992
3. Name of the Company	PIL ITALICALIFESTYLE LIMITED
4. Type of the Company	Public Company
5. Category/ Sub-Category of the Company	Category: Company Limited by shares Sub-Category : Indian Non Government Company
6. Address of the registered office and contact details	Kodiyat Road, Village: Sisarma, Udaipur- 313031,0294-2432271/72
7. Whether listed company	
Yes / No	YES
8. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited,C -101, 247 Park,L B S Marg, Vikhroli West, Mumbai 400 083. E-Mail : rnt.helpdesk@linkintime.co.in Phone : 022-49186270 Fax:022-49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and description of main products/services	NIC Code of the Product/service (NIC 2008)	% to total turnover of the company
1.	Manufacture of furniture primarily of plastic	31004	57.94
2.	Non-specialized wholesale trade	46909	36.47

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	Name of Company	Address of Company	CIN/GLN	Holding/ subsidiary /associate	%of shares held	Applicable Section
1.	Dawood Investment Private Limited	201,Oasis Park,40, Ambavgarh Udaipur- 313 004	U65993RJ 1991PTC0 06094	Holding	65.98%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Sr. No.	Category of shareholder	No. of shares at the beginning of year (1.04.2017)				No. of shares at the end of year (31.3.2018)				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total*	% of Total shares	
(A)	Promoter and Promoter Group									
1	Indian									
(a)	Individuals/Hindu Undivided Family	316200	0	316200	0.15	316200	0	316200	0.13	(0.02)
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	142657200	0	142657200	65.56	155057200	0	155057200	65.98	0.42
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	N.A.
(e)	Any Other (Total)	0	0	0	0	0	0	0	0	N.A.
	Sub-Total (A)(1)	142973400	0	142973400	65.70	155373400	0	155373400	66.11	0.41
2	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Total)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	142973400	0	142973400	65.70	155373400	0	155373400	66.11	0.41
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/UTI	0	54000	54000	0.03	0	54000	54000	0.023	(.007)
(b)	Financial Institutions/ Banks	1392648	0	1392648	0.64	1400448	79600	1480048	0.63	(0.01)
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	N.A.
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	N.A.
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	N.A.
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	N.A.
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	N.A.
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	N.A.
(i)	Any other (Total)	0	0	0	0.00	0	0	0	0.00	N.A.
	Sub-Total (B)(1)	1392648	54000	1446648	0.67	1400448	133600	1534048	0.65	(0.02)
2	Central Government/ State Government(s)/ President of India	0	0	0	0.00	0	0	0	0.00	N.A.
	Sub-Total (B)(2)	0	0	0	0.00	0	0	0	0.00	N.A.
3	Non-institutions	0	0	0	0.00	0	0	0	0.00	N.A.
(a)	Individuals									
(i)	Individual Shareholders Holding Nominal Share Capital Up To Rs. 1 Lakh.	21948146	1029600	22977746	10.56	21494118	1013200	22507318	9.57	(0.99)

Sr. No.	Category of shareholder	No. of shares at the beginning of year (1.04.2017)				No. of shares at the end of year (31.3.2018)				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total*	% of Total shares	
(ii)	Individual Shareholders Holding Nominal Share Capital In Excess Of Rs.1 Lakh	29307236	0	29307236	13.47	30317906	0	30317906	12.90	(0.57)
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trust Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other (specify) Trusts	400	0	400	0.00	400	0	0	0.00	0.00
	Hindu Undivided Family	4603277	0	4603277	2.11	4627456	0	4627456	1.97	(0.14)
	Non Resident Indian (Non Repat)	0	0	0	0.00	73464	0	73464	0.03	0.03
	Non Resident Indian (Repat)	169759	153200	322959	0.15	185514	153200	338714	0.14	(0.01)
	Overseas Bodies Corporate	6000	79600	85600	0.04	6000	0	6000	0.00	(0.04)
	Clearing Member	0	0	0	0.00	1651243	0	1651243	0.70	0.70
	Bodies Corporate	20450411	35600	20486011	9.41	18534451	35600	18570051	7.90	(1.51)
	Sub Total (B)(3)	71881952	1298000	73179952	33.63	76890552	1202000	78092552	33.23	(0.4)
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	73274600	1352000	74626600	34.30	78291000	1335600	79626600	33.88	(0.42)
	Toatal (A)+(B)	216248000	1352000	217600000	100.00	233664400	1335600	235000000	100.00	0.00
(C)	Non Promoter – Non Public									
[1]	Custodian/ DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (share based employee benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	216248000	1352000	217600000	100.00	233664400	1335600	235000000	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to Total Shares	
1	Daud Ali	316200	0.15	0	316200	0.13	0	(.02)
2	Dawood Investment Private Limited	142657200	65.55	0	155057200	65.98	0	(0.42)
	Total	142973400	65.70	0	155373400	66.11	0	0.41

(iii) Change in Promoters' Shareholding

Sl.No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Daud Ali	316200	0.15	316200	0.13
2.	Dawood Investment Private Limited				
	At the beginning of the year	142657200	65.56	142657200	65.56
	Increase due to conversion of warrants into equity on May 06, 2017	5000000	2.20	147657200	64.88
	Increase due to conversion of warrants into equity on August 10, 2017	7400000	3.15	155057200	65.98

Note: During the FY 2017-18, the paid up share capital of the company increased from Rs. 2176.00 Lac to Rs. 2350.00 Lac due to conversion of warrant into equity. As a result the shareholding of Mr. Daud Ali also got diluted proportionately.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Top Ten Shareholders*	Shareholding at the beginning of the year (01.04.2017)		Shareholding at the end of the year (31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PARK CONTINENTAL LTD	11186187	5.14	11288713	4.80
2	BONANZA PORTFOLIO LTD	5200423	2.38	4057144	1.73
3	SATENDRAPAL SINGH CHHABRA	3282736	1.50	3045770	1.30
4	MADAN MOHAN MANGAL	2262420	1.04	2262920	0.96
5	SKA SECURITIES AND FINANCIAL SERVICES PRIVATE LIMITED	1515961	0.69	1682971	0.72
6	SANJEEV GORWARA	1671908	0.77	1671908	0.71
7	CHHAVI GOYAL	1600000	0.73	1600000	0.68
8	RAJMANI GORWARA	1454084	0.69	1454084	0.62
9	HDFC BANK LTD	1372448	0.63	1372448	0.58
10	SHAILJA MANGAL	1219000	0.56	1334500	0.56

*The shares of the company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel:

	For each of Director & KMP	Shareholding at the beginning of the year (01.04.2017)		Cumulative shareholding during the year (as on 31.3.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Daud Ali, Managing Director	316200	0.15	316200	0.13
2.	Narendra Bhanawat, Wholetime Director & CFO	400	0.00	400	0.00
3.	Chirag Gupta, Company Secretary*	-	-	01	0.00

*Chirag Gupta was appointed w.e.f June 13, 2017. Note: No other Directos/ KMPs was holding any shared during the FY 2017-18.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment –

	Secured loans excluding deposits (Rs. In '000's)	Unsecured loans (Rs. In '000's)	Deposits (Rs. In '000's)	Total Indebtedness (Rs. In '000's)
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount				
ii) Interest due but not paid	14509	NA	NA	14509
iii) Interest accrued but not due	-	NA	NA	-
Total (i+ii+iii)	14509	NA	NA	14509
Change in Indebtedness during the financial year	-	NA	NA	-
• Addition	975	NA	NA	975
• Reduction	8215	NA	NA	8215
Net Change	7240	NA	NA	7240
Indebtedness at the end of the financial year (31.03.2018)	-	NA	NA	-
i) Principal Amount	-	NA	NA	-
ii) Interest due but not paid	-	NA	NA	-
iii) Interest accrued but not due	7269	NA	NA	7269
Total (i+ii+iii)	7269	NA	NA	7269

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lacs)

S.NO.	Particulars of Remuneration	Name of MD/WTD/MANAGER		Total Amount (Rs.)
		Daud Ali (MD)	Narendra Bhanawat (Whole Time Director and CFO)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.32	3.91	44.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit- others, specify	-	-	-
5	Others please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act Section 197 of Companies Act' 2013 :			65.19

B. Remuneration to other directors: No sitting fees and other benefits are given to Independent Directors

C. Remuneration To Key Managerial Personnel Other Than MD / MANAGER / WTD

(Rs. In Lacs)

S.NO.	Particulars of remuneration	Key Managerial Personnel			Total Amount (Rs.)
		Aditi Parmar, Company Secretary*	Chirag Gupta, Company Secretary*	CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.39	1.88	-	2.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit- others, specify	-	-	-	-
5	Others please specify	-	-	-	-
	Total (A)	0.39	1.88	-	2.27

*Aditi Parmar resigned w.e.f June 12, 2017 and Mr. Chirag Gupta was appointed w.e.f June 13, 2017.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES – NIL

ANNEXURED

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

To,

The Members,

PIL ITALICA LIFESTYLE LIMITED

CIN : L25207RJ1992PLC006576

Regd. Office:Kodiyat Road, Village Sisarma,

Udaipur, Rajasthan-313031

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 (herein after called the company). Secretarial Audit was conducted in a manner that provided me/ us 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 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 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 31.03.2018 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 31.03.2018 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; **(Not applicable to the company during the audit period)**
- (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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (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, 2009 **(Not applicable to the company during the audit period)**; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(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 specifically to the company:
 - A. Water (Prevention & Control of pollution) Act 1974 and Air (Prevention & Control of Pollution) Act 1981 as certified by the Management.
 - B. Labour Laws pertaining to ESI and PF as certified by Internal Auditors in their report for the period 1st April 2017 to 31st March 2018.
 - C. Sick Industrial Companies (Special Provisions) Act 1985 as per Notes of Annual Audited Accounts for the year ended 31st March 2018.
 - D. Negotiable Instruments Act, 1881I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all the directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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 Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, GST Act, Excise and Customs Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period :

- i) The company has converted 1,74,00,000 warrants into 1,74,00,000 Equity shares of Re.1 each during the period under audit..
- ii) The company is under implementation of revival scheme, as sanctioned by Board for Industrial and Financial Reconstruction.

