

# **28<sup>th</sup> ANNUAL REPORT**

## **2016-2017**

**ADVANCE LIFESTYLES LIMITED**

**4<sup>TH</sup> FLOOR, 254B, NIRLON HOUSE, DR ANNIE BESANT ROAD, WORLI, MUMBAI 400030**

**BOARD OF DIRECTORS**

CHAIRMAN AND MANAGING DIRECTOR : **MR. PHULCHAND AGARWAL**

INDEPENDENT NON EXECUTIVE DIRECTOR : **MR. S. SRINIVASAN** (*Upto 15.11.2016*)

DIRECTOR : **MR. SOM DUTT VYAS**

INDEPENDENT NON EXECUTIVE WOMAN DIRECTOR : **MRS. REET K KESWANI** (*From 13.09.2016*)

**BANKERS**

CORPORATION BANK  
KOTAK MAHINDRA BANK

**REGISTERED OFFICE**

4<sup>TH</sup> FLOOR, 254B, NIRLON HOUSE,  
DR ANNIE BESANT ROAD,  
WORLI, MUMBAI – 400 030.

**CORPORATE/ADMINISTRATIVE OFFICE**

FF 21-22, ADVANCE PLAZA,  
OUTSIDE DELHI GATE, AHMEDABAD - 380 004.

**REGISTRAR AND SHARE TRANSFER AGENTS**

BIGSHARE SERVICES PRIVATE LIMITED  
A-820 SAMUDRA COMPLEX, NR CLASSIC GOLD HOTEL,  
OFF. C G ROAD, NAVARANGPURA,  
AHMEDABAD – 380 009.

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## NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of Members of Advance Lifestyles Limited will be held on Friday, 29th September, 2017 at 11.00 a.m. at 254-B, 4<sup>th</sup> Floor, Nirlon House, Dr Annie Besant Road, Worli, Mumbai- 400 030 to transact the following businesses:

### **ORDINARY BUSINESS:**

#### **1. ADOPTION OF FINANCIAL STATEMENTS:**

To receive, consider and adopt Audited Balance Sheet as at 31<sup>st</sup> March, 2017 and Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Shri Phulchand Agarwal (DIN 0026741) , who retires by rotation and being eligible, offers himself for re-appointment.

### **APPOINTMENT OF AUDITORS:**

3. To consider and if thought fit, to pass, with or without modification (s), the following resolution **as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Dhiren Shah & Co., Chartered Accountants, Ahmedabad, (Firm Registration No. FRN114633W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company, at such remuneration (including fees for certification) and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Audit Committee / Board of Directors of the company.”

### **SPECIAL BUSINESS:**

#### **APPOINTMENT OF DIRECTOR:**

4. To consider and if thought fit, to pass, with or without modification (s), the following resolution **as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force), **Smt. Reet K. Keswani DIN-07614653**, (who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing proposing her candidature for the office of Director) , be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be in force from time to time, **Smt. Reet K. Keswani (DIN-07614653)**, Director of the Company be and is hereby appointed as an Independent Woman Director of the Company to hold office for a term of five consecutive years with effect from 13th September, 2016 and that she shall not be liable to retire by rotation.”

For and on behalf of the Board

Place : Mumbai  
Date : 29.05-2017  
Regd. Office:  
254-B, 4<sup>th</sup> Floor, NIRLON House, Dr Annie Besant Road  
Worli, MUMBAI 400 030  
CIN- L45309MH1988PLC268437

Sd/-  
Som Dutt Vyas  
Director  
DIN-00026670

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. As per the requirements of SEBI (Listing Obligations and Disclosure Requirements), 2015, information regarding Director seeking re-appointment is given in Corporate Governance Report annexed to the Report of Board of Directors.
5. The Register of members and share transfer books of the Company will remain closed from 22<sup>ND</sup> September, 2017 to 28<sup>th</sup> September, 2017 (both days inclusive) for the purpose of 28<sup>th</sup> Annual General Meeting.
6. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
7. Members are requested to bring their copy of Annual Report at the meeting.
8. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
9. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed herewith.
10. Members may please note that pursuant to SEBI directives, the Registrar & Transfer Agents of the Company have been changed and new Registrar & Transfer Agents of the Company are M/s BIG SHARE SERVICES PRIVATE LIMITED. Their Address and Contact information are given elsewhere in this Annual Report.
11. As per the practice, this year also, we are publishing all the statutory disclosures in the print

