



PIL ITALICA LIFESTYLE LIMITED

27th ANNUAL REPORT

2018-2019

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
Asha Jain Director

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 (Ceased w.e.f. April 22, 2019)
Aditi Parmar (appointed w.e.f. April 23, 2019)

BANKERS

ICICI Bank Limited
YES Bank Limited
IDBI Bank
UCO Bank

REGISTERED OFFICE & WORKS

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

INVESTOR QUERIES

email:-investor@italicafurniture.com

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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

The Directors of your Company have pleasure in presenting the Twenty Seventh (27th) Annual Report together with the Audited accounts of the Company for the year ended March 31, 2019.

1. FINANCIAL HIGHLIGHTS

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

(Rs. in Lakhs)

Particulars	2018-2019	2017-2018
Revenue from Operations	5410.49	7319.83
Profit before Taxation	372.28	607.70
Less: Tax Expenses	(58.00)	(472.01)
Profit after Tax	314.28	1079.71
Add: other Comprehensive Income	-	(4.77)
Add: Balance brought forward from Previous year	(775.33)	(1850.27)
Balance Profit/(Loss) carry forward to the next year	(461.05)	(775.33)

2. STATE OF COMPANY'S AFFAIRS

The Company is engaged in the manufacturing of plastic moulded furniture such as plastic chairs, tables, trolley, sun loungers, crates, storage bins, waste bins etc. During the year the Company clocked turnover of Rs.5410.49 Lakhs against Rs. 7319.83 Lakhs in corresponding previous year and earned a net profit of Rs. 314.28 Lakhs. The company is carrying out its activities in mainly three segments i.e. Rs. 4314.26 Lakhs (P.Y.- Rs. 4241.11 Lakhs) from manufacturing of plastic articles, Rs. 741.54 Lakhs (P.Y.- Rs. 2669.81 Lakhs) from trading and Rs 268.74 Lakhs (P.Y.- Rs. 366.24 Lakhs) from finance and investment activities during the year.

Your Directors & Management along with the entire team is taking all possible action to ensure that we are able to sustain our financial growth and business operational developments inspite of all adverse external conditions & competition.

3. DIVIDEND

Keeping in view the requirement of funds for future expansions, your directors do not recommend any dividend for the year ended on March 31, 2019.

4. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on 31st March 2019 stood at Rs. 2350.00 Lakhs comprising of 23,50,00,000 shares of Re. 1/- each. The Company has not issued any further shares during the year. The Listing Fees for the year 2019-20 have been paid.

5. CHANGES IN THE NATURE OF BUSINESS

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

6. 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.

7. EXPORTS

During the year, the Company had export of Rs.18.30 Lakhs against export of Rs.39.02 Lakhs in comparison to previous year. The Company has exported its products such as chairs, tables, jumbo stools in the established markets of Qatar. The Company plans to further increase its exports to the existing and new markets and also tap potential export markets for which emphasis is being made on new and fine quality products.

8. TRANSFER TO RESERVES

No amount is proposed to be transferred to the Reserves for the financial year 2018-19.

9. 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.

10. 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.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any contract or arrangement with any person including persons covered under sub – section (1) of section 188 of the Companies Act, 2013. The disclosures are mentioned in the Notes to Financial statements. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's Website: www.italicafurniture.com.

12. EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in Form MGT9 as required under section 92(3) of the companies Act 2013 is annexed as annexure A of this report. The annual return of the company has been placed on the website of the company and can be accessed at www.italicafurniture.com.

13. NUMBER OF MEETINGS OF THE BOARD

During the financial year 2018-19, the Board met Four (04) times on 18th May 2018, 10th August 2018, 31st October 2018 and 02nd February 2019.

14. COMMITTEE OF BOARD OF DIRECTORS

As on 31 March, 2019, the Board has 3 Committees namely the Audit Committee, the Nomination and Remuneration Committee and Stakeholders Relationship Committee. A detailed note on the Composition of the Board and its Committees and other relevant details is provided in the report on Corporate Governance annexed to this report.

15. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE

As on March 31, 2019, the Company does not have any subsidiary, joint venture or associate. The Policy for determining material subsidiary is placed on the website of the Company www.italicafurniture.com.

16. RISK MANAGEMENT

The Company believes that managing risks helps in maximizing returns. A risk management Policy have been developed and implemented by the company for identification of elements of risk if any, which in opinion of board may threaten the existence of the company. It aims to identify commodity prices, Price fluctuation of raw material and finished goods, Credit Risks, inflation, Strategic Risks, etc. 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.

17. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) DIRECTORS :

The tenure of Mrs. Namrata Babel (DIN: 06910061) as an Independent Director of the Company will expire on this annual general meeting i.e. 28.06.2019. The Board recommended the reappointment of Mrs. Namrata Babel (DIN: 06910061) as an Independent Director for second term of 5 (five) consecutive years from the date of this Annual General Meeting i.e. 28.06.2019 to 27.06.2024, subject to the approval of the shareholders.

Pursuant to the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Mukesh Kumar Kothari, Non Executive Director (DIN: 03103336), retires by rotation at the 27th 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 AGM.

b) KEY MANAGERIAL PERSONNEL :

Mr. Narendra Bhanawat (DIN: 00146824), Whole time Director of the Company was appointed on 29.05.2016 and his present tenure will expire on 28.05.2019. The Board at their meeting held on 15.05.2019, reappointed him for a period of two years with effect from 29.05.2019 to 28.05.2021. Accordingly, Board recommends appointment of Mr. Narendra Bhanawat for the consideration of the members of the Company at the ensuing Annual General Meeting.

During the financial year 2018-19, Mr. Chirag Gupta acted as Company Secretary and Compliance Officer of the Company. Mr. Chirag Gupta resigned on 22nd April, 2019 from his post and The Board appointed Ms. Aditi Parmar as Company Secretary and Compliance Officer of the Company with effect from April 23, 2019.

18. DECLARATION BY INDEPENDENT DIRECTOR

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

19. STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s. Ajay Paliwal & Co., Chartered Accountants, Udaipur (ICAI FRN: 012345C) have been appointed as Auditors of the Company to hold the office from the conclusion of the 24th Annual General Meeting held on 23rd July 2016 until the conclusion of the 29th Annual General Meeting to be held in the financial year 2021-22, subject to ratification of their appointment by the members of the Company at every AGM. Pursuant to the amendments made under Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 07, 2018 the requirement of seeking ratification of the members for the appointment of statutory auditors has been withdrawn from the statute. In view of the above, ratification of members for continuance of their appointment at this Annual General Meeting is not being sought.

The company has received consent from the auditors that their firm is eligible to be reappointed as statutory auditors of the company in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

20. AUDIT REPORT

The Audit Report received by M/s. Ajay Paliwal & Co., Chartered Accountants, for the Financial Year 2018-19 does not contain any qualification or adverse remark.

21. SECRETARIAL AUDITORS AND THEIR REPORT

The secretarial audit report given by M/s P. Talesara & Associates, Practicing Company Secretary under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2018-19 does not contain any qualification, reservation or adverse remark. The secretarial audit report is provided as **Annexure B** forming part of this report.

22. 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 C** forming part of annual report.

23. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014, appointment of cost auditor is not applicable to the company.

24. CEO/CFO CERTIFICATE

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

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

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

A. CONSERVATION OF ENERGY

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

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

- (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 Lakhs)

Particulars	2018-2019	2017-2018
Foreign Exchange Earning	18.30	39.02
Foreign Exchange Outgo	NIL	NIL

26. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company does not qualify under the provisions of Section 135 of the Companies Act, 2013. The profit before tax was Rs. 372.28 Lakhs which is below the threshold limit. 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.

27. NOMINATION AND REMUNERATION POLICY

The Company has in place the Nomination and Remuneration Committee. The Company has formulated the Nomination and Remuneration Policy on Directors, Key Managerial Personnel and Senior Managerial Personnel, their appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of director. The Remuneration Policy is annexed as **Annexure D** of this report and placed on the website of the company www.italicafurniture.com.

28. CORPORATE GOVERNANCE REPORT

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

29. ANNUAL PERFORMANCE EVALUATION

During the year under review, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate meeting was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board at its meeting following the meeting of Independent Directors.

30. INDEPENDENT DIRECTORS TRAINING/ MEETING

During the year under review a separate meeting of the Independent Directors of the Company was held on February 02, 2019, without the presence of other Directors and members of Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timelines of flow of information between the Company management and the Board.

31. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

1.	The ratio of remuneration of each director to the median remuneration of the employees of the company for the FY 2018-19	Mr. Daud Ali 18.96 :1 Mr. Narendra Bhanawat 1.77 :1		
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS or manager in FY 2018-19	Name	Designation	Increase in Remuneration in the Financial Year 2018-19
		Mr. Daud Ali	Managing Director	16.67%
		Mr. Narendra Bhanawat	Whole time Director and Chief Financial Officer	12.24%
		Mr. Chirag Gupta	Company Secretary	25.87%
3.	The percentage increase in the median remuneration of employees in the financial year 2018-19	The percentage increase is 18.87%		
4.	The number of permanent employees on the rolls of the company as on March 31, 2019	51 employees as at March 31, 2019		
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 31.58 %, whereas managerial remuneration has increased by 16.27%. 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	It is affirmed that the remuneration paid is as per the remuneration policy of the company.		

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

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

35. DEPOSITORY SYSTEM

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

36. 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.

37. 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.

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

The Company has complied with Secretarial Standards issued by the Institute

The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), Product Category and Corporate Function from time to time. Details of familiarization programme to company's independent directors can be accessed at the company's website www.italicafurniture.com under policy head.

32. ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

33. DISCLOSURE ON THE REMUNERATION OF MANAGERIAL PERSONNEL

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

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

of Company Secretaries of India on Board Meetings and Annual General Meetings.

39. FRAUDS AGAINST THE COMPANY

The auditors have not reported frauds under sub-section (12) of section 143 of the Companies Act, 2013.

40. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable Indian accounting standards had been followed along with proper explanation relating to the material departures;
- the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- 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.

41. GENERAL

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

- a) Issue of Equity Shares with differential voting rights as to dividend, voting or otherwise.
- b) Business Responsibility Statement
- c) Issue of shares (including sweat equity shares) to employees of the company under any scheme.
- d) No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and company's operations in future.

42. 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, central and state government authorities 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

Place : Udaipur

Date : 15.05.2019

DIN: 00185336

Sd/-

NARENDRA BHANAWAT

Whole Time Director &
Chief Financial Officer

DIN: 00146824

Annexure A

Form No MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March,2019
(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 Register 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 Plastic articles	31004	79.74
2.	Non-specialized wholesale trade	46909	13.71

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	U65993RJ1991PTC006094	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	Shareholding at the beginning of year 2018				Shareholding at the end of year 2019				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total*	% of Total shares	
(A)	Shareholding of Promoter and Promoter Group									
1	Indian									
2	Foreign									
(a)	Individuals/Hindu Undivided Family	316200	0	316200	0.15	316200	0	316200	0.13	0
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0
(c)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0
(d)	Any Other (Specify)									
	Bodies Corporate	155057200	0	155057200	0	155057200	0	155057200	65.98	0
	Sub-Total (A)(1)	155373400	0	155373400	66.11	155373400	0	155373400	66.11	0
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0
(b)	Government	0	0	0	0.00	0	0	0	0.00	0
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0
(e)	Any Other (Specify)									
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	155373400	0	155373400	66.11	155373400	0	155373400	66.11	0
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/UTI	0	54000	54000	0.03	0	54000	54000	0.03	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions/ Banks	1400448	79600	1480048	0.63	1400448	79600	1480048	0.63	0
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any other (Specify)									
	Sub Total (B)(1)	1400448	133600	1534048	0.66	1400448	133600	1534048	0.66	0
2	Central Government/ State Government(s)/ President of India									
	Sub-Total (B)(2)	0	0	0	0	0	0	0	0	0
3	Non-institutions									
(a)	Individuals									
(i)	Individual Shareholders Holding									

Sr. No.	Category of shareholder	Shareholding at the beginning of year 2018				Shareholding at the end of year 2019				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total*	% of Total shares	
	Nominal Share Capital Up To Rs. 1 Lakh.	21494118	1013200	22507318	9.58	22322699	995600	23318299	9.92	0.34
(ii)	Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh.	30317906	0	30317906	12.90	30672795	0	30672795	13.05	0.15
(b)	NBFCs registered with RBI	0	0	0	0	11000	0	11000	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any other (specify)									
	Trusts	400	0	400	0	400	0	400	0	0
	Hindu Undivided Family	4627456	0	4627456	1.97	4557666	0	4557666	1.94	(0.03)
	Non Resident Indian (Non Repat)	73464	0	73464	0.03	156284	0	156284	0.07	0.04
	Non Resident Indian (Repat)	185514	153200	338714	0.14	200207	153200	353407	0.15	0.01
	Overseas Bodies Corporate	6000	0	6000	0	6000	0	6000	0	0
	Clearing Member	1651243	0	1651243	0.70	565890	0	565890	0.24	(0.46)
	Bodies Corporate	18534451	35600	18570051	7.90	18415211	35600	18450811	7.85	(0.05)
	Sub Total (B)(3)	76890552	1202000	78092552	33.23	76908152	1184400	78092552	33.23	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	78291000	1335600	79626600	33.88	78308600	1318000	79626600	33.88	0
	Toatal (A)+(B)	233664400	1335600	235000000	100	233682000	1318000	235000000	100	0
(C)	Non Promoter – Non Public									
[1]	Custodian/ DR Holder	0	0	0	0	0	0	0	0	0
[2]	Employee Benefit Trust (under SEBI (share based employee benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	233664400	1335600	235000000	100	233682000	1318000	235000000	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% 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	0.13	0	316200	0.13	0	0
2	Dawood Investment Private Limited	155057200	65.98	0	155057200	65.98	0	0
	Total	155373400	66.11	0	155373400	66.11	0	0

(iii) Change in Promoters' Shareholding

Sl.No.	Name & Type of Transaction	Shareholding at the beginning of the year-2018		Cumulative shareholding during the year-2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Dawood Investment Private Limited	155057200	65.98	155057200	65.98
2.	Daud Ali	316200	0.13	316200	0.13

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Shareholding at the end of the year - 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PARK CONTINENTAL PRIVATE LIMITED	11288713	4.80	11385581	4.84
2	BONANZA PORTFOLIO LTD	4057144	1.73	4471918	1.90
3	SATENDRAPAL SINGH CHHABRA	3045770	1.30	3045770	1.30
4	MADAN MOHAN MANGAL	2262920	0.96	2312920	0.98
5	SKA SECURITIES AND FINANCIAL SERVICES PRIVATE LIMITED	1682971	0.72	1680984	0.72
6	SANJEEV GORWARA HUF	1671908	0.71	1671908	0.71
7	CHHAVI GOYAL	1600000	0.68	1600000	0.68
8	RAJMANI GORWARA	1454084	0.62	1454084	0.62
9	SHAILJA MANGAL	1334500	0.57	1384405	0.59
10	HDFC BANK LTD	1372448	0.58	1372448	0.58

*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 (01.04.2018)		Cumulative shareholding during the year (as on 31.3.2019)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1. Daud Ali, Managing Director	316200	0.13	316200	0.13
2. Narendra Bhanawat, Wholtime Director & CFO	400	0.00	400	0.00
3. Chirag Gupta, Company Secretary	01	0.00	651	0.00

Note: No other Directors/KMPs was holding any shares during the FY 2018-19.

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 Indebtness (Rs. In '000's)
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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	47,04,000	4,39,116	5143116
	(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)	47,04,000	4,39,116	51,43,116

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		
		Chirag Gupta, Company Secretary	CFO	Total Amount (Rs.)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.37	-	3.37
	(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)	3.37	-	3.37

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES – NIL

ANNEXURE B

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019**

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

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

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

Based on my verification of the PIL ITALICA LIFESTYLE LIMITED (name of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives 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 31.03.2019 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 herein after :

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 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under for specified Sections and Rules notified and came into effect from respective dates and a list of documents verified is as per Annexure A
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the company during the audit period)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, ('SEBI Act') 1992 :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (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 (Buy back 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 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 2018 to 31st March 2019.
 - C. Negotiable Instruments Act 1881

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 and GST Act, I have relied on the Reports given by the Internal Auditors of the Company.

I further report that during the audit period :

- i) The company is under implementation of revival scheme, as sanctioned by Board for Industrial and Financial Reconstruction.

For P. Talesara & Associates
Company Secretaries
sd/-

Place : Udaipur (Raj.)
Date : 10.05.2019

(Pawan Talesara)
Proprietor
FCS No.: 8096, C P No.: 2674

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 there to during the financial year under Report.

For P. Talesara & Associates
Company Secretaries
sd/-

Place : Udaipur (Raj.)
Date : 10.05.2019

(Pawan Talesara)
Proprietor

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

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

SECRETARIAL COMPLIANCE REPORT

**Secretarial compliance report of
PIL ITALICA LIFESTYLE LIMITED,
Regd. Office: Kodyat Road, Village Sisarma,
Udaipur, Rajasthan-313001
for the year ended 31.03.2019**

I Pawan Talesara, Proprietor of M/s P. Talesara & Associates, Practicing Company Secretary holding CP No. 2674, have examined :

- (a) all the documents and records made available to us and explanation provided by **PIL Italica Lifestyle Limited**,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) all other relevant documents, for the year ended 31st March, 2019 in respect of compliance with the provisions of :
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder;and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India("SEBI")

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares)Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Registrars to an Issue and ShareTransfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	As Applicable	NIL	NA

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/Regulations and circulars/ guidelines issued-thereunder:

Sr.No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NIL	NIL	NA	NA

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr.No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (<i>The years are to be mentioned</i>)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NA	NA being first Report	NA	NA

For P. Talesara & Associates
Company Secretaries
sd/-

Place : Udaipur (Raj.)
Date: 10.05.2019

(Pawan Talesara)
Proprietor

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

Appendix - 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: 10.05.2019

ANNEXURE C

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, 2019.

A. INDUSTRIAL STRUCTURE AND DEVELOPMENT

PIL Italica Lifestyle Limited has been a pioneer in the plastic moulded furniture industry. Your company is carrying out its activities in mainly three segments i.e. manufacturing of Plastic moulded articles, Trading and Financing and investment activities.

Manufacture of Plastic Moulded Articles:

Your company is leading producer of plastic moulded furniture and is engaged in manufacturing of chairs, tables, crates, bins etc. We have an all-inclusive and varied range of plastic furniture products. Our brand - ITALICA Moulded Furniture, is one of the leading brands in the plastic furniture market in India. It has presence in various International markets such as Middle East, Qatar, Australia, Haiti etc. In the current year, we have introduced several new products in our portfolio to stay ahead in line of furniture, to provide innovative products which will enhance the offerings and availability of wide range of products to distributors, retailers and consumers to a large extent. We offer products both in the affordable and the premium categories, catering to all the segments of the society.