For P. Talesara & Associates

Company Secretaries

Sd/-

(Pawan Talesara)

Proprietor

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

Place: Udaipur (Raj.)

Date: 17.05.2018

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.

Annexure-A :List of Documents verified under Co. Act 2013

1. Memorandum and Articles of Association of the Company
2. Annual Return for the Financial year ended 31.03.2018
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 board 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 thereto during the financial year under 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

Place: Udaipur (Raj.)

Date: 17.05.2018

ANNEXURE E

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

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:

- (i) Replacement of old Lighting with LED lights at offices and plant location.
- (ii) Installation of automatic power controllers to save maximum charges and energy.
- (iii) Continuously replacing the inefficient equipment's with latest energy efficient technology and upgradation of equipment's continually.
- (iv) Creating awareness of energy saving within the organization to avoid wastage of energy.

B. TECHNOLOGY ABSORPTION

- (i) Efforts made towards technology absorption:
 - Continuously monitoring the production patterns.
 - Constantly striving towards developing of new designs and products.
 - Investing in new mould 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

The total foreign exchange Earning / Outgo is as follows:

(Rs in Lacs)

Particulars	2017-18	2016-17
Foreign Exchange Earning	39.02	2.66
Foreign Exchange Outgo	NIL	NIL

ANNEXURE F

CORPORATE GOVERNANCE REPORT

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015 ('Listing Regulation') and some of the best practices followed internationally on Corporate Governance, the following report on the Governance lays down the ethos of PIL ITALICA LIFESTYLE LIMITED and its commitment to conduct business in accordance with sound Corporate Governance Practices.

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 company wide 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.

BOARD OF DIRECTORS

Board Diversity and Structure

The company recognizes and embraces the importance of a diverse board in its success. The company has a broad based Board of directors, constituted in compliance with companies act, 2013, Listing Regulation and in accordance with the best practices in Corporate Governance. The Board function either as full Board or through various committees constituted to oversee specific areas. The Board is proper mix of executive and non-executive directors out of which 50% of the Board comprises of Independent director.

Composition of Directors

As on March 31, 2018 the Board comprises of 6 members, of which 3 are independent directors. Mr. Daud Ali is the Managing Director ('MD') 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.

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

During the FY 2017-2018, The Board met 7 (seven) times on May 06, 2017, June 13, 2017, August 10, 2017, November 14, 2017, January 04, 2018, February 06, 2018 and March 07, 2018.

Annual General Meeting of the company was held on June 30, 2017.

Attendance of Director in the above mentioned category is as follows:

Name of Director	Category Director	No. of the other directorship and committee membership and chairmanships			Attendance at Board meeting	Whether last Annual General Meeting attended?
		Directorship [^]	Committee ^{^^}			
			M	C		
Mr. Daud Ali	Promoter (Managing Director) Executive Director	06	0	0	7(7)	Yes
Mr. Narendra Bhanawat	Executive Director	03	0	0	7(7)	Yes
Mr. Magan Lal Sharma [#]	Independent Director	01	0	2	7(7)	Yes
Mr. Mukesh Kumar Kothari	Non Executive Director	01	2	0	7(7)	No
Dr. Namrata Babel	Independent Director	01	2	0	7(7)	No
Mr. Ram Swaroop Sodani [*]	Independent Director	01	2	0	6(6)	No
Mrs. Asha Jain ^{**}	Independent Director	06	0	0	0(0)	NA

^{*} Mr. Ram Swaroop Sodani resigned w.e.f. March 07, 2018. He was also the chairperson of Audit Committee

and Stakeholders relationship committee.

[#] Mr. Magan Lal Sharma was appointed as chairperson of Audit Committee and Stakeholders Relationship Committee w.e.f. March 07, 2018.

^{**} Mrs. Asha Jain was appointed as Additional Director w.e.f. March 07, 2018.

[^] The directorships, held by directors, including this company and section 8 company as mentioned above.

^{^^} Committee considered for purpose are those prescribed under Listing Regulation viz Audit Committee and Stakeholders' Relationship Committee including this company. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.

Notes:

- There are no inter se relationships between our Board Members
- As on March 31, 2018 apart from Mr. Daud Ali, Managing Director who holds 316200 equity shares and Mr. Narendra Bhanawat, Whole Time director who holds 400 equity shares, no other Director of the company hold shares in the company.

Familiarization Program for Board Members

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. Details of familiarization program of the company is also available on website of the company at www.italicafurniture.com.

BOARD COMMITTEES

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 matters. The constitution of the Board Committees is available on the Company's website at www.italicafurniture.com.

AUDIT COMMITTEE

As on March 31, 2018, Audit Committee comprises of three directors and all of them are non-executive director. The Audit Committee was reconstituted as on March 07, 2018 due to the resignation of Mr. Ram Swaroop Sodani who was also the Chairperson of Audit Committee. Subsequent to his resignation Mr. Magan Lal Sharma was appointed as the chairperson of the Audit Committee. Mr. Magan Lal Sharma 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. Mr. Ram Swaroop Sodani was not present in AGM held on June 30, 2017 and has authorized Mr. Magan Lal Sharma who was the member of the Audit Committee as on Annual General Meeting held on June 30, 2017 to attend the Annual General Meeting and answer the queries of shareholders, if any.

During the FY 2017-18, the Audit committee meets 4 (Four) times i.e. May 06, 2017, August 10, 2017, November 14, 2017 and February 06, 2018.

The composition and attendance of members at the meeting held for FY 2017-18 are given below:

Name of Director(s)	Category	No. of Meetings held	No. of Meetings attended
Mr. Ram Swaroop Sodani [*]	Independent Non-Executive	04	04
Mr. Magan Lal Sharma ^{**}	Independent Non-Executive	04	04
Mr. Mukesh Kumar Kothari	Non-Executive	04	04
Dr. Namrata Babel	Independent Non-Executive	04	04

^{*} Mr. Ram Swaroop sodani resigned from committee and directorship of the company w.e.f March 07, 2018.

^{**} Mr. Magan Lal Sharma was appointed as the chairperson of the Audit Committee w.e.f. March 07, 2018.

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.

NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2018 the Nomination and Remuneration Committee comprises of three Non-Executive Directors. Due to the resignation of Mr. Ram Swaroop Sodani, Chairperson of Nomination and Remuneration Committee, the committee was reconstituted as on March 07, 2018 and Mr. Magan Lal Sharma was appointed as the chairperson of the Nomination and Remuneration Committee. The composition of the Committee meets the requirement of Section 178 of the companies Act, 2013 and Listing Regulation. The Company Secretary acts as the secretary to the committee.

During the FY 2017-18, the Nomination and Remuneration committee meets 2 (Two) times i.e. June 13, 2017 and March 07, 2018.

The composition and attendance of members at the meeting held for FY 2017-18 are given below:

Name of Director(s)	Category	No. of Meetings held	No. of Meetings attended
Mr. Ram Swaroop Sodani*	Independent Non-Executive	02	02
Mr. Magan Lal Sharma**	Independent Non-Executive	02	02
Mr. Mukesh Kumar Kothari	Non-Executive	02	02
Dr. Namrata Babel	Independent Non-Executive	02	02

* Mr. Ram Swaroop sodani resigned from committee and directorship of the company w.e.f March 07, 2018.

** Mr. Magan Lal Sharma was appointed as the chairperson of the Nomination and Remuneration Committee w.e.f. March 07, 2018.

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);

- To help in determining the appropriate size, diversify and composition of the Board.
- To recommend to the Board appointment / reappointment and removal of Directors;
- To frame criteria for determining qualifications, positive attributes and independence of Directors;
- Fixing the remuneration to executive Directors (the restrictions contained in the Companies Act, 2013 is to be considered);
- To create an evaluation framework for Independent Directors and the Board;
- To provide necessary reports to the chairman after the evaluation process is completed by the Directors;
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling responsibilities entrusted from time to time;
- Delegation of any of its powers to any Member of the Committee of the Compliance Officer.

REMUNERATION OF DIRECTORS

The details of remuneration paid to Directors for the FY 2017-18 is given below:

Name of Director	Salary &	Stock Options/ Allowances ¹	Total ² Bonus/ other performance linked incentive
Mr. Daud Ali (Managing Director)	Rs. 40,32,000	NIL	Rs. 40,32,000
Mr. Narendra Bhanawat (Whole time Director and Chief Financial Officer)	3,91,248	NIL	Rs. 3,91,248
			Rs. 44,23,248

- The salary and allowance include the Company's Contribution to The Provident Fund.
- The Salary does not include any deduction of taxes.