version of the Annual Report. Electronic copies of the Annual Report 2016-2017 and Notice of 28<sup>th</sup> Annual General Meeting are being sent to the Members whose email address are registered with the Company/ Registrar & Transfer Agents / Depository Participants. For Members who have not registered their email address, physical copies are being sent in permitted mode.

12. As per the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as amended and as per the Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting"). The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e- voting facility. Members who have cast their votes by remote e-voting prior to AGM may attend AGM but shall not be entitled to cast their votes again.

The facility for voting through ballot will be made available at the AGM, and Members attending the AGM who have not cast their vote by remote e-voting will be able to exercise their right at the AGM.

**The instructions for members for voting-electronically are as under:-  
(EVSN:170821042)**

- 1) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" tab.
- 3) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID) Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- 4) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- 5) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- 6) Now, both Demat and Physical holders shall fill up the following details in the appropriate boxes.
- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the relevant EVSN on which you choose to vote.
- 11) On the voting page, you will see "Resolution Description" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The

option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- 12) Click on the "Resolutions File Link" if you wish to view further description/entire Resolutions.
- 13) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- 16) If Demat account holder has forgotten the changed password, then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- 17) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com>, click on 'registration' and fill up the required details. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) for receiving their login details. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. Before casting vote, they should upload a scanned copy of the Board Resolution/Power of Attorney (POA) in PDF format in the system for the scrutinizer to verify the same.
- 18) In case you have any queries or issues regarding e-voting, you may refer the frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 19) The voting period begins on 26th September, 2017 (11:00 am) and ends on 28<sup>th</sup> September, 2017 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 22nd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 28<sup>th</sup> September, 2017 (5:00 p.m).
- 20) The Company has appointed Shri Dushyant Dholakia, a Practicing Company Secretary, Ahmedabad (Membership No.- 2169, COP No.- 12302), as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 21) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the meeting period unlock the votes in the presence of at least two witnesses, not in the employment of the Company, and will make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.advance.net.in](http://www.advance.net.in) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com)

The results shall simultaneously be communicated to the Stock Exchange, Mumbai.

**ANNEXURE TO THE NOTICE:**

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Item No.4 contained in the accompanying Notice dated 29<sup>th</sup> May, 2017.

The Board of Directors of the Company at its meeting held on September 13, 2016, on the recommendation of the Remuneration and Nomination Committee, had appointed Mrs. Reet K Keswani as an Additional Director on the Board of the Company. Further, in terms of provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 (hereinafter referred as 'the Act') and rules made thereunder, the Board of Directors of the Company had also appointed (subject to the approval of the members at the ensuing General Meeting), Mrs. Reet K Keswani as a Woman Independent Director of the Company within the meaning of 2nd proviso to Sub section 1 of and sub section (6) Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for a term of 5 consecutive years commencing from 13th September, 2016.

The Company has also received a declaration from Mrs. Reet K Keswani as specified under Section 149(6) and Schedule IV of the Companies Act 2013. Considering her qualification and experience, her presence on the Board will be of immense value to the Company.

The Company has received a notice in writing from a member along with deposit of the requisite amount pursuant to Section 160 of the Act, proposing the candidature of Mrs. Reet K Keswani for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 of the Act.

A copy of the letter of appointment of Mrs. Reet K Keswani as an Independent Director setting out the terms and conditions shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office / corporate office of the Company during business hours.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives other than Mrs. Reet K Keswani is in any way concerned or interested, financial or otherwise, in the said Resolution.

In the opinion of the Board, Mrs. Reet K Keswani, proposed to be appointed as an Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder, and is independent of the management.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

A brief profile of Mrs. Reet K Keswani is given below:

Mrs. Reet K Keswani is a Chartered Accountant by profession and is a partner in M/s Kamal Keswani & Co., a Chartered Accountancy Firm. She has also pre & post qualification experience both in industry as well as in profession

Further details of Mrs. Reet K Keswani have been provided elsewhere in this Report..