For the first in India, a product named "Spine Care – 2109" especially designed to eradicate spinal problems and strongly recommended by doctors. This product was especially designed by your Company to help people facing spinal disorders due to improper sitting / continuous long sitting during their working. Spine Care guarantees comfortable seat with flexible backrest. This super comfortable chair is available in three colors- Metallic Brown, Camel Brown and Orange. By the third quarter the company will

introduce new designs in the furniture category to offer a wider variety to their loyal distributors, dealer and consumers. The Company also introduced a new model – '9006' and '2277' under chair category, to offer the best to its consumers in the furniture category. The Company now moving into the direction of establishing a strong offering in the premium and luxury range of chairs with the upcoming product launches.

During the year the company witnessed a substantial growth in the production of its latest range of various crates adding a new crate moulds (size of crate: 500*325*200), (500*325*250) , (600*400*370) ,(600*400*320), (600*400*220) to cater to the industrial and catering sector along with food and vegetable vendors. The crates division has seen a steady growth since its introduction as company strive to give the most durable and sturdy products to all its customers. The company has also started supplying the industrial crates to popular e-grocery platforms.

While Company have been consistent with its efforts in supporting the Swachh Bharat initiative and spreading awareness in all areas including rural and urban, Italica has introduced new range of dustbins and storage bins in various designs and colors in the 80 ltrs and 110 ltrs capacity range.

The Company have witnessed substantial growth of the brand on major e-commerce platforms as its product is now reaching every part of India. Our products have already gained popularity on Pepper fry, Amazon, Industry buying, etc. and in a short span of time, Company has become a preferred brand for furniture for customers.

Trading Segment: Company deals into trading activities. During the year, the revenue from trading segment is Rs. 741.54 lacs (p.y. 2669.81 lacs). The reduction is due to now Company is focusing more on its manufacturing segment.

Finance and Investment: Company is engaged in the business of finance and investing activities. The Company is trying to generate more revenues from this segment in coming years.

B. OPPORTUNITIES AND THREATS

Despite the increasing competition from the unorganized sector, company is continuously trying to increase its presence in the untapped market. **The Company is** hopeful that it will be able to perform even better in future with the new product launches. Company will endeavor to maintain and enhance its position in the furniture market and increase focus on the range of Crates and Bins. The Company has to ensure that the people working for it who constitute its major competitive advantage continue to contribute productivity to its business. The Company has to be on the lookout for tracking the competition and maintaining its competitive edge in terms of quality and value proportion.

C. SEGMENT-WISE PERFORMANCE

During the year the company clocked a turnover of Rs. 4314.26 Lakhs (p.y. - Rs. 4241.11 Lakhs) from manufacturing of plastic articles, Rs.741.54 Lakhs (p.y. - Rs.2669.81 Lakhs) from trading and Rs. 268.74 lakhs ((p.y.– Rs. 366.24 Lakhs) from finance and investment segment.

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

During the year, your company achieved revenue of Rs. 5410.49 Lakhs in comparison to previous year i.e. Rs. 7319.83 Lakhs. Out of which exports were Rs. 18.30 Lakhs as against Rs. 39.02 Lakhs in the previous year. The profit before tax is Rs. 372.28 Lakhs as against Rs. 607.70 Lakhs in the previous year.

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

The Company is of the opinion that our people play a vital role in shaping the organization and hence we lay great emphasizing on optimizing their performance. The company provides fair and safe, equal environment at work to all the employees. The training and education of employees across department is ongoing process of the company. Your Company has the strength of 51 staffs and 67 workers. Our technical and well qualified staff efficiently uses 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.

I. SIGNIFICANT CHANGES IN FINANCIAL RATIOS

During the year, the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:

Financial Ratio	FY – 2018-19	FY – 2017-18	Change (%)	Reason for change
Inventory Turnover	6.12	8.78	(30.29)	Company is managing inventory level better in comparison to previous year
Interest Coverage Ratio	25.84	38.70	(33.22)	Decrease in interest payment and company do not have borrowings.
Current Ratio	10.32:1	5.34:1	93.25	Current ratio increased due to increase in current assets.
Return on net worth	12.65%	17.25%	(26.66)	Profitability is less due To decrease in sale in view of competition.

For and on behalf of the Board of Directors

Sd/-
DAUD ALI

Managing Director
DIN: 00185336

Sd/-
NARENDRA BHANAWAT

Whole Time Director & Chief
Financial Officer
DIN: 00146824

Place : Udaipur
Date : 15.05.2019

Disclaimer:

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

The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risk and uncertainties. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-

looking statements expressed in this report, consequent to new information, future events, or otherwise. Estimation and expectation made in the Report may differ from actual performance due to various Economic conditions, Government Policies and other related factors.

ANNEXURE D

NOMINATION AND REMUNERATION POLICY

1. PURPOSE:

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

2. Objective:

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

3. Definitions:

“**Directors**” means a director in the company's board.

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

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

“**Key Managerial Personnel**” or KMP means:

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

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

4. Role of Committee:

The role of NRC will be the following:

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

5. Appointment and Removal of Director, Key Managerial Personnel and Senior Management Personnel:

- The committee shall identify and ascertain the integrity, qualification, expertise of the person for appointment as Director, KMP or at Senior Management level and recommend his/ her appointment, as per Company's policy.

- b. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has Authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.
- c. The company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing special resolution.

6. Term / Tenure:

a. Managing Director/Whole-time Director :

The company can appoint or re-appoint any person as its Managing Director, Whole Time Director for a Fixed term not exceeding five years at a time or without any Limitation as to the period he is to hold such office and from time to time remove or dismiss him from office and appoint another in his place (subject to the provisions of any contract between him and company.)

b. Independent Director :

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

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

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

7. Evaluation:

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

8. REMOVAL:

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

9. RETIREMENT:

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

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

1. Remuneration to Managing Director/Whole-time Directors:

- a). The Remuneration/ Commission etc. to be paid to Managing Directors, etc. shall be governed as per provisions of Companies Act, 2013 and rules made there under or any other enactment for the time being in force and approvals obtained from the Members of the Company.
- b). The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-Time Directors.

2. Remuneration to Non-Executive / Independent Directors:

- a). The Non-Executive / Independent Directors may receive sitting

fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The Amount of sitting fees shall be such as may be recommended by Nomination and Remuneration Committee and approved by Board of Directors.

- b). All the Remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meeting as prescribed as under section 197(5) of Companies Act 2013) shall be subject to ceiling limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Amount of remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholder as the case may be.
- c). An Independent Director shall not be eligible to get Stock options and also shall not be eligible to participate in any share based payment schemes of the company.
- d). Any remuneration paid to Non- Executive/Independent Directors for Services rendered which are of professional in nature shall not be considered as part of remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i. The services are rendered by such Director in his capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite for the practice of that professional.

3. Remuneration to Key Managerial Personnel and Senior Management Personnel:

- a). The Remuneration to KMP and Senior Management Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the companies policy.
- b). The fixed pay shall include monthly remuneration, employees contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c). The incentive pay shall be decided based on the balance between performance of the company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

4. Implementation:

The committee may issue guidelines, procedures, formats, reporting, mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The committee may delegate any of its powers to one or more of its members.

ANNEXURE E

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.

1) COMPANY'S PHILOSOPHY

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

Corporate Governance is all about commitment to values and ethical business conduct. Corporate Governance practices goes beyond compliance and involves a companywide commitment and has become the integral part of business to ensure fairness, transparency and integrity of the management. Our guiding principles and practices are summarized in Corporate Governance Report. Pursuant to provision of companies Act 2013 and Regulation 34 of the Listing regulation, the report contains the details of Corporate Governance System and process at PIL ITALICA

LIFESTYLE LIMITED. We believe in adopting the well accepted corporate Governance practices and benchmark the same and strive to improve them continuously.

2) BOARD OF DIRECTORS

a. 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.

b. Composition of Directors

As on March 31, 2019 the Board comprises of 6 members, out of which 3 are independent directors. Mr. Daud Ali is the Managing Director of the company, who conducts the day to day management of the company, under consistent support of Board of Directors. The independent directors on the Board are also the specialist in their respective fields. There is no fixed Chairman on the Board.

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

During the financial year 2018-19, the Board met Four (04) times on 18th May 2018, 10th August 2018, 31st October 2018 and 2nd February 2019. Annual General Meeting of the company was held on Friday, June 29, 2018 at the registered office of the Company.

Details of Directors and their attendance in meetings are referred below:

Sr. No.	Name of Director	Promoter/ Non-Promoter	Category	Director ships in Other Board of Directors	Member-ships of Committees of Other Boards	Chairman ships of Committees of Other Boards	Attendance at Board meeting		Whether last Annual General Meeting attended
							No. of meetings held	No. of meetings attended	
1	Mr. Daud Ali	Promoter	Executive Director	5	0	0	4	4	Yes
2	Mr. Narendra Bhanawat	Non Promoter	Executive Director	1	0	0	4	4	Yes
3	Mr. Magan Lal Sharma	Non Promoter	Non Executive Independent Director	0	0	0	4	4	Yes
4	Mr. Mukesh Kumar Kothari	Non Promoter	Non-Executive	0	0	0	4	4	No
5	Dr. Namrata Babel	Non Promoter	Non Executive Independent Director	0	0	0	4	4	No
6	Mrs. Asha Jain	Non Promoter	Non Executive Independent Director	5	0	0	4	4	No

Notes:

None of the directors of the company holds directorships in any other listed entities in the year 2018-19.

There are no inter se relationships between our Board Members.

None of the directors holds shares in the company except Mr. Daud Ali (316200 shares) and Mr. Narendra Bhanawat (400 shares) as on March 31, 2019.

Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

d. Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
- Financial and Management skills
- Technical / Professional skills and specialized knowledge in relation to Company's business

e. 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 www.italicafurniture.com.

f. Independent Directors confirmation by the Board

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

During the financial year 2018-19, none of the Independent Directors have resigned from their post as Independent director and detailed reasons in respect of resignation before their expiry of term is not required.

3) 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, www.italicafurniture.com.

AUDIT COMMITTEE

As on March 31, 2019, Audit Committee comprises of 3 directors and all of them are non-executive director. Mr. Magan Lal Sharma, Chairperson of Audit Committee 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. Magan Lal

Sharma, Chairman of Audit Committee was present in AGM 2018 to answer the queries of shareholders, if any.

The Audit Committee met four times during the financial year, on May 18, 2018, August 10, 2018, October 31, 2018 and February 02, 2019.

The composition and attendance of members at the meeting held for FY 2018-19 are given below:

Name of Director(s)	Designation	Category	No. of Meetings attended	No. of Meetings held
Mr. Magan Lal Sharma	Chairman	Non-Executive Independent	04	04
Mr. Mukesh Kumar Kothari	Member	Non-Executive	04	04
Dr. Namrata Babel	Member	Non-Executive Independent	04	04

Terms of reference:

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

There are no subsidiary companies of the Company, hence new clause under Schedule II Part C, in Clause A (21) of SEBI (LODR) Regulations 2015 vide notification dated 09.05.2018 is not applicable.

NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2019 the Nomination and Remuneration Committee comprises of three Non-Executive Directors. Mr. Magan Lal Sharma acts 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 SEBI Listing Regulations. The Company Secretary shall act as the secretary to the committee. The Nomination and Remuneration Committee met once i.e. on May 18, 2018. The necessary Quorum was present at the meeting.

The composition and attendance of members at the meeting held for FY 2018-19 are given below:

Name of Director(s)	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Magan Lal Sharma	Chairman	Non-Executive Independent	1	1
Mr. Mukesh Kumar Kothari	Member	Non-Executive	1	1
Dr. Namrata Babel	Member	Non-Executive Independent	1	1

Terms of reference:

a) 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;

- Recommend to the board, all remuneration, in whatever form, payable to senior management.
 - 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.
- b) The company has laid down Code of conduct for its Board members and Senior Management Personnel. All directors and designated personnel have affirmed compliance with their respective codes for the year under review. The declaration to this effect signed by Mr. Daud Ali, Managing Director and the same is annexed to this report.

REMUNERATION OF DIRECTORS

- There is no pecuniary relationship or transactions of the non-executive director vis-à-vis the company.
- The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company www.italicafurniture.com.
- The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

No sitting fee is paid to Non Executive Directors of the Company and remuneration paid to Executive Directors are as under :

Name of Director	Category	Remuneration	Total
Mr. Daud Ali	Managing Director	Rs.4,704,000	Rs.4,704,000
Mr. Narendra Bhanawat	Whole time Director and Chief Financial Officer	Rs.439,116	Rs.439,116
			Rs.5,143,116

Note :

Service contract is for three years of Mr. Daud Ali w.e.f. April 01, 2018 and Mr. Narendra Bhanawat w.e.f. May 29, 2019.

Notice period is 3 Months from either side and Severance fees is not applicable.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The company has Stakeholders Relationship Committee in compliance with the requirement of SEBI Listing Regulations and provisions of Section 178 of the Companies Act, 2013. As on March 31, 2019, the committee comprises of 3 members of whom 2 are Independent Director and 1 is Non-Executive Director. Mr. Magan Lal Sharma acts as the chairperson of Stakeholders Relationship Committee. The Company Secretary acts as the secretary to the committee.

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

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

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

During Financial Year 2018-19, the Stakeholders' Relationship Committee met four times on May 18, 2018, August 10, 2018, October 31, 2018 and February 02, 2019. The necessary quorum was present at all meetings.

The composition and attendance of members at the meeting held for FY 2018-19 are given below :

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Magan Lal Sharma	Independent Non-Executive	4	4
Mr. Mukesh Kumar Kothari	Non-Executive	4	4
Dr. Namrata Babel	Independent Non-Executive	4	4

Compliance Officer:

The company secretary acts as Compliance Officer of the Company.

Nature of Complaints and Redressal Status

During the year under report, no investor complaints were received.

Details of investor complaint(s) received during FY 2018 - 19 are as follows:

Complaints pending on April 01, 2018	Number of Complaints received during FY 2018-19	Complaints redressed during FY 2018-19	Complaints pending on March 31, 2019
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.

4) GENERAL BODY MEETING

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

Year	Date	Time	Venue	No. of Special Resolutions Passed
2017-18	June 29, 2018	9:15 A.M.	Kodiyat Road,	00
2016-17	June 30, 2017	9:15 A.M.	Village: Sisarma,	01
2015-16	July 23, 2016	9.30 A.M.	Udaipur - 313031	02

Postal Ballot :

During the financial year ended 31st March, 2019, no resolution was passed by Postal Ballot.

5) MEANS OF COMMUNICATION

- I. **Results:** The quarterly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and NSE websites.
- 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/ Rashtrdoot and also pasted in the website of the company 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.

6) GENERAL SHAREHOLDER INFORMATION:

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2018-19

Day, Date and Time	28 th June, 2019, Friday at 09: 15 AM
Venue: (Registered Office of the Company)	PIL ITALICA LIFESTYLE LIMITED Kodiyat Road, Village: Sisarma, Udaipur (Raj) - 313 031
Financial year	April 1, 2018 to March 31, 2019
Dividend payment data	N.A.
Date of Book Closure/ record date	24.06.2019 to 28.06.2019 (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 :

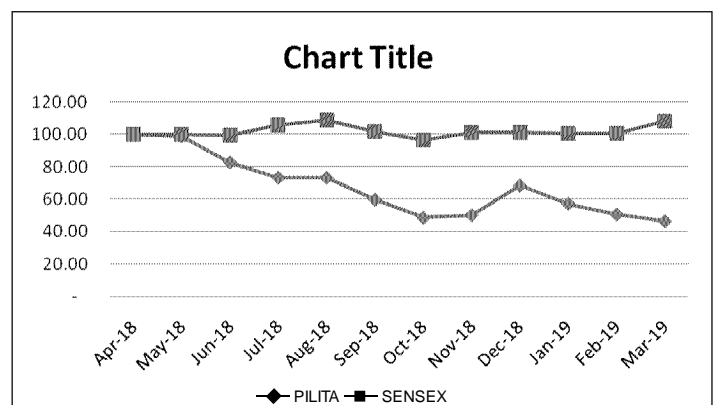
The monthly high & low during each month, in last financial year, is as follows:

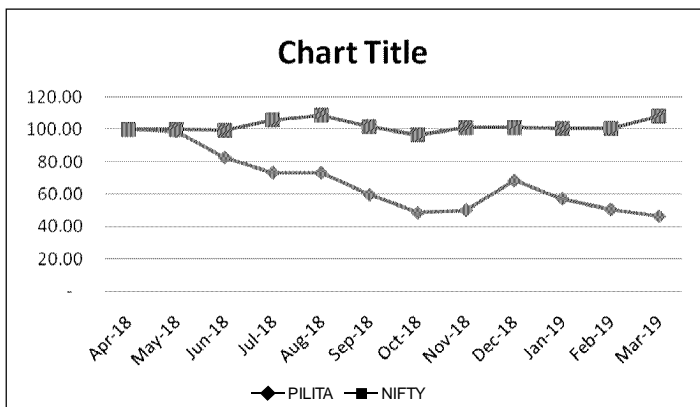
Month	BSE		NSE	
	High	Low	High	Low
April 2018	13.70	11.05	13.60	11.25
May 2018	13.85	11.70	13.65	11.60
June 2018	12.59	9.67	13.05	9.75
July 2018	11.10	7.60	11.50	7.55
August 2018	9.74	8.50	9.75	8.40
September 2018	9.50	6.77	9.80	7.10
October 2018	7.90	5.64	7.55	5.70
November 2018	6.99	5.45	6.40	5.30
December 2018	9.44	5.76	9.25	5.65
January 2019	9.00	6.75	8.95	6.75
February 2019	7.10	6.00	7.00	5.85
March 2019	6.94	5.70	6.85	5.60

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, 2018 in both the charts.





REGISTRAR & TRANSFER AGENT :

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt 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: rnhelpdesk@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.

SHAREHOLDING AS ON 31.03.2019

a. Distribution of Shareholding as of 31-03-2019

Shareholding of Shares	No. of Shareholders	% of total shares	Share Allotted	% of total Shares
Upto – 500	4015	41.28	1115983	0.47
501 – 1000	1749	17.98	1469062	0.63
1001 – 2000	1843	18.95	2986011	1.27
2001 – 3000	376	3.87	977145	0.42
3001 – 4000	589	6.06	2275729	0.97
4001 – 5000	172	1.77	816492	0.35
5001 – 10000	474	4.87	3580554	1.52
10001- ABOVE	508	5.22	221779024	94.37
Total	9726	100	235000000	100

b. Categories of Equity Shareholders

S. No.	Category	No. of Share	% of sholding
I.	PROMOTER AND PROMOTER GROUP		
i)	Indian Promoters	155373400	66.12
ii)	Foreign Promoters	0	0.00
	Total Promoter shareholding	155373400	66.12
II.	Public Shareholding		
A.	Institutions		
i)	Mutual Fund	54000	0.02
ii)	Financial Institution/ Banks	1480048	0.63
iii)	Foreign Institutional Investors	0	0.00
B.	Non-Institution		

i)	Bodies Corporate	18457211	7.85
ii)	Individuals	58548760	24.91
iii)	Non-Resident Indian	509691	0.22
iv)	Clearing Members	565890	0.24
v)	NBFCs registered with RBI	11000	0.00
	Total Public Shareholding	79626600	33.88
III.	Non-Promoter Non-Public	0	0.00
	Total Shareholding (I+II+III)	235000000	100

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, 2019, 99.44% 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, 2019, the company does not have any outstanding GDRs/ ADRs/ Warrants or any other convertible instruments.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

For mitigating commodity price risk, the company exercises best inventory management practices. The company doesn't have a significant forex risk as of now and the company follows a very conservative policy with regard to derivatives.