Notes:

- No sitting fees is paid to non-executive directors.
- There was no other pecuniary relationship or transaction of non-executive director's vis a vis the company.
- Payments to non-executive directors are made in accordance with Nomination and Remuneration Policy of the company as displayed on the website at www.italicafurniture.com.
- Service contract is for three years from Mr. Daud Ali w.e.f. April 01, 2018 and Mr. Narendra Bhanawat w.e.f May 29, 2016.
- Notice period is 3 Months from either side and Severance fees is not applicable.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

In Compliance with the requirement of Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the company has the Stakeholders' Relationship Committee. As on March 31, 2018, the committee comprises of 3 members of whom 2 are Independent Director and 1 is Non-Executive Director. The committee was reconstituted on March 07, 2018 and Mr. Magan Lal Sharma was appointed as the chairperson of Stakeholders Relationship Committee in place of Mr. Ram Swaroop Sodani who resigns from the directorship of the company w.e.f March 07, 2018. The Company Secretary acts as the secretary to the committee.

Key Responsibility of the Stakeholders' Relationship Committee, inter-alia includes:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Consider and resolve the complaints / grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, etc;
- Dematerialise or rematerialize the share certificates;
- Approve the transmission of shares or other securities arising as a result of death of the sole/ anyone joint shareholder;
- Issue duplicate share/ other securities, certificate(s) in lieu of the original share/ security(ies) certificate(s) of the Company;
- Oversee the performance of Registrar and Share Transfer Agent of the Company;
- To do all such acts, deeds and things as may be necessary in this regard.

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.

During Financial Year 2017-18, the Stakeholders' Relationship Committee met 3 (three) times i.e. on August 10, 2017, November 14, 2017 and February 06, 2018.

The composition and attendance of members at the meeting held for FY 2017-18 are given below:

Name of Director(s)	Category	No. of Meetings held	No. of Meetings attended
Mr. Ram Swaroop Sodani*	Independent Non-Executive	03	03
Mr. Magan Lal Sharma**	Independent Non-Executive	03	03
Mr. Mukesh Kumar Kothari	Non-Executive	03	03
Dr. Namrata Babel	Independent Non-Executive	03	03

*Mr. Ram Swaroop Sodani resigned from committee and directorship of the company w.e.f March 07, 2018.

** Mr. Magan Lal Sharma was appointed as the chairperson of the Stakeholders Relationship Committee w.e.f. March 07, 2018.

Compliance Officer:

During the FY 2017-18, Ms. Aditi Parmar acted as company secretary & Compliance officer of the company till June 12, 2017. On her resignation, Mr. Chirag Gupta was appointed as the Company Secretary & Compliance Officer w.e.f June 13, 2017, for complying with the provisions of the Listing Regulations and other applicable laws.

Nature of Complaints and Redressal Status

During the FY 2017-18, No complaints was received by the company.

Details of investor complaint(s) received during FY 2017-18 are as follows:

Complaints pending on April 01, 2017	Number of Complaints received during FY 2017-18	Complaints redressed during FY 2017-18	Complaints pending on March 31, 2018
NIL	NIL	NIL	NIL

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

GENERAL BODY MEETING

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

Year	Date	Time	Venue	No. Special Resolutions Passed
2016-17	June 30, 2017	9:15 A.M.	Kodiyat Road, Village: Sisarma, Udaipur - 313031	02
2015-16	July 23, 2016	9.30 A.M.		02
2014-15	July 30, 2015	9.00 A.M.		02

a) No Extra Ordinary General Meeting was held during the year under review.

MEANS OF COMMUNICATION

- I. **Quarterly Results:** The Company publishes limited reviewed unaudited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.
- II. **Newspaper wherein results normally published:** The quarterly/ half-yearly/ annual financial results are published in prominent daily newspaper viz. The Free Press Journal and Rajasthan Patrika and also pasted in the website of the company at www.italicafurniture.com.
- III. **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.
- IV. **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.

GENERAL SHAREHOLDER INFORMATION:

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2017-18

Day, Date and Time	Friday, June 29, 2018 at 09:15 AM
Venue: (Registered Office of the Company)	PIL ITALICALIFESTYLE LIMITED Kodiyat Road, Village: Sisarma, Udaipur (Raj) - 313 031
Financial year	April 1, 2017 to March 31, 2018
Dividend payment data	Nil
Date of Book Closure/ record date	23.06.2018 to 29.06.2018 (both days inclusive)

Listing on Stock Exchanges, Stock Codes and Symbol:

The Stock Exchange, Mumbai (BSE) BSE Limited Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street Mumbai-400001 Stock Code No: 500327	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 – 400 051 Symbol: PILITA
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Listing Fees as applicable have been paid.

STOCK MARKET DATA:

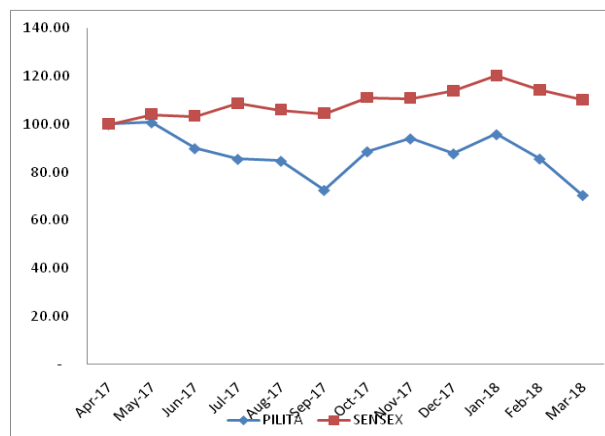
The monthly high & low during each month, in last financial year, is as follows:

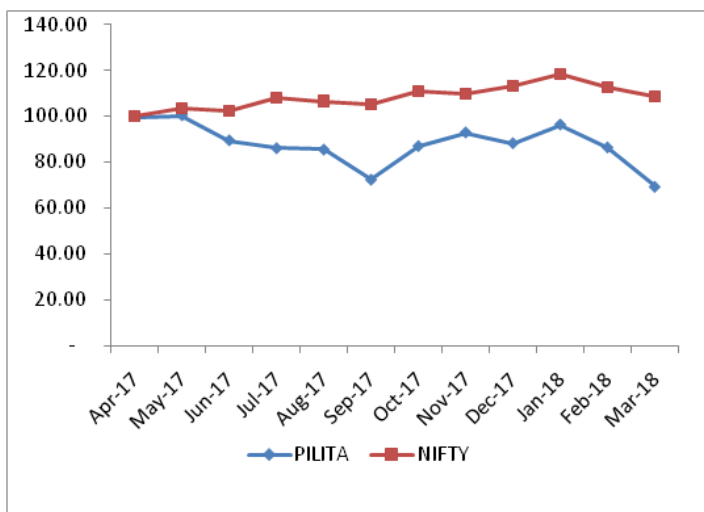
Month	BSE		NSE	
	High	Low	High	Low
April 2017	16.45	14.00	16.45	13.90
May 2017	20.20	15.95	20.20	16.20
June 2017	17.35	14.55	17.45	14.30
July 2017	16.30	13.80	16.30	13.65
August 2017	14.25	10.02	14.45	10.30
September 2017	15.40	11.40	15.80	11.25
October 2017	15.25	11.40	15.40	11.45
November 2017	18.50	14.10	18.65	14.05
December 2017	15.80	12.80	16.00	12.45
January 2018	19.47	14.40	19.70	14.00
February 2018	16.50	13.60	16.50	13.60
March 2018	14.20	11.20	14.00	11.20

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 to be 100 as at April 01, 2017 in both the charts.





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: rnthelpdesk@linkintime.co.in
Tel No.: +91 22 49186000
Fax No.:+91 22 49186060

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, we obtain certificate from Practicing company secretary on half year 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.

DISTRIBUTION OF SHAREHOLDING

Distribution of Shareholding as at March 31, 2018

Shareholding of Shares	No. of Shareholders	% of total Share	shares Allotted	% of total Shares
Upto – 500	4132	41.69	1166384	0.50
501 – 1000	1791	18.07	1504077	0.64
1001 – 2000	1857	18.73	3024354	1.29
2001 – 3000	372	3.75	971074	0.41
3001 – 4000	595	6.00	2303479	0.98
4001 – 5000	172	1.74	816108	0.35
5001 – 10000	484	4.88	3647517	1.55
10001-ABOVE	509	5.14	221567007	94.28
Total	9912	100.00	235000000	100.00

S. No.	Category	No. of Shares	% of holding
I	PROMOTER AND PROMOTER GROUP		
(i)	Indian Promoters	155373400	66.11
(ii)	Foreign Promoters	0	0
	Total Promoter shareholding	155373400	66.11
II	Public Shareholding		
(A)	Institutions		
(i)	Mutual Fund	54000	0.02
(ii)	Financial Institution/ Banks	1480048	0.64
(iii)	Foreign Institutional Investors	0	0
(B)	Non-Institution		
(i)	Bodies Corporate	18576051	7.90
(ii)	Individuals	57453080	24.45
(iii)	Non-Resident Indian	412178	0.18
(iv)	Clearing Members	1651243	0.70
	Total Public Shareholding	79626600	33.88
III	Non-Promoter Non-Public	0	0
	Total Shareholding (I+II+III)	235000000	100.0000

DEMATERIALIZATION 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, 2018, 99.43% shares of the company are in dematerialized form with the depositories.

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, 2018 the company does not have any outstanding GDRs/ ADRs/ Warrants or any other convertible instruments. However, during the year under review the company has converted 1,74,00,000 warrants into Equity Shares which was outstanding during the previous year at 2016-17.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

For mitigating commodity price risk, the company exercises best inventory management practices. The company has not undertaken any hedging activity during the year.

LOCATION OF PLANT

Kodiyat Road, Village: Sisarma, Udaipur (Raj.) -313031

ADDRESS FOR COMMUNICATION

	Contact	Address
Investor Relation Department of Company	Mr. Chirag Gupta Company Secretary and Compliance Officer	PIL ITALICA LIFESTYLE LTD Kodiyat Road, Village Sisarma, Udaipur (Raj.) – 313031 Tel. : 0294-2432271-72 Fax : 0294-2430411 Email : corporate@italicafurniture.com
Registrar & Transfer Agent	LINK INTIME INDIA PVT. LTD.	LINK INTIME INDIA PVT. LTD. 247 Park, C-101 1st Floor, LBS Marg, Vikroli (W), Mumbai-400083 Tel. : 022-49186000 Fax :022-49186060 Email : rnthelpdesk@linkintime.co.in

OTHER DISCLOSURES

- **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.italicafurniture.com.
- **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.

- **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.

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 Conduct of Board of Directors and Senior management for the financial year ended March 31, 2018 is attached as **Annexure 1** to this report.

- **CEO/ CFO Certificate:** Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CEO/CFO Certificate is annexed herewith as **Annexure 2**.
- **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.
- **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.italicafurniture.com.

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.

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

The certificate from statutory auditor of the company regarding compliance of conditions of corporate governance is annexed as **Annexure 3** and forms an integral part of the Annual Report.

DISCLOSURE 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.

OTHER USEFUL INFORMATION FOR SHAREHOLDERS:

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 email id 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.

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.

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 or Behalf of Board of Directors
PIL ITALICA LIFESTYLE LIMITED

Sd/- Sd/-

Daud Ali

Narendra Bhanawat

Managing Director

whole time Director & CFO

DIN: 00185336

DIN: 00146824

Date: 18.05.2018

Place: Udaipur

ANNEXURE 1

DECLARATION

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, 2018.

For PIL ITALICALIFESTYLE LIMITED

Sd/-
Daud Ali
Managing Director
DIN: 0185336

ANNEXURE 2

CEO/CFO CERTIFICATION

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

We, Daud Ali, Managing Director and Narendra Bhanawat – CFO of PIL ITALICALIFESTYLE 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 ITALICALIFESTYLE LIMITED for the year ended 31st March, 2018 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.
 - a) 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.
 - b) 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.
- c) 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.

Sd/-
Daud Ali
Managing Director
Place: Udaipur
Date: 18.05.2018

Sd/-
Narendra Bhanawat
Chief Financial Officer

ANNEXURE 3

AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Board of Directors
PIL ITALICALIFESTYLE LIMITED,
Kodiyat Road, Sisarma
Udaipur - 313031

We have examined the compliance of conditions of corporate governance by PIL ITALICALIFESTYLE LIMITED, for the year ended on March 31, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

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 Ajay Paliwal & Co.
Chartered Accountants (FRN 012345C)

Sd/-
AJAY PALIWAL
Proprietor
PLACE: UDAIPUR
DATE : May 18, 2018

Sd/-
AJAY PALIWAL
Proprietor
Membership No. 403290

ANNEXURE G:

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

1.	The ratio of remuneration of each director to the median remuneration of the employees of the company for the FY 2017-18	Mr. Daud Ali Mr. Narendra Bhanawat	16.95:1 01.65:1	
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS or manager if FY 2017-18	Name	Designation	Increase in Remuneration in the Financial Year 2017-18
		Mr. Daud Ali	Managing Director	55.84
		Mr. Narendra Bhanawat	Whole time Director and Chief Financial Officer	11.19
		Ms. Aditi Parmar*	Company Secretary	N.A.
		Mr. Chirag Gupta*	Company Secretary	N. A
3.	The percentage increase in the median remuneration of employees in the financial year 2017-18	The percentage increase is 12.20%		
4.	The number of permanent employees on the rolls of the company as on March 31, 2018	47 employees as at March 31, 2018		
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 percentage increase in the salaries of employees other than managerial personnel is 11.84 %, whereas managerial remuneration has increased by 6.93%. The management was drawing minimal salary so as to plough back company's profits.		
6.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, remuneration paid is as per the remuneration policy of the company		

*Ms Aditi Parmar resigned w.e.f. June 12, 2017 and Mr. Chirag Gupta was appointed as company secretary of the company w.e.f June 13, 2017

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF PIL ITALICA LIFESTYLE LIMITED

Report on the Ind AS Financial Statements

- (1) We have audited the accompanying Ind AS financial statements of **PIL ITALICA LIFESTYLE LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the statement of changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- (2) The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind As) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- (3) Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
- (4) We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
- (5) We conducted our audit in accordance with the Ind AS financial statements in accordance with the standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- (6) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind As financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind As financial statements.
- (7) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind As financial statements.

Opinion

- (8) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind As financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;

- b) in the case of the Statement of Profit and Loss including other comprehensive income, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- d) in the case of the Changes in equity, of the equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

- (9) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (herein after referred to as the order), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (10) As required by section 143(3) of the Act, 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 appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind As financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended.
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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 with respect to financial statements of the company and the operating effectiveness of such controls, refer to our separate report in Annexure -B to this report.
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (audit and Auditors) Rules, 2014, in our opinion and to our 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 Ind AS financial statements - Refer to Note 33 to the Ind As 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 were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For AJAY PALIWAL & CO.
CHARTERED ACCOUNTANTS FRN: 012345C

Sd/-
AJAY PALIWAL
Proprietor
Membership No. 403290

Place : Udaipur
Date : 18.05.2018

ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of **PIL ITALICA LIFESTYLE LIMITED** on the financial statements for the year ended March 31, 2018.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
 - (b) As explained to us, all the fixed assets 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.
 - (c) According to information's and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the names of the company.
 - 2) (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.
 - (b) In our opinion, 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;
 - (c) In our opinion the company is maintaining proper records of inventory, no material discrepancies were noticed on physical verification of the inventory.
 - 3) (a) The Company had granted loan to one company covered in the register maintained under section 189 of the Act. In our opinion and according to the information's and explanations given to us, the terms and conditions of the grant of such loan are not prejudicial to the interest of the company.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated for the loan granted and the repayment are regular.
 - (c) There are no amounts of loan granted to the company listed in the register maintained under section 189 of the Act, which were overdue for more than 90 days.
 - 4) In our opinion and according to the information's and explanations given to us, in respect of loans, investments, guarantees and securities, the provisions of section 185 and 186 of the act have been complied with.
 - 5) The Company has not accepted any deposits, hence the directions issued by the Reserve Bank Of India and the provisions of section 73 to 76 or any other relevant provisions of the companies Act and rules framed there under are not applicable.
 - 6) The Central government has not prescribed the maintenance of the cost records under section 148 (1) of the Act for any of the products of the company.
 - 7) (a) The undisputed statutory dues generally have been regularly deposited with appropriate authorities. And We are informed that no amount were outstanding as at 31st March, 2018 towards undisputed statutory dues in respect of income tax, sales tax, wealth tax, custom Duty, excise duty, cess for a period of more than six months from the date they become payable.
 - (b) We are informed that the followings were outstanding as at 31st March 2018 towards disputed statutory dues:-
- | Particulars | Amount (Rs. In Lac) | Remarks |
|-------------------------------------------------------------------|---------------------|------------------------------------------|
| Penalty by Enforcement Directorate (Net of deposit under protest) | 152.00 | Pending at Rajasthan High Court, Jodhpur |
- 8) In our opinion and according to the information's and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank.
 - 9) According to information and explanations given by the management, The Company has not raised any monies by way of initial public offer /further public offer /debt instruments or term loans hence, reporting under clause 3(ix) is not applicable to the company.
 - 10) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the company or on the company by its officers/employees has been noticed or reported during the course of our audit.
 - 11) The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
 - 12) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3 (xii) of the order are not applicable to the Company.
 - 13) The Company has entered in to transactions with related parties in compliance with the provisions of section 177 and 188 of the Act, the details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards.
 - 14) The Company has converted 1,74,00,000 no of warrants in to equity share of Re 1 each at premium of Rs. 14 each total Rs.2610.00 lacs.
 - 15) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
 - 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For AJAY PALIWAL & CO.
CHARTERED ACCOUNTANTS FRN: 012345C
Sd/-
AJAY PALIWAL
Proprietor
Membership No.403290

Place : Udaipur
Date : 18.05.2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of PIL ITALICA LIFESTYLE LIMITED on the financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of PIL ITALICA LIFESTYLE LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind As financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management 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 (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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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
 - a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles,

and that receipt and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and.