LOCATION OF PLANT

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

ADDRESS FOR CORRESPONDENCE

	Contact	Email	Address
Investor Relation Department of Company	Ms. Aditi Parmar Company Secretary and Compliance Officer	corporate@italicafurniture.com	PIL ITALICALIFESTYLE LIMITED Kodiyat Road, Village Sisarma, Udaipur (Raj.)-313031 Tel No.:0294-2432271-72 Fax No.: 0294-2430411
Registrar & Transfer Agent	Link Intime India Pvt. Ltd.	rnhelpdesk@linkintime.co.in	LINK INTIME INDIA PVT. LTD. 247 Park, C-101 1st Floor, LBS Marg, Vikroli (W), Mumbai-400083 Tel No.: 022-49186000 Fax No.:022-49186060

7) OTHER DISCLOSURES

a) **Materially Significant related party transaction:** All the related party transactions have been done at arm's length price and in the ordinary course of Business with the prior approval of Audit Committee. Policy related to related party transactions of the company is also available on the website of the company at www.italicafurniture.com.

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

c) **Establishment of Vigil Mechanism/ Whistle Blower Policy:** In line with the best Corporate Governance practices, Company

has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee.

- d) Details of compliance with mandatory requirements and adoption of the non mandatory requirements:** The Board of Directors periodically reviews the compliance of all applicable laws. The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) Web link where policy for determining 'material' subsidiaries is disclosed:** The policy for determining material subsidiaries is available on the website of the company at www.italicafurniture.com
- f) Web link where policy on dealing with related party transactions is disclosed:** The policy for determining related party transactions is available on the website of the company at www.italicafurniture.com
- g) 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.
- h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** Not Applicable
- i) A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority:** The Certificate of Company Secretary in practice is annexed as herewith as **Annexure 4** of this report.
- j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.** Not Applicable
- k) Total fees for all services paid by the listed entity, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**The annual fees paid to Statutory Auditors during the Financial Year 2018-19 was Rs. 40000.

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

- a) **The Board of Directors:** the Company has no Chairman either executive or non-executive.
- b) **Shareholder Rights:** As the Quarterly and Half Yearly Financial Results are published in the newspapers as well as displayed on the Company's Website www.italicafurniture.com, hence the results are not sent to household of each of the shareholders. The complete Annual report is sent to each and every shareholder of the Company.
- c) **Audit Qualifications:** The Auditors have raised no qualification on the financial statements for the year ended 31st March, 2019.
- d) **Reporting of Internal Auditor:** The Internal Auditor of the Company reports directly to the Audit Committee of the Company.

9) 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.

10) 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.

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

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

The certificate from statutory auditor of the company regarding compliance of conditions of corporate governance is annexed as **Annexure 2** and forms an integral part of the Annual Report.

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

13) DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT: The Company does not have any shares in the demat suspense account or unclaimed suspense account.

14) 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 and on behalf of Board of Directors
PIL ITALICA LIFESTYLE LIMITED**

Sd/- Sd/-
Daud Ali Narendra Bhanawat
Date : 15.05.2019 Managing Director Whole time Director & CFO
Place: Udaipur DIN : 00185336 DIN : 00146824

Annexure 1:

Declaration affirming compliance with Code of Conduct

I hereby confirm that the company has obtained from all the members of the Board and Senior Management team, affirmation of Compliance with the Code of Conduct for Directors and Senior Management in respect of the financial year ended on March 31, 2019.

For PIL ITALICA LIFESTYLE LIMITED

Sd/-
Daud Ali
Date : 22.04.2019 Managing Director
Place : Udaipur DIN: 00185336

Annexure 2 :**AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of corporate governance by PIL ITALICALIFESTYLE LIMITED (formerly known as Peacock Industries Limited) ('the Company'), for the year ended on March 31, 2019, 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

Membership No. 403290

PLACE : UDAIPUR
DATE : 15.05.2019

Annexure 3:**CEO/CFO CERTIFICATION**

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

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

- We have reviewed financial statements and the cash flow statement of PIL ITALICALIFESTYLE LIMITED for the year ended 31st March, 2019 and to the best of our knowledge and belief :
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- 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.
- 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.
- We have indicated to the Auditors and the Audit Committee:
 - that there are no significant changes in internal control over financial reporting during the year;
 - that there are no significant changes in accounting policies during the year; and
 - that there are no instances of significant fraud of which we have become aware.

For PIL ITALICALIFESTYLE LIMITED

Sd/-

Daud Ali

Managing Director

DIN: 00185336

Sd/-

Narendra Bhanawat

Whole Time Director &

Chief Financial Officer

DIN: 00146824

Place : Udaipur
Date : 15.05.2019

Annexure 4:**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
PIL ITALICALIFESTYLE LIMITED
KODIYAT ROAD, VILLAGE: SISARMA
UDAIPUR (RAJ.) – 313031

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company <i>Taken as Present tenure appointment dates</i>
1	Mr. Daud Ali	00185336	01.04.2018
2	Mr. Narendra Bhanawat	00146824	29.05.2016
3	Mr. Magan Lal Sharma	00250883	30.06.2017
4	Mr. Mukesh Kumar Kothar	03103336	30.06.2017
5	Mrs. Namrata Babel	06910061	07.08.2014
6	Mrs. Asha Jain	00218335	07.03.2018

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

For P. Talesara & Associates

Company Secretaries

Sd/-

(Pawan Talesara)

Proprietor

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

PLACE : UDAIPUR
DATE : 10.05.2019

**Independent Auditor's Report
To the Members of M/s. PIL ITALICA LIFESTYLE LIMITED
Report on the Standalone Financial Statements
Opinion**

We have audited the standalone financial statements of PIL ITALICA LIFESTYLE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report

Management's Responsibility for the Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not

a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

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, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 st March, 20XX from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the 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 Investor Education and Protection Fund by the Company).

FOR AJAY PALIWAL & Co.

Chartered Accountants
Firm Reg. No. FRN012345C

Sd/-
(AJAY PALIWAL)
Proprietor
Membership No. 403290

Place : UDAIPUR
Date : 15.05.2019

Annexure A to the Independent Auditors Report

Referred to in paragraph 1 (f) under "Report on other Legal and Regulatory Requirements" 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, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of PIL ITALICA LIFESTYLE LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the 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
Firm Reg. No. FRN012345C

Sd/-
(AJAY PALIWAL)
Proprietor
Membership No. 403290

Place : UDAIPUR
Date : 15.05.2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in first paragraph under "Report on other Legal and Regulatory Requirements" 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, 2019.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information.
(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 repayments 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 in formations 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, 2019 towards undisputed statutory dues in respect of income tax, Goods and services tax, custom Duty, cess and other material dues 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 2019 towards disputed statutory dues:-

Particulars	Amount (Rs. In Lac)	Remarks
Penalty by Enforcement Directorate(Net of deposit under protest)	122.00	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) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) of the order is not applicable to the company.
- 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
Firm Reg. No. FRN012345C
Sd/-
(AJAY PALIWAL)
Proprietor
Membership No. 403290
Place : UDAIPUR
Date : 15.05.2019

PIL ITALICA LIFESTYLE LIMITED
BALANCE SHEET AS AT March 31, 2019

Rs. In Lacs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
A ASSETS			
1 Non Current assets			
(a) Property, plant and equipment	4	435.93	401.26
(b) Capital work in progress		-	-
(c) Investment Properties		-	-
(d) Goodwill		-	-
(e) Other Intangible assets	5	1.22	1.18
(f) Intangible Assets under Development		-	-
(g) Biological Assets other than bearer plants		-	-
(e) Financial Assets			
(1) Investments	6	1.00	1.00
(2) Trade receivables		-	-
(3) Loans		-	-
(4) Others		-	-
(f) Deferred Tax Assets (net)	34	618.60	598.28
(g) Other Non Current assets	7	43.39	38.95
Total Non Current Assets		1,100.14	1,040.67
2 Current Assets			
(a) Inventories	8	883.04	833.44
(b) Financial Assets			
(1) Investments		-	-
(2) Trade Receivables	9	477.05	691.73
(3) Cash and cash equivalents	10	8.41	29.67
(4) Bank Balances other than cash and cash equivalents	11	-	165.66
(5) Loans	12	3,837.33	3,820.37
(6) Others		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	13	164.39	112.40
Total Current Assets		5,370.22	5,653.27
Total Assets		6,470.36	6,693.94
B EQUITY AND LIABILITIES			
(a) Equity Share Capital	14	2,350.00	2,350.00
(b) Other Equity	15	3,600.08	3,285.80
Total Equity		5,950.08	5,635.80
Liabilities			
1 Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions		-	-
(c) Deferred Tax Liabilities Net		-	-
(d) Other Non Current Liabilities		-	-
Total Non Current Liabilities		-	-
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	16	339.90	527.91
(iii) Other Financial Liabilities	17	-	72.69
(b) other current liabilities	18	122.74	370.79
(c) Provisions	19	11.71	18.39
(d) Current Tax Liabilities (Net)	20	45.93	68.36
Total Current Liabilities		520.28	1,058.14
Total Liabilities		520.28	1,058.14
Total Equity and Liabilities		6,470.36	6,693.94

See accompanying notes to financial statements. 1 to 45
As per our report on even date

FOR AJAY PALIWAL & CO.