- c) 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

7. 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

8. In our opinion, 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, 2018, 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.

For AJAY PALIWAL & CO.
CHARTERED ACCOUNTANTS FRN: 012345C
Sd/-
AJAY PALIWAL
Proprietor
Membership No.403290

Place : Udaipur
Date : 18.05.2018

PIL ITALICA LIFESTYLE LIMITED
BALANCE SHEET AS AT March 31, 2018

Rs. In Lacs

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A ASSETS				
1 Non Current assets				
(a) Property, plant and equipment	4	401.26	408.71	419.01
(b) Capital work in progress		-	-	-
(c) Investment Properties		-	-	-
(d) Intangible assets	5	1.18	0.76	0.83
(e) Financial Assets		-	-	-
(1) Investments	6	1.00	1.00	-
(2) Loans		-	-	-
(3) Other Financial Assets	7	670.00	-	-
(f) Deferred Tax Assets	36	598.27	-	-
(g) Other Non Current assets	8	38.96	35.41	35.38
Total Non Current Assets		1,710.67	445.88	455.22
2 Current Assets				
(a) Inventories	9	833.44	879.55	545.81
(b) Financial Assets				
(1) Investments		-	-	-
(2) Trade Receivables	10	691.73	1,094.82	240.24
(3) Cash and cash equivalents	11	29.67	223.43	53.28
(4) Bank Balances other than cash and cash equivalents	12	165.66	154.69	-
(5) Loans	13	3,255.51	1,599.34	114.08
(c) Other Current Assets	14	7.26	14.87	8.72
Total Current Assets		4,983.27	3,966.70	962.13
Total Assets		6,693.94	4,412.58	1,417.35
B EQUITY AND LIABILITIES				
(a) Equity Share Capital	15	2,350.00	2,176.00	2,100.00
(b) Other Equity		3,285.80	427.36	(2,202.82)
Total Equity		5,635.80	2,603.36	(102.82)
Liabilities				
1 Non Current Liabilities				
(a) Financial Liabilities				
(1) Other Financial Liabilities	16	-	72.55	178.61
(b) Provisions		-	-	-
(c) Deferred Tax Liabilities Net		-	-	-
Total Non Current Liabilities		-	72.55	178.61
2 Current liabilities				
(a) Financial Liabilities				
(1) Borrowings	17	-	-	224.06
(2) Trade Payables	18	527.91	957.93	118.75
(3) Other Financial Liabilities	19	72.69	72.55	90.00
(b) other current liabilities	20	370.79	697.65	899.86
(c) Provisions	21	18.39	8.54	8.89
(d) Current Tax Liabilities (Net)	22	68.36	-	-
Total Current Liabilities		1,058.14	1,736.67	1,341.56
Total Liabilities		1,058.14	1,809.22	1,520.17
Total Equity and Liabilities		6,693.94	4,412.58	1,417.35

See accompanying notes to financial statements. 1 to 43
As per our report on even date

FOR AJAY PALIWAL & CO.

Chartered Accountants
ICAI Firm Registration No.: 012345C
Sd/-
(AJAY PALIWAL)
Proprietor
Membership No.403290

Place : UDAIPUR
Date : 18.05.2018

For and on behalf of the Board of Directors

Sd/-
DAUD ALI
MANAGING DIRECTOR
DIN 00185336
Sd/-
CHIRAG GUPTA
COMPANY SECRETARY
M.No. A50843

Sd/-
NARENDRA BHANAWAT
WHOLE TIME DIRECTOR
CHIEF FINANCIAL OFFICER
DIN 00146824

PIL ITALICA LIFESTYLE LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

Rs. In Lacs

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operation	23	7,277.15	6,349.99
Other Income	24	42.68	141.28
Total Income		<u>7,319.83</u>	<u>6,491.27</u>
Expenses			
Cost of materials consumed	25	3,072.17	2,771.41
Purchases of traded goods	26	2,632.53	2,139.99
Changes in inventories of Finished goods and WIP	27	43.72	(131.16)
Employee benefit expenses	28	305.63	268.43
Finance costs	29	16.12	52.09
Depreciation and amortization expenses	30	32.14	30.86
Other expenses	31	811.97	1,157.82
Total expenses		<u>6,914.28</u>	<u>6,289.44</u>
Profit before exceptional item and tax		<u>405.55</u>	<u>201.83</u>
Exceptional items		202.15	711.85
Profit before tax		<u>607.70</u>	<u>913.68</u>
Tax expenses:			
Current Tax	36	123.91	
Deferred tax	36	(595.92)	-
Profit for the year		<u>1,079.71</u>	<u>913.68</u>
Other comprehensive income			
(A) Items that will not to be reclassified to P&L			
Remeasurement of the defined benefit plan		(7.12)	
Tax benefit on items not to be reclassified to P&L	36	2.35	-
Total comprehensive income for the year		<u>1,074.94</u>	<u>913.68</u>
Earning per share (of Rs. 1/-each)			
Basic earning per share Rs.	32	0.47	0.43
Diluted earnings per share Rs.	32	0.47	0.42

See accompanying notes to financial statements. 1 to 43

As per our report on even date

FOR AJAY PALIWAL & CO.

Chartered Accountants

ICAI Firm Registration No.: 012345C

Sd/-

(AJAY PALIWAL)

Proprietor

Membership No.403290

Place : UDAIPUR

Date : 18.05.2018

For and on behalf of the Board of Directors

Sd/-

DAUD ALI
MANAGING DIRECTOR
DIN 00185336

Sd/-

CHIRAG GUPTA
COMPANY SECRETARY
M. No.: A50843

Sd/-

NARENDRA BHANAWAT
WHOLE TIME DIRECTOR
CHIEF FINANCIAL OFFICER
DIN 00146824

PIL ITALICA LIFESTYLE LIMITED

Cash Flow Statement for the year ended March 31, 2018

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) CASH FLOW FROM OPEARTING ACTIVITIES		
Net profit before tax	405.55	201.83
Adjustments to reconcile profit to net cash provided by operating activities :		
Depreciation and amortization expenses	32.14	30.87
Interest expenses	16.12	52.09
Interest income	(366.24)	(46.89)
Remeasurement of the defined benefit plan	(7.12)	-
Operating profit before working capital changes	<u>80.45</u>	<u>237.90</u>
Changes in assets and liabilities		
(Increase) /Decrease non current assets-other fin.assets	(670.00)	-
(Increase) /Decrease non current assets-other assets	(3.54)	(0.03)
(Increase) /Decrease in inventories	46.11	(333.75)
(Increase) /Decrease in trade receivables	403.09	(854.58)
(Increase) /Decrease in current assets-loans	(1,656.17)	(1,485.27)
(Increase) /Decrease in other current assets	<u>7.62</u>	<u>(6.15)</u>
	(1,872.89)	(2,679.78)
Increase /(Decrease) in other financial libilities-non	(72.55)	(106.06)
Increase /(Decrease) in other financial libilities-current	0.14	(17.45)
Increase /(Decrease) in trade payables	(430.02)	839.18
Increase /(Decrease) in other current liabilities	(326.88)	(202.19)
Increase /(Decrease) in short term provisions	<u>9.85</u>	<u>(0.35)</u>
	(819.46)	513.13
Cash generated from operations	<u>(2,692.35)</u>	<u>(2,166.65)</u>
From exceptional items	(2,611.90)	(1,928.75)
Income taxes paid during the year	202.15	711.85
	(55.55)	-
Net cash generated from operating activities	<u>(2,465.30)</u>	<u>(1,216.90)</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Property, Plant and Equipments	(25.11)	(20.50)
Non current investments	-	(1.00)
Net cash generated from investing activities	<u>(25.11)</u>	<u>(21.50)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	174.00	76.00
Proceeds from equity share premium	2,436.00	1,064.00
Proceeds from money received against warrants	(652.50)	652.50
Interest paid	(16.12)	(52.09)
Repayment of short term borrowings	-	(224.06)
Interest income	<u>366.24</u>	<u>46.89</u>
Net cash generated from finaning activities	<u>2,307.62</u>	<u>1,563.24</u>
Net increase /decrease in cash and cash equivalents	(182.79)	324.84
Opening balance of cash and cash equivalents	378.12	53.28
Closing balance of cash and cash equivalents	<u>195.33</u>	<u>378.12</u>

See accompnaying notes to financial statements. 1 to 43
As per our report on even date

FOR AJAY PALIWAL & CO.

Chartered Accountants
ICAI Firm Registration No.:012345C

Sd/-

(AJAY PALIWAL)

Proprietor
Membership No.403290

Place : UDAIPUR
Date : 18.05.2018

For and on behalf of the Board of Directors

Sd/-

DAUD ALI
MANAGING DIRECTOR
DIN 00185336

Sd/-

CHIRAG GUPTA
COMPANY SECRETARY
M.No.: A50843

Sd/-

NARENDRA BHANAWAT
WHOLE TIME DIRECTOR
CHIEF FINANCIAL OFFICER
DIN 00146824

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2018

(A) EQUITY SHARE CAPITAL

Rs. In Lacs

Equity Share Capital	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
For the year ended on March 31, 2017	2,100.00	76.00	2,176.00
For the year ended on March 31, 2018	2,176.00	174.00	2,350.00

(B) Other Equity

Other Equity	Securities Premium Account	General Reserve	Retained Earnings	Money Received Against warrants	Other Comprehensive Income	Total
Balances at the beginning of reporting period April 1, 2016	536.00	25.13	(2,763.95)	-	-	(2,202.82)
Issue of equity shares	1,064.00	-	-	-	-	1,064.00
Profit for the year	-	-	913.68	-	-	913.68
Money received against Share Warrants	-	-	-	652.50	-	652.50
Balances at the end of reporting period March 31, 2017	1,600.00	25.13	(1,850.27)	652.50	-	427.36
Issue of equity shares	2,436.00	-	-	-	-	2,436.00
Profit for the year	-	-	1,074.94	-	-	1,074.94
Money received against Share Warrants	-	-	-	(652.50)	-	(652.50)
Balances at the end of reporting period March 31, 2018	4,036.00	25.13	(775.33)	-	-	3,285.80

During the year company has converted 1,74,00,000 warrants in to equity share of Re.1/- at apremium of Rs.14/- each. The funds raised were utilized for investment, Repayment of borrowing and working capital etc.

Notes to the Financial Statements for the year ended March 31, 2018

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 (Basis of Preparation of Financial Statements)

These financial statements are prepared on a going concern basis, in accordance with Indian Accounting Standrads (Ind As) under the historical cost convention on the accrual basis except for financial instruments which are measured at fair values (refer note 38), the provisions of the companies Act, 2013 ('Act'). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standrads) Rules,2015 and Companies (Indian Accounting standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hereto in use. The Financial statements were approved for issue by the Board of Directors on 18 th May 2018

These are Company's first financial statements prepared in accordance with Ind As , using April 1,2016 as the transition date.

The Company has adopted all the Ind AS s and the adoption was carried out in accordance with Ind As 101 first time adoption of Indian Accounting Standrads. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act ,read with Rule 7 of the Companies (Accounts) Rules ,2014 (IGAAP) which was the previous GAAP.

An explanation of how the transition to Ind As has affected the reported Balance Sheet , statement of Profit & Loss and cash flows of the company and the exemptions claimed by the company on first time adoption of Ind As are given in note no. 42

Note 3 - (Significant accounting policies)

(A) Use of Estimates

The Preparation of Financial Statements in conformity with Ind As requires management to make judgments, estimates and assumption to be made that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements . Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

(B) Property, Plant and Equipment

Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. All cost, including financing costs till commencement of production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations relating to specific borrowings attributable to the fixed assets are capitalised.

(C) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

(D) Depreciation and Amortization

Depreciable amount for assets is the cost of an asset, or other amount

substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight line method as per useful life prescribed in schedule II to the Companies Act, 2013.

Intangible assets are amortized over its expected useful life on straight line method.

(E) Investment

Current investments are carried at lower of cost and quoted /fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term is made only if such a decline is other than temporary.

(F) Excise duty /Service Tax /IGST/CGST/SGST

- The excise duty payable on stock of finished goods not cleared from the excise bonded warehouse is included in expenses and in the value of such stocks.
- Credit of the 'CENVAT' availed and IGST, CGST, SGST is adjusted towards the cost of raw material and fixed assets.
- The Central Excise Duty related to finished goods cleared during the year is deducted from sales value.
- Credit of service Tax is adjusted towards the cost of service.

(G) Provision for current and deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act.1961. Deferred tax resulting from "timing difference: between taxable and accounting income is accounted for using the tax rates and laws that are enacted.

(H) 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.

(I) Employee Retirement Benefits

- Gratuity is accounted for on actuarial valuation basis.
- Company's contributions to Provident Fund etc. during the year are charged to the Profit and Loss Statement.
- Benefits in terms of accumulated leaves and gratuity are accounted for on actuarial basis.

(J) Foreign Exchange Transaction

- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- Foreign Currency transactions remaining unsettled at the end of the year are translated at the contracted rates, when covered by foreign exchange contracts and at year end rates in all other cases.
 - Gains and losses on foreign exchange transaction/translation other than those relating to fixed assets are recognized to the respective accounts in the Profit and Loss Statement Gain or loss on transaction of the long term liabilities incurred to acquire fixed assets is related as an adjustment to the carrying cost of such fixed assets.

(K) Sales

Sales are accounted for taking into consideration the basic price as well as Central Excise Duty but excluding Sales Tax/VAT/IGST/CGST/SGST

(L) Expenses

Material known liabilities except interest on borrowings are provided for on the basis of available information's/estimates and liabilities not provided are given in the Balance Sheet by way of note.

Note 4 - Property, Plant and Equipment

Rs. In Lacs

Name of Assets	Gross Block				Depreciation				Net Block	
	As at April 01, 2017	Addition During the Year	Disposals During the Year	As at March 31, 2018	As at April 01, 2017	Addition During the Year	Ded. During the Year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land - Free Hold	11.43	-	-	11.43	-	-	-	-	11.43	11.43
Building	656.16	9.06	-	665.22	439.35	20.89	-	460.24	204.98	216.81
Plant and Equipment	6,977.99	12.59	-	6,990.58	6,816.83	7.00	-	6,823.83	166.75	161.16
Furniture and Fixtures	21.94	1.08	-	23.02	21.76	0.09	-	21.85	1.17	0.18
Vehicle	17.99	-	-	17.99	10.25	1.09	-	11.34	6.65	7.74
Office Equipments	90.34	1.80	-	92.14	78.95	2.91	-	81.86	10.28	11.39
Total	7,775.85	24.53	-	7,800.38	7,367.14	31.98	-	7,399.12	401.26	408.71

Note 5 - Intangible Assets

Rs. In Lacs

Name of Assets	Gross Block				Depreciation				Net Block	
	As at April 01, 2017	Addition During the Year	Disposals During the Year	As at March 31, 2018	As at April 01, 2017	Addition During the Year	Ded. During the Year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software	14.18	0.58	-	14.76	13.42	0.16	-	13.58	1.18	0.76
Total	14.18	0.58	-	14.76	13.42	0.16	-	13.58	1.18	0.76

Previous year

Note 4 - Property, Plant and Equipment

Rs. In Lacs

Name of Assets	Gross Block				Depreciation				Net Block	
	As at April 01, 2016	Addition During the Year	Disposals During the Year	As at March 31, 2017	As at April 01, 2016	Addition During the Year	Ded. During the Year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Land - Free Hold	11.43	-	-	11.43	-	-	-	-	11.43	11.43
Building	656.16	-	-	656.16	418.65	20.71	-	439.36	216.80	237.51
Plant and Equipment	6,961.29	16.70	-	6,977.99	6,810.62	6.21	-	6,816.83	161.16	150.67
Furniture and Fixtures	21.94	-	-	21.94	21.72	0.04	-	21.76	0.18	0.22
Vehicle	17.99	-	-	17.99	9.16	1.09	-	10.25	7.74	8.83
Office Equipments	86.54	3.81	-	90.35	76.19	2.75	-	78.94	11.41	10.35
Total	7,755.35	20.51	-	7,775.86	7,336.34	30.80	-	7,367.14	408.72	419.01

Previous year

Note 5 - Intangible Assets

Rs. In Lacs

Name of Assets	Gross Block				Depreciation				Net Block	
	As at April 01, 2016	Addition During the Year	Disposals During the Year	As at March 31, 2017	As at April 01, 2016	Addition During the Year	Ded. During the Year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Computer Software	14.18	-	-	14.18	13.35	0.06	-	13.41	0.77	0.83
Total	14.18	-	-	14.18	13.35	0.06	-	13.41	0.77	0.83

Note 6 - Non Current Assets (Investments)

Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In Equity Shares Non quoted 9990 Equity shares @ Rs. 10/- each in Eduvisor Services Private Limited	1.00	1.00	-
Total	1.00	1.00	-

Note 7 - Non Current Assets (Other Financial Assets - at amortized costs)

Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share Application money in Eduvisor Services Private Limited	670.00	-	-
Total	670.00	-	-

Note 8 - Non Current Assets (Other Assets)

Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances other than capital advances	-	-	-
Security deposits	38.96	35.41	35.38
Total	38.96	35.41	35.38

Note 9 - Current Assets (Inventories)

Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Lower of cost or net realizable value			
(a) Raw Material	318.00	353.36	145.34
(b) Work in progress	15.67	5.55	15.45
(c) Finished goods	394.83	448.67	307.60
(d) Stores and spares	75.07	49.31	51.42
(e) Packing material	29.87	22.66	26.00
Total	833.44	879.55	545.81

For method of valuation please refer Note 3(H)

Note 10 -Trade Receivables (at amortized cost)

Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured , Considered good	691.73	1,094.82	240.24
Unsecured Considered Doubtful	337.57	337.57	337.57
Total	1,029.30	1,432.39	577.81
Allowances for doubtful receivables	(337.57)	(337.57)	(337.57)
Total	691.73	1,094.82	240.24

Note 11 - Cash and Cash Equivalents

Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash	4.34	0.74	2.07
Balances with banks in current accounts	25.33	222.69	51.21
Total	29.67	223.43	53.28

Note 12 - Bank Balances other than cash and cash equivalents

Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balanes with banks in Fixed Deposit Account (having maturity more than three month but less than 12 month)	165.66	154.69	-
Total	165.66	154.69	-

Note 13 - Loans (at amortized cost) Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Unsecured, Considered good			
Loans and advances to employees	5.76	7.44	8.25
Others	3,249.75	1,591.90	105.83
Total	3,255.51	1,599.34	114.08

Note 14 - Other Assets Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Goods			
Prepaid Expenses	2.92	3.08	3.54
Balances with government authorities	4.34	11.79	5.18
Total	7.26	14.87	8.72

Note 16 - Non Current Liabilities (Other Financial Liabilities) Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest accrued but not due on borrowing	-	72.55	137.48
Deferred payment liabilities Sales Tax	-	-	41.13
Total	-	72.55	178.61

Note 17 - Current Liabilities (Borrowings) Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
loan repayable on demand	-	-	224.06
Total	-	-	224.06

Note 18 - Current Liabilities (Trade Payables) Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables	527.91	957.93	118.75
Total	527.91	957.93	118.75

The Company has not received any information from their suppliers regarding their status under the Micro, small and Medium enterprises Act, 2006. hence disclosures if any relating to amount unpaid at the year end together with interest payable as required under the said act could not be disclosed. The Management is of opinion that interest if any on such account will not be material.