Chartered Accountants
ICAI Firm Registration No.:012345C
Sd/-

(AJAY PALIWAL)

Proprietor
ICAI Membership No.403290

Place : UDAIPUR
Date : 15.05.2019

For and on behalf of the Board of Directors

Sd/-
DAUD ALI
MANAGING DIRECTOR
DIN 00185336
Sd/-

ADITI PARMAR
COMPANY SECRETARY
M.No.: A37301

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, 2019

Rs. In Lacs

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operation	21	5,324.54	7,277.15
Other Income	22	85.95	42.68
Total Income		5,410.49	7,319.83
Expenses			
Cost of materials consumed	23	3,157.07	3,072.17
Purchases of traded goods	24	778.35	2,632.53
Changes in inventories of Finished goods and WIP	25	(60.28)	43.72
Employee benefit expenses	26	328.73	305.63
Finance costs	27	14.99	16.12
Depreciation and amortization expenses	28	32.73	32.14
Other expenses	29	861.72	811.97
Total expenses		5,113.31	6,914.28
Profit before exceptional item and tax		297.18	405.55
Exceptional items		75.10	202.15
Profit before tax		372.28	607.70
Tax expenses:			
Current Tax	34	78.32	123.91
Deferred tax	34	(20.32)	(595.92)
Profit for the year from continuing operations		314.28	1,079.71
Profit for the year from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
Profit (Loss) for the period		314.28	1,079.71
Other comprehensive income			
(a) Items that will not to be reclassified to P&L			
Remeasurement of the defined benefit plan		-	(7.12)
Income Tax on items not to be reclassified to P&L		-	2.35
(b) Items that will be reclassified to P&L		-	-
Income Tax on items reclassified to P&L		-	-
Total comprehensive income for the year		314.28	1,074.94
Earning per share of continuing operation(of Rs. 1/-each)			
Basic earning per share Rs.	30	0.13	0.46
Diluted earnings per share Rs.	30	0.13	0.46
Earning per share of dis continuing operation(of Rs. 1/-each)			
Basic earning per share Rs.			
Diluted earnings per share Rs.			
Earning per share of continuing and dis continued operation			
Basic earning per share Rs.		0.13	0.46
Diluted earnings per share Rs.		0.13	0.46

See accompanying notes to financial statements. 1 to 45

As per our report on even date

FOR AJAY PALIWAL & CO.

 Chartered Accountants
 ICAI Firm Registration No.:012345C

Sd/-

(AJAY PALIWAL)

 Proprietor
 ICAI Membership No.403290

 Place : UDAIPUR
 Date : 15.05.2019

For and on behalf of the Board of Directors

Sd/-

DAUD ALI
 MANAGING DIRECTOR
 DIN 00185336

Sd/-

ADITI PARMAR
 COMPANY SECRETARY
 M.No.: A37301

Sd/-

NARENDRA BHANAWAT
 WHOLE TIME DIRECTOR
 CHIEF FINANCIAL OFFICER
 DIN 00146824

PIL ITALICA LIFESTYLE LIMITED

Cash Flow Statement for the year ended March 31, 2019

Rs. In Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) CASH FLOW FROM OPEARTING ACTIVITIES		
Net profit before tax	297.18	405.55
ADJUSTMENTS TO RECONCILE PROFIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES :		
Depreciation and amortization expenses	32.73	32.14
Interest expenses	14.99	16.12
Interest income	(268.74)	(366.24)
Remeasurement of the defined benefit plan	-	(7.12)
Operating profit before working capital changes	76.16	80.45
CHANGES IN ASSETS AND LIABILITIES		
(Increase) /Decrease non current assets-other assets	(4.44)	(3.54)
(Increase) /Decrease in inventories	(49.60)	46.11
(Increase) /Decrease in trade receivables	214.68	403.09
(Increase) /Decrease in current assets-loans	(16.96)	(2,221.03)
(Increase) /Decrease in other current assets	(51.99)	(97.52)
	91.69	(1,872.89)
Increase /(Decrease) in other financial liabilities-non	-	(72.55)
Increase /(Decrease) in other financial liabilities-current	(72.69)	0.14
Increase /(Decrease) in trade payables	(188.01)	(430.02)
Increase /(Decrease) in other current liabilities	(248.05)	(326.88)
Increase /(Decrease) in short term provisions	(6.68)	9.85
	(423.74)	(2,692.35)
CASH GENERATED FROM OPERATIONS	(347.58)	(2,611.90)
From exceptional items	75.10	202.15
Income taxes paid during the year	(100.75)	(55.55)
Net cash generated from operating activities	(373.23)	(2,465.30)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Property, Plant and Equipments	(67.44)	(25.11)
Non current investments	-	-
Net cash generated from investing activities	(67.44)	(25.11)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	-	174.00
Proceeds from equity share premium	-	2,436.00
Proceeds from money received against warrants	-	(652.50)
Interest paid	(14.99)	(16.12)
Interest income	268.74	366.24
Net cash generated from finaning activities	253.75	2,307.62
Net increase /decrease in cash and cash equivalents	(186.92)	(182.79)
Opening balance of cash and cash equivalents	195.33	378.12
Closing balance of cash and cash equivalents	8.41	195.33

See accompanying notes to financial statements. 1 to 45

As per our report on even date

FOR AJAY PALIWAL & CO.

Chartered Accountants

ICAI Firm Registration No.:012345C

Sd/-

(AJAY PALIWAL)

Proprietor

ICAI Membership No.403290

Place : UDAIPUR

Date : 15.05.2019

For and on behalf of the Board of Directors

Sd/-

DAUD ALI
MANAGING DIRECTOR
DIN 00185336

Sd/-

ADITI PARMAR
COMPANY SECRETARY
M.No.: A37301

Sd/-

NARENDRA BHANAWAT
WHOLE TIME DIRECTOR
CHIEF FINANCIAL OFFICER
DIN 00146824

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2019
(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, 2018	2,350.00	-	2,350.00
For the year ended on March 31, 2019	2,350.00	-	2,350.00

(B) Other Equity

Other Equity	Securities Premium	General Reserve	Retained Earnings	Money Received Against warrants	Total
Balances at the beginning of reporting period April 1, 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
Issue of equity shares	-	-	-	-	-
Profit for the year	-	-	314.28	-	314.28
Money received against Share Warrants	-	-	-	-	-
Balances at the end of reporting period March 31, 2019	4,036.00	25.13	(461.05)	-	3,600.08

Notes to the Financial Statements for the year ended March 31, 2019
Note - 1 Corporate Information

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

Note - 2 Significant Accounting
Policies Statement of Compliance.

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

Note - 3 Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets. The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods

if the revision affects both current and future periods.

Operating Cycle

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

Property, Plant and Equipment – Tangible Assets

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

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

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

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

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

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

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

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

Intangible Assets

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

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

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

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

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

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

Impairment of Assets

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

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

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

Inventories

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

Foreign Currency Transactions

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

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

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

Financial instruments, Financial assets, Financial liabilities and Equity instruments

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

Financial Assets

Recognition:

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

Classification:

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

Financial assets are classified as those measured at:

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

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

Impairment:

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

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

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

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

Income Recognition:

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

Financial Liabilities

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

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

Offsetting Financial Instruments

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

Equity Instruments

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

Revenue

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

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

Government Grant

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

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

- (a) Related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.
- (b) Related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) By way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

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

Employee Benefits

- (a) Short-term Employee benefits Liabilities for wages and salaries including nonmonetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the

employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- (b) Post-Employment Benefits Defined Contribution Plans

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

Defined Benefit Plans

Gratuity Fund

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

Provident Fund

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

- (c) Other Long Term Employee Benefits

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

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

Leases

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

Company as a Lessee

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

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

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

Company as a Lessor

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

Taxes on Income

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

Deferred tax is recognised on temporary differences between the carrying

amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

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

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

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

Claims

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

Provisions

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

Financial and Management Information Systems

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

Use of estimates and judgements

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

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

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortized over their useful economic life. Refer notes to the financial statements.