Note 15 - Equity Share Capital

Rs. In Lacs

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 31 st March 2016	
	No. Of Shares	Amount	No. Of Shares	Amount	No. Of Shares	Amount
Authorised						
Equity Shares of Re 1/- each	250,000,000	2,500.00	250,000,000	2,500.00	250,000,000	2,500.00
Total	250,000,000	2,500.00	250,000,000	2,500.00	250,000,000	2,500.00
Issued						
Equity Shares of Re. 1/- each	235,000,000	2,350.00	217,600,000	2,176.00	210,000,000	2,100.00
Total	235,000,000	2,350.00	217,600,000	2,176.00	210,000,000	2,100.00

Note 19 - Other Financial Liabilities Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long term debt (SASF Interest)	72.69	72.55	90.00
Total	72.69	72.55	90.00

Note 20 - Current Liabilities (Other Current Liabilities) Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory remittances	5.74	120.32	184.78
Other payables	230.62	397.95	681.46
Advance received from customers	15.87	45.04	33.62
Overdrawn balances of bank	-	-	-
Bank of baroda	69.74	69.34	-
Yes bank	48.82	65.00	-
Total	370.79	697.65	899.86

Note 21 - Current Liabilities (Provisions) Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefit			
provision for leave encashment	8.99	8.54	8.89
provision for Gratuity	9.40	-	-
Total	18.39	8.54	8.89

Note 22 - Current Liabilities (Current Tax Liabilities) Rs. In Lacs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income Tax (MAT)	68.36	-	-
Total	68.36	-	-

Note 15.1 - Reconciliation of No. of Shares

Rs. In Lacs

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 31 st March 2016	
	No. Of Shares	Amount	No. Of Shares	Amount	No. Of Shares	Amount
Shares outstanding at the beginning of the year	217,600,000	2,176.00	210,000,000	2,100.00	210,000,000	2,100.00
Shares issued during the year	17,400,000	174.00	7,600,000	76.00	-	-
Shares outstanding at the end of the year	235,000,000	2,350.00	217,600,000	2,176.00	210,000,000	2,100.00

Note 15.2 - 155057200 of Re. 1/- each Equity Shares (Pr. Yr. - 142657200 of Re. 1/- each) are held by Dawood Investment Private Limited, holding company.

Note 15.3 - Names of Share Holders holding more than 5%

Particulars	2017-2018		2016-2017		2015-2016	
	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
Dawood Investment Private Limited	155,057,200	65.98	142,657,200	65.55	142,657,200	67.93
Park Continental Limited	-	-	11,186,187	5.14	16,068,864	7.65

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 havin a par value @ Rs. 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.

Note 23 - Revenue from Operations

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products including excise Interest	6,910.91 366.24	6,303.10 46.89
Total	7,277.15	6,349.99

Note 26 - Purchase of Traded Goods

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock	-	-
Add - Purchases	2,632.53	2,139.99
Less - Closing Stock	-	-
Total	2,632.53	2,139.99

Note 24 - Other Income

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Bad Debts written off recovered	-	21.72
Subsidy	42.05	119.56
Export Incentive	0.63	-
Total	42.68	141.28

Note 27 - Changes in Inventories of finished goods, work-in-progress

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year:		
Finished goods	394.83	448.67
Work-in-progress	15.67	5.55
	410.50	454.22
Inventories at the beginning of the year:		
Finished goods	448.67	307.60
Work-in-progress	5.55	15.45
	454.22	323.05
Net (increase) / decrease	43.72	(131.17)

Note 25 - Cost of Material Consumed

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock	353.36	145.34
Add - Purchases	3,036.81	2,979.43
Less - Closing Stock	318.00	353.36
Total	3,072.17	2,771.41

Note 28 - Employee Benefits Expenses

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	266.31	244.17
Contributions to provident and other funds	17.97	15.81
Staff welfare expenses	21.35	8.45
Total	305.63	268.43

Refer Note 34

Note 29 - Finance Cost

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on: Borrowings	16.12	52.09
Total	16.12	52.09

Note 30 - Depreciation and amortization expenses

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property , plant and equipment	31.98	30.80
Amortization of intangible assets	0.16	0.06
Total	32.14	30.86

Depreciation on tangible assets has been provided under straight line method over useful life of the assets estimated by the management which is in line with terms prescribed in schedule II to the Companies act 2013. Depreciation for assets purchased/sold during the period is proportionately charged.

The management estimates the useful life of the fixed assets as follows:

Assets description	Revise Use full life as per management
Factory Building	30 years
Plant and Machinery	25 Years
Furniture's and fixtures	10 years
Office Equipments	5 years
Computer Software	3 years
Vehicles	8 years

Note 31 - Other Expenses

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spare parts	17.10	14.30
Consumption of packing materials	60.58	57.55
Excise duty	74.07	476.70
Power and fuel	227.14	186.08
Lease rental of machines and moulds	196.59	160.72
Job Charges	4.96	6.06
Other Manufacturing Expenses	1.68	2.28
Listing Fees	5.18	7.03
Other Miscellaneous expenses	3.04	1.79
Bank Charges and commission	0.35	0.47
Advertisement and Publicity Expenses	29.81	19.71
Repairs and maintenance - Buildings	5.84	5.53
Repairs and maintenance - Others	2.39	4.08
Insurance	4.62	5.16
Communication	5.91	5.39
Travelling and conveyance	30.69	26.38
Printing and stationery	3.56	1.54
Freight and forwarding	32.18	25.48
Sales Expenses	12.10	2.64
Business Promotion Expenses	9.72	63.47
Discount and incentive	56.37	67.17
Rebate and claim	2.34	3.18
Commission on sales	1.35	0.95
Legal and professional	24.00	13.76
Payments to auditors	0.40	0.40
Total	811.97	1,157.82

Note 32 - Earning per share

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1) Profit after tax attributable to owners of the company	1079.71	913.68
2) Earning used in the calculation of basic earnings for the year	1079.71	913.68
3) Weighted average number of equity shares used as denominator for calculating Basic EPS	231337534	210936968
4) Weighted average number of equity shares and convertible warrants used as denominator for calculating diluted EPS	231337534	215990118
5) Basic earnings per share	0.47	0.43
6) Diluted earning per share	0.47	0.42
7) Face value per equity Share (Rs.)	1.00	1.00

Note 33 - Contingent Liabilities

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Guarantee issued by the banks in respect of import of Capital Goods under EPCG	49.75	49.75
(b) Excise Duty (Net of predeposit)	98.22	98.22
(c) Penalty imposed by the Enforcement Directorate -Net of deposit under protest	152.00	200.00
(d) Stressed Assets Stabilisation Fund	3130.53	3130.53

Note 33 (a) - The stressed assets stabilisation fund assignee of Industrial Development Bank of India under the negotiated settlement in respect of its dues agreed to accept the payment of Rs. 640.00 Lacs and interest there on over a period of 8 years. In case of any default in repayment, the original amount of dues Rs. 3770.53 Lacs will restore. In view of this difference between the original amount and settled amount i.e. 3130.53 Lacs has been shown as contingent liability.

Note 34 - Retirement and other Employee Benefits**Defined Contribution schemes****(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

Rs. In Lacs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employers Contribution to provident fund	8.81	7.07
Empolyers contribution to pension fund	9.16	8.73
Total	17.97	15.80

(b) Gratuity Plan

The Gratuity plan is governed by Payment of gratuity act, 1972 . Under the Act an employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the members length of service and salary at retirement age. The Companys defined benefit plans are funded with LIC. The Company does not have any liberty to manage the funds provided by LIC.

The Following table set out the funded status of the gratuity plans and amount recognised in the financial statements.