B. Key sources of estimation uncertainty

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

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

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

2. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

3. Actuarial Valuation:

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

4. Claims, Provisions and Contingent Liabilities:

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

Note 4 - (Property, Plant Aand Equipment)

(Rs. In lakhs)

Particulars	Owned Assets						
	Land-Free hold	Building	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Total
Year ended March, 2019							
GROSS CARRYING AMOUNT							
Opening Gross Carrying Amount	11.43	665.22	6,990.58	23.02	17.99	92.14	7,800.38
Additions	-	9.59	55.94	0.33	-	1.25	67.11
Disposals/Adjustment	-	-	-	-	-	-	-
Closing Gross Carrying Amount	11.43	674.81	7,046.52	23.35	17.99	93.39	7,867.49
ACCUMULATED DEPRECIATION							
Opening Accumulated Depreciation	-	460.24	6,823.83	21.85	11.34	81.86	7,399.12
Depreciation charged during the year	-	21.06	7.66	0.20	1.09	2.43	32.44
Disposals/Adjustments	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	481.30	6,831.49	22.05	12.43	84.29	7,431.56
Net Carrying Amount	11.43	193.51	215.03	1.30	5.56	9.10	435.93
Year ended March, 2018							
GROSS CARRYING AMOUNT							
Opening Gross Carrying Amount	11.43	656.16	6,977.99	21.94	17.99	90.34	7,775.85
Additions	-	9.06	12.59	1.08	-	1.80	24.53
Disposals/Adjustment	-	-	-	-	-	-	-
Closing Gross Carrying Amount	11.43	665.22	6,990.58	23.02	17.99	92.14	7,800.38
ACCUMULATED DEPRECIATION							
Opening Accumulated Depreciation	-	439.35	6,816.83	21.76	10.25	78.95	7,367.14
Depreciation charged during the year	-	20.89	7.00	0.09	1.09	2.91	31.98
Disposals/Adjustments	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	460.24	6,823.83	21.85	11.34	81.86	7,399.12
Net Carrying Amount	11.43	204.98	166.75	1.17	6.65	10.28	401.26

Note 5 - (Intangible Assets)

(Rs. in lakhs)

Particulars	Owned Assets	
	Software	Total
Year ended March, 2019		
GROSS CARRYING AMOUNT		
Opening Gross Carrying Amount	14.76	14.76
Additions	0.33	0.33
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	15.09	15.09
ACCUMULATED DEPRECIATION		
Opening Accumulated Depreciation	13.58	13.58
Depreciation charged during the year	0.29	0.29
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	13.87	13.87
Net Carrying Amount	1.22	1.22
Year ended March, 2018		
GROSS CARRYING AMOUNT		
Opening Gross Carrying Amount	14.18	14.18
Additions	0.58	0.58
Disposals/Adjustment	-	-
Closing Gross Carrying Amount	14.76	14.76
ACCUMULATED DEPRECIATION		
Opening Accumulated Depreciation	13.42	13.42
Depreciation charged during the year	0.16	0.16
Disposals/Adjustments	-	-
Closing Accumulated Depreciation	13.58	13.58
Net Carrying Amount	1.18	1.18

Note 6- Non Current Assets (Investments)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Shares Non quoted 9990 (p.y. 9990) Equity shares @ Rs.10 each in Eduvisor Services Private Limited (at cost)	1.00	1.00
Total	1.00	1.00

Note 7 - Other Non Current Financial Assets

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Security deposits	43.39	38.95
Total	43.39	38.95

Note 8 - Current Assets (Inventories)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Lower of cost or net realizable value		
(a) Raw Material	294.65	318.00
(b) Work in progress	22.05	15.67
(c) Finished goods	448.74	394.83
(d) Stores and spares	80.17	75.07
(e) Packing material	37.43	29.87
Total	883.04	833.44

Note 9 - Trade Receivables (at amortized cost)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Trade Receivables - Considered good, secured	-	-
Trade Receivables - Considered good, un secured	477.05	691.73
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables - Considered doubtful	337.57	337.57
Total	814.62	1029.30
less - Allowances for doubtful receivables	337.57	337.57
Total	477.05	691.73
Note 10 - Cash and Cash Equivalents		
Balances with banks in current accounts	5.53	25.33
Cash in hand	2.88	4.34
Total	8.41	29.67
Note 11 - Other Bank Balances		
Balances with banks in Fixed Deposit Account (having maturity more than three month but more than 12 month)	-	165.66
Total	-	165.66
Note 12 - Loans (at amortized cost)		
Current Unsecured, Considered good Loans and advances to employees	5.19	5.76
Others	3,832.14	3,814.61
Total	3,837.33	3,820.37
Note 13 - Other Assets		
Unsecured, Considered Goods		
Prepaid Expenses	2.95	2.92
others	160.90	105.14
Balances with government authorities	0.54	4.34
Total	164.39	112.40
Note 15 - Other Equity		
1. SECURITIES PREMIUM		
As per the last year accounts	4036.00	1600.00
Add: Addition during the year	-	2436.00
	4036.00	4036.00
2. GENERAL RESERVE		
As per the last year accounts	25.13	25.13
	25.13	25.13
3. RETAINED EARNINGS		
As per the last year accounts	(775.33)	(1850.27)
Add: Surplus for the year	314.28	1074.94
	(461.05)	(775.33)
TOTAL	3600.08	3285.80

1) Share Premium :

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

2) General Reserve

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

3) Retained Earnings :

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

Note 16 - Current Liabilities (Trade Payables)		
Particulars	As at March 31, 2019	As at March 31, 2018
Total Outstanding of creditors micro and small enterprises	-	-
Total Outstanding of creditors other than micro and small enterprises	339.90	527.91
Total	339.90	527.91
Note 17 - Other Financial Liabilities		
Current maturities of long term debt (SASF Interest)	-	72.69
Total	-	72.69
Note 18 - Current Liabilities (Other Current Liabilities)		
Statutory remittances	21.64	5.74
Other payables	69.93	230.62
Advance received from customers	16.76	15.87
Overdrawn balances of bank	-	-
Bank of baroda	-	69.74
Yes bank	-	48.82
ICICI Bank	14.41	-
Total	122.74	370.79
Note 19 - Current Liabilities (Provisions)		
Provision for employee benefit	-	-
provision for leave encashment	11.71	8.99
provision for Gratuity	-	9.40
Total	11.71	18.39
Note 20 - Current Liabilities (Current Tax Liabilities)		
Income Tax (MAT)	45.93	68.36
Total	45.93	68.36

Note 14 - Equity Share Capital

(Rs. in Lacs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. Of Shares	Amount	No. Of Shares	Amount
Authorised Equity Shares of Rs. 1 each	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
Issued, subscribed and fully paid up Equity Shares of Rs. 1 each	235,000,000	2,350.00	235,000,000	2,350.00
Total	235,000,000	2,350.00	235,000,000	2,350.00

Note 14.1 - Reconciliation of No. of Shares

Shares outstanding at the beginning of the year	235,000,000	2,350.00	217,600,000	2,176.00
Shares issued during the year	-	-	17,400,000	174.00
Shares outstanding at the end of the year	235,000,000	2,350.00	235,000,000	2,350.00

Note 14.2 - 155,057,200 of Re. 1 each Equity Shares (Pr. Yr. - 155,057,200 of Re. 1 each) are held by Dawood Investment Private Limited, holding company.

Note 14.3 - Names of Share Holders holding more than 5%

Particulars	2018-19		2017-18	
	No. of Equity Shares	%	No. of Equity Shares	%
Dawood Investment Private Limited	155,057,200	65.98	155,057,200	65.98

Note 14.4 - No Bonus Shares allotted during the period of five years immediately preceding the year.**Note 14.5 - Other Disclosures -**

The Company has one class of equity shares having 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.

The Company has not allotted any shares pursuant to contract without payment being received in cash. There are no call unpaid on equity shares. No shares have been reserved for issue on option.

No equity shares have been forfeited.

Notes forming part of the financial statements**Note 21 - Revenue from Operations** Rs. In Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	5,055.80	6,910.91
Interest	268.74	366.24
Total	5,324.54	7,277.15

Note 22 - Other Income

Bad Debts written off recovered	8.84	-
Subsidy	77.11	42.05
Export Incentive	-	0.63
Total	85.95	42.68

Note 23 - Cost of Material Consumed

Opening Stock	353.36	353.36
Add - Purchases	3,098.36	3,036.81
Less - Closing Stock	294.65	318.00
Total	3,157.07	3,072.17

Note 24 - Purchase of Traded Goods

Opening Stock	-	-
Add - Purchases	778.35	2,632.53
Less - Closing Stock	-	-
Total	778.35	2,632.53

Note 25 - Changes in inventories of finished goods, work-in-progress

Inventories at the end of the year :		
Finished goods	448.73	394.83
Work-in-progress	22.05	15.67
	470.78	410.50
Inventories at the beginning of the year:		
Finished goods	394.83	448.67
Work-in-progress	15.67	5.55
	410.50	454.22
Net (increase) / decrease	(60.28)	43.72

Note 30 - Earning per share

Particulars	2018-19	2017-18
Profit after tax attributable to owners of the company	314.28	1079.71
Earning used in the calculation of basic earnings for the year	314.28	1079.71
Weighted average number of equity shares used as denominator for calculating Basic EPS	235,000,000	231,337,534
Weighted average number of equity shares and convertible warrants used as denominator for calculating diluted EPS	235,000,000	231,337,534
Basic earnings per share	0.13	0.46
Diluted earning per share	0.13	0.46
Face value per equity Share (Re.)	1.00	1.00

Note 26 - Employee Benefits Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	301.35	266.31
Contributions to provident and other funds	20.27	17.97
Staff welfare expenses	7.11	21.35
Total	328.73	305.63

Refer note 32**Note 27 - Finance Costs**

Interest expense on:		
Income Tax late payment	8.17	-
Borrowings	6.82	16.12
Total	14.99	16.12

Note 28 Depreciation and amortization expenses

Depreciation Expenses	32.44	31.98
Amortization Expenses	0.29	0.16
Total	32.73	32.14

Note 29 - Other Expenses

Consumption of stores and spare parts	20.89	17.10
Consumption of packing materials	71.32	60.58
Excise duty	-	74.07
Power and fuel	254.69	227.14
Lease rental of machines and moulds	239.72	196.59
Job Charges	9.91	4.96
Other Manufacturing Expenses	7.94	1.68
Listing Fees	5.40	5.18
Other Miscellaneous expenses	7.50	3.04
Bank Charges and commission	0.06	0.35
Advertisement and Publicity Expenses	23.54	29.81
Repairs and maintenance - Buildings	4.72	5.84
Repairs and maintenance - Others	3.30	2.39
Insurance	4.48	4.62
Communication	4.77	5.91
Travelling and conveyance	41.86	30.69
Printing and stationery	2.41	3.56
Freight and forwarding	41.14	32.18
Sales Expenses	7.70	12.10
Business Promotion Expenses	18.63	9.72
Discount and incentive	62.76	56.37
Rebate and claim	5.22	2.34
Commission on sales	1.52	1.35
Legal and professional	21.84	24.00
Payments to auditors	0.40	0.40
Total	861.72	811.97

Note 31 - Contingent Liabilities

Rs. In lacs

Particular	As at March 31, 2019	As at March 31, 2018
Guarantee issued by the banks in respect of import of Capital Goods under EPCG	49.75	49.75
Excise Duty (Net of predeposit)	98.22	98.22
Penalty imposed by the Enforcement Directorate -Net of deposit under protest	122.00	152.00

Note 32 - Retirement and other Employee Benefits

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, 2019	For the year ended March 31, 2018
Employers Contribution to provident fund	10.37	8.81
Empolers contribution to pension fund	9.90	9.16
Total	20.27	17.97

(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.

Note 33 - 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, 2019	For the year ended March 31, 2018
1) Segment Revenue		
(a) Manufacturing/Plastic Moulded Articles	4314.26	4241.11
(b) Trading	741.54	2669.81
(c) Finance	268.74	366.24
(d) Unallocated	85.95	42.67
Total Net Income from Operations	5410.49	7319.83
Less - Inter Segment Revenue	-	-
Net Income From Operations	5410.49	7319.83
2) Segment Results-Profit Before Tax and Interest		
(a) Manufacturing/Plastic Moulded Articles	29.54	18.15
(b) Trading	13.89	37.28
(c) Finance	268.74	366.24
(d) Unallocated (*Exceptional Items)	75.10	202.15
Total	387.27	623.82
Less-Interest	14.99	16.12
Total -Profit Before tax	372.28	607.70

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
3) Capital Employed (Segment Assets-Segment Liabilities)		
Segment Assets		
(a) Manufacturing/Plastic Moulded Articles	2547.67	2463.89
(b) Trading	90.55	304.54
(C) Finance	3832.14	3925.51
(d) Unallocated	-	-
Total Assets (A)	6470.36	6693.94
Segment Liabilities		
(a) Manufacturing/Plastic Moulded Articles	449.16	791.49
(b) Trading	71.12	266.65
(C) Finance	-	-
(d) Unallocated	-	-
Total Liabilities (B)	520.28	1058.14
Total Capital Employed (A-B)	5950.08	5635.80

Note 34 -**TAX RECONCILIATIONS**

Rs. in lakhs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Tax expenses recognised in the Statement of Profit and Loss		
Current Tax :		
Current tax on profits for the year	78.32	123.91
Deferred tax (Net)	(20.32)	(598.27)
Total income tax expenses	58.00	(474.36)

Reconciliation of tax expenses and the accounting profit

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

Profit before income tax	372.28	607.70
Indian statutory income tax rate	27.820%	33.0630%
Expected income tax expenses	103.57	200.92
Tax effect of adjustment to reconcile expected income tax Expenses to reported Income ax Expenses		
Tax impact of income not subject to tax	-	-
Tax effects of amounts which are not deductible for taxable income	-	-
Additional tax paid on book profits	78.32	123.91
Others	(103.57)	(200.92)
	(25.25)	(77.01)
	-	-
Total income tax expenses	78.32	123.91

Deferred Tax (Liabilities)

Property Plant and Equipment	-	-
Others	-	-
Total deferred tax liabilities	-	-

Deferred Tax Assets

Property, plant and equipment and others	20.32	598.27
Total deferred tax Assets	20.32	598.27
Net Deferred tax (Liabilities)/Assets	20.32	598.27

Movement in Deferred tax Assets

Particulars	Property, plant and equipment	Other deferred tax liability	MAT	Other Deferred Tax Assets	Deferred Tax Liabilities /Asset (Net)
As at 31st March, 2017	-	-	-	-	-
Credited to profit and Loss account	593.63	-	-	4.65	598.28
As at 31st March, 2018	593.63	-	-	4.65	598.28
(Charged)/Credited to profit and Loss account	(180.51)	-	202.22	(1.39)	20.32
As at 31st March, 2019	413.12	-	202.22	3.26	618.60

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 accounted for tax credits in respect of Minimum Alternative Tax (MAT credit) of Rs.76.64 lakhs (March 31,2018 - Rs 123.91 lacs). The Company is reasonably certain to avail the said MAT Credit in future years against the normal tax expected to be paid in those years and accordingly has recognised a deferred tax asset for the same.

Tax Credits carried forward	As at March 31,2019	Expiry date	As at March 31,2018	Expiry date
Income Tax (MAT)	78.32	31.03.2034	123.91	31.03.2033

Note 35 - Exceptional Items

Exceptional item includes waiver by creditors Rs. 75.10 Lacs (C.Y.) and Rs. 202.15 Lacs (P.Y.)

Note 36 - Financial Instruments

Financial Instruments and Related Disclosures :

1. Capital Management

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

2. Categories of Financial Instruments

Particulars	Note	As at March 31, 2019		As at March 31, 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Financial assets (Measured at amortised cost)</u>					
(i) Cash and cash equivalent	10	8.41	8.41	29.67	29.67
(ii) Other Bank balance		-	-	165.66	165.66
(iii) Trade receivables	9	477.05	477.05	691.73	691.73
(vi) Other financial assets	7	-	-	-	-
Total Financial assets		485.46	485.46	887.06	887.06
<u>Financial Liabilities (Measured at amortised cost)</u>					
(i) Other financial liabilities		-	-	72.69	72.69
(ii) Trade Payables	16	339.90	339.90	527.91	527.91
Total financial liabilities		339.90	339.90	600.60	600.60

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.5370.22 lakhs(2017 – Rs.5653.27 lakhs;) including Cash and cash equivalents and Other bank balances of Rs.8.41 lakhs (2017 – Rs. 195.33 Lakhs) against an aggregate Current liability of Rs. 520.28 lakhs (2017 – Rs.1058.14 Lakhs) Non-current liabilities due between one year to three years amounting to Rs. Nil (2017 – Rs. Nil) and Non-current liability due after three years amounting to Rs. NIL (2017 – NIL) on the reporting date. Further, while the Company's total equity stands at Rs. 5950.08 lakhs (2017 – Rs. 5635.80 Lakhs), it has non-current borrowings of Rs. Nil (2017 – 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 heirarchy	As at March 31, 2019		As at March 31, 2018	
		Fair Value	Fair Value	Fair Value	Fair Value
Financial assets (Measured at amortised cost)					
(i) Cash and cash equivalent	L2	8.41	8.41	29.67	29.67
(ii) Other Bank balance	L2	-	-	165.66	165.66
(iii) Trade receivables	L2	477.05	477.05	691.73	691.73
(vi) Other financial assets	L2	-	-	-	-
Total Financial Assets		485.46	485.46	1,557.06	1,557.06
Financial Liabilities (Measured at amortised cost)					
(i) Trade payables	L2	339.90	339.90	72.69	72.69
(ii) Other financial liabilities	L2	-	-	527.91	527.91
Total Financial Liabilities		339.90	339.90	600.60	600.60

Note 37 - RELATED PARTY DISCLOSURE

Disclosures in respect of related parties pursuant to IND AS 24

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	2018-2019	2017-2018	Nature of transaction
Dawood Investment Private Limited	Holding Company	-	1,395.00	Received against warrant
Mr. Daud Ali	key managerial personnel	47.04	40.32	Remuneration
Mr. Narendra Bhanawat	key managerial personnel	4.39	3.91	Remuneration
Eduvisor Services Private limited	Managing Director has control	683.18	451.69	Loan given
Eduvisor Services Private limited	Managing Director has control	-	670.00	Share Application money
Genext students limited	Managing Director son has control	0.60	0.35	Rent Paid

Closing Balances- NIL

Eduvisor Services Private Limited (Loan)	1,134.87
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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 38 - Micro, Small & Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (principal and/or interest), which are outstanding for more than 45 days as at the balance sheet date. During the year, there have been no payments made to Micro, Small and Medium Enterprises beyond 45 days. There

were no amounts on account of interest due that were payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid. Further, there were no amounts towards interest accrued that were remaining unpaid at the end of accounting year. Accordingly, there were no amounts due to further interest due and payable in the succeeding years.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Information relating to the Micro, Small and Medium Enterprises	As at 31.03.2019	As at 31.03.2018
(a) eprincipal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; (i) Principal amount (ii) Interest	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note 39

Balances of banks, sundry debtors and trade payables, current liabilities etc. as on 31.03.2019 are subject to confirmation and reconciliation.

Note 40

In the opinion of the Management ,there is no impairment of assets in accordance with the Ind AS -36 as on the Balance Sheet date.

Note 41

There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

Note 42

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 43

The financial statements were authorised for issue by the Board of Directors on May 15 ,2019.

Note 44

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of Schedule III, unless otherwise stated.

Note 45

Previous year's figures have been reclassified/regrouped wherever necessary to conform with the current year's Financial Statements.

FOR AJAY PALIWAL & CO.

Chartered Accountants
ICAI Firm Registration No. FRN012345C

Sd/-

(Ajay paliwal)

Proprietor

ICAI Membership no. 403290

Place : Udaipur

Date : 15.05.2019

For and on behalf of the Board of Directors

Sd/-

Daud Ali

Managing Director

DIN : 00185336

Sd/-

Narendra Bhanawat

Whole Time Director

Chief Financial officer

DIN : 00146824

Sd/-

Aditi Parmar

Company Secretary

M.No. : A37301

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