Amount in Balance Sheet	March 31, 2018
Defined Benefit Obligation (DBO)	114.99
Fair Value of Plan Assets	105.59
Funded Status - (Surplus)/Deficit	9.40
Unrecognized Past Service Cost / (Credit)	-
Unrecognized Asset due to Limit in Para 64(b)	-
Liability/(Asset) Recognized in the Balance Sheet	9.40

Current / Non Current Bifurcation	March 31, 2018
Current Liability	9.40
Liability/(Asset) Recognized in the Balance Sheet	9.40

Amount Recognized in Statement of Profit & Loss	March 31, 2017 to March 31, 2018
Total Expense/(Income) included in "Employee Benefit Expense"	13.58

Reconciliation of Amounts in Balance Sheet	March 31, 2017 to March 31, 2018
Opening Balance Sheet (Asset)/Liability	-
Total Expense/(Income) Recognised in P&L	13.58
Actual Employer Contributions	(11.29)
Total Remeasurements Recognised in Other Comprehensive (Income)/Loss	7.12
Acquisition/Business Combination/Divestiture	-
Closing Balance Sheet (Asset)/Liability	9.40

Note 35 - Segmental Reporting - The Company has identified three reportable segment i.e Manufacturing, trading, finance taking in to account nature of product .The accounting policies adopted for segment reporting are in line with accounting policy of the company

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1) Segment Revenue		
(a) Manufacturing/Plastic Moulded Articles	4241.11	4118.50
(b) Trading	2669.81	2184.60
(c) Finance	366.24	-
(d) Unallocated	42.67	188.17
Total Net Income from Operations	7319.83	6491.27
Less - Inter Segment Revenue	-	-
Net Income From Operations	7319.83	6491.27
2) Segment Results- Profit Before Tax and Interest		
(a) Manufacturing/Plastic Moulded Articles	18.15	215.51
(b) Trading	37.28	38.42
(c) Finance	366.24	-
(d) Unallocated (*Exceptional Items)	202.15	711.84
Total	623.82	965.77
Less-Interest	16.12	52.09
Total -Profit Before tax	607.70	913.68
3) Capital Employed (Segment Assets-Segment Liabilities)		
Segment Assets		
(a) Manufacturing/Plastic Moulded Articles	2463.89	3581.21
(b) Trading	304.54	831.37
(c) Finance	3925.51	-
(d) Unallocated	-	-
Total Assets (A)	6693.94	4412.58
Segment Liabilities		
(a) Manufacturing/Plastic Moulded Articles	791.49	1013.67
(b) Trading	266.65	795.55
(c) Finance	-	-
(d) Unallocated	-	-
Total Liabilities (B)	1058.14	1809.22
Total Capital Employed (A-B)	5635.80	2603.36

Note: Company commenced Finance segment w.e.f. 01.04.2017; hence previous period figures are not available and comparable.

Note 36 - Current Tax, Deferred Tax and Deferred Tax Assets

The major components for the year ended March 31, 2018 are as under

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax (Mat on profit of the year)	123.91	-
Total	123.91	-
Deferred Tax		
Property, Plant and equipment, intangible assets depreciation and on unabsorbed depreciation	(595.92)	-
Remeasurement of defined benefit obligation	(2.35)	-
Deferred Tax and Deferred Tax assets	(598.27)	-

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.

During the year, the Company has not accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of Rs.123.91 lakhs (March 31,2017 - Rs NIL & April 1, 2016 - Rs NIL). The Company is reasonably not certain availing the said MAT Credit in future years against the normal tax expected to be paid in those years and accordingly has not recognised a deferred tax asset for the same.

Tax Credits carried forward	As at March 31, 2018	Expiry date	As at March 31, 2017	Expiry date	As at April 1, 2016	Expiry date
Income Tax (MAT)	123.91	31.03.2033	0.00	NA	0.00	NA

Note 37-Exceptional Items

As per revival scheme sanctioned by Board for Industrial and Financial Reconstruction a sum of Rs. 202.15 Lacs (C.Y.) and Rs. 711.85 Lacs (P.Y.) included under the head Exceptional Items in the Profit and Loss Account.

Note 38 - 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. During the year the Company has converted 17400000 equity shares of Re 1/- each at a premium of Rs. 14/- each.

2. Categories of Financial Instruments

Rs. In Lacs

Particulars	Note	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Financial assets (Measured at amortised cost)</u>							
(i) Cash and cash equivalent	11	29.67	29.67	223.43	223.43	53.28	53.28
(ii) Other Bank balance	12	165.66	165.66	154.69	154.69	-	-
(iii) Trade receivables	10	691.73	691.73	1,094.82	1,094.82	240.24	240.24
(vi) Other financial assets	7	670.00	670.00	-	-	-	-
Total Financial assets		1,557.06	1,557.06	1,472.94	1,472.94	293.52	293.52
<u>Financial Liabilities (Measured at amortised cost)</u>							
(i) Other financial liabilities	19	72.69	72.69	72.55	72.55	90.00	90.00
(ii) Trade Payables	18	527.91	527.91	957.93	957.93	118.75	118.75
Total financial liabilities		600.60	600.60	1,030.48	1,030.48	208.75	208.75

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 has not borrowed funds.

(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 Rs.4983.27 lakhs(2017 – Rs.3966.70 lakhs; 2016 – Rs. 962.13 Lakhs) including Cash and cash equivalents and Other bank balances of Rs.195.33 lakhs(2017 – Rs. 378.12 lakhs; 2016 – Rs. 53.28 Lakhs) against an aggregate Current liability of Rs. 1058.14 lakhs(2017 – Rs. 1736.67 lakhs; 2016 – Rs. 1341.56 Lakhs);

Non-current liabilities due between one year to three years amounting to Rs. Nil lakhs (2017 – Rs. 72.55 lakhs; 2016 – Rs. 178.61 Lakhs) and Non-current liability due after three years amounting to Rs. NIL (2017 – NIL; 2016 – Rs. NIL) on the reporting date. Further, while the Company's total equity stands at Rs. 5635.80lakhs (2017 – Rs. 2603.36 lakhs; 2016 – Minus 102.82 Lakhs), it has non-current borrowings of Rs. Nil (2017 – Nil, 2016 – Nil). 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:

Particulars	Fair Value Hierarchy	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Fair Value		Fair Value		Fair Value	
Financial assets (Measured at amortised cost)							
(i) Cash and cash equivalent	L2	29.67	29.67	223.43	223.43	53.28	53.28
(ii) Other Bank balance	L2	165.66	165.66	154.69	154.69	-	-
(iii) Trade Receivables	L2	691.73	691.73	1,094.82	1,094.82	240.24	240.24
(vi) Other financial assets	L2	670.00	670.00	-	-	-	-
Total Financial Assets		1,557.06	1,557.06	1,472.94	1,472.94	293.52	293.52
Financial Liabilities (Measured at amortised cost)							
(i) Other financial Liabilities	L2	72.69	72.69	72.55	72.55	90.00	90.00
(ii) Trade Payables	L2	527.91	527.91	957.93	957.93	118.75	118.75
Total Financial Liabilities		600.60	600.60	1,030.48	1,030.48	208.75	208.75

Note 39 - RELATED PARTY DISCLOSURE

As per accounting standard 18, the disclosures of transactions with related

Party is given below:

(i) Holding Company

(a) Dawood Investments Private limited

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

Name of related party	Nature of relation	2017-2018	2016-2017	Nature of transaction
Dawood Investment Private Limited	Holding Company	1,395.00	465.00	Received against warrant
Mr. Daud Ali	key managerial personnel	40.32	25.87	Remuneration
Mr. Narendra Bhanawat	key managerial personnel	3.91	3.52	Remuneration
Eduvisor Services Private limited	Managing Director has control	451.69	302.51	Loan given
Eduvisor Services Private limited	Managing Director has control	670.00	-	Share Application money
Genext students limited	Managing Director son has control	0.35	-	Rent Paid

Closing Balances- NIL

Eduvisor Services Private Limited (Loan)	Debit Rs. 451.69 Lacs
Eduvisor Services Private Limited (Share Application money)	Debit Rs. 670.00 Lacs

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 40

The balances of sundry debtors, sundry creditors, secured loans, unsecured loans, loans and advances are subject to confirmation and reconciliation.

Note 41

The Revival scheme sanctioned by Board for Industrial and financial reconstruction is under implementation.

Note 42

FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with IND AS. The Company has complied with all applicable IND AS. For All periods up to and including year ended March 31, 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the companies act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, herein after referred to as 'previous GAAP.'

Reconciliation of equity between IND AS and previous GAAP

The transition from previous GAAP to IND AS did not have any impact on total equity presented in the balance sheet of the company.

Reconciliation of profit after tax between IND AS and previous GAAP

Rs. In Lacs

Particulars	For the year ended March 31, 2017
(a) Net profit as per previous GAAP	913.68
(b) Net profit as per IND AS	913.68

Reconciliation of cash flows for the year ended march 31,2017

The transition from previous GAAP to IND AS did not have any impact on Cash flows.

Note 43

The figures for the previous year have been regrouped/re-arranged to the extent necessary.

FOR AJAY PALIWAL & CO.

Chartered Accountants

ICAI Firm Registration No.:012345C

Sd/-

(AJAY PALIWAL)

Proprietor

Membership No.403290

Place : UDAIPUR

Date : 18.05.2018

For and on behalf of the Board of Directors

Sd/-

DAUD ALI

MANAGING DIRECTOR

DIN 00185336

Sd/-

CHIRAG GUPTA

COMPANY SECRETARY

M.No.: A50843

Sd/-

NARENDRA BHANAWAT

WHOLE TIME DIRECTOR

CHIEF FINANCIAL OFFICER

DIN 00146824

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