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**DIRECTORS' REPORT**

To,  
The Members,  
**ADVANCE LIFESTYLES LIMITED**  
Mumbai

Your Directors have pleasure in presenting herewith the **28th Annual Report** together with the Audited Statement of Accounts for the year ended 31st March, 2017.

**FINANCIAL RESULTS:**

The highlights of Financial Results of the Company for the financial year ended 31<sup>st</sup> March, 2017 are as under:

<b>Particulars</b>	<b>(Rs. in lacs)</b>	
	<b>Year ended 31<sup>st</sup> March, 2017</b>	<b>Year ended 31<sup>st</sup> March, 2016</b>
Total Income	85.62	457.30
Depreciation	0.51	1.50
Profit / (Loss) before Tax	43.66	(1.47)
Profit / (Loss) after Taxation	28.36	(2.40)
Profit / (Loss) brought forward from last year	2414.26	2416.66
Balance Profit / (Loss) carried forward to Balance Sheet	2442.62	2414.26

**OPERATIONS AND FUTURE PLANS:**

During the year under review, the Company has not carried out any major activities in either segment (textile / real estate) except some trading in textiles and financing transactions and has showed Pre-Tax Profit of Rs.43.66 lacs as against a Pre-tax Loss of Rs.1.47 lacs (*Previous Year*) .

**DIVIDEND:**

Your Directors do not recommend any dividend.

**CAPITAL EXPENDITURE:**

The Company has not made any Capital Expenditure during the year under review.

**OLD TEXTILE DUES:**

In terms of the agreement executed between the Textile Labour Association, a recognized representative Union of the Mill workers and the Order of Hon'ble Gujarat High Court dated 11.2.2008, the Company has received further resignations from workers during the Year ended 31.03.2017.

**CHANGE IN NATURE OF BUSINESS:**

During the year under review, there was no change in the nature of the business.

**LISTING:**

The Equity Shares of the Company continue to remain listed on BSE Limited.

**EMPLOYEES' STOCK OPTION SCHEME:**

The Company has not granted any Employee Stock Option within the meaning of Section 62(1)(b) of the Companies Act, 2013 read with its rules framed thereunder and respective SEBI guidelines.

**SUBSIDIARY COMPANIES:**

There is no subsidiary of the Company.

**CONSOLIDATED FINANCIAL STATEMENTS:**

As stipulated by Clause 32 of Listing Agreement with Stock Exchanges, Consolidated Financial Statements of the Company and its Subsidiary Companies are required to be prepared. In absence of any Subsidiary Company, only Stand Alone Accounts are prepared

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(3)(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company as at March 31, 2017 and of the Profit or Loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts of the Company on a going concern basis.
5. The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

A report as stipulated under SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 is given in Corp. Governance Report and forms part of the Annual Report.

**CORPORATE GOVERNANCE:**

The Company has taken necessary measures to comply with the newly introduced Listing Obligations and Disclosure Requirements, 2015 (LODR Regulations, 2015 ) i.e. A separate report on corporate Governance for the year ended on 31st March, 2017 is attached herewith as a part of this Annual Report. A certificate from Statutory Auditors of the Company regarding compliance of Corporate Governance as stipulated under the LODR Regulations, 2015 is obtained by the Company and annexed to the Corporate Governance Report.

**BOARD COMMITTEES:**

The details of various Committees and details of their Meetings held under the period under review are given in the report on Corporate Governance, which forms part of this Report.

**POLICY ON NOMINATION AND REMUNERATION:**

The policy on Nomination and Remuneration is given in the report on Corporate Governance, which forms part of this Report.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement/transaction with related parties which could be considered material in accordance with the provisions of the Act.

**CORPORATE SOCIAL RESPONSIBILITY(CSR):**

The provisions relating to Corporate Social Responsibility are not applicable to the Company.

**INTERNAL FINANCIAL CONTROL:**

The Company has in place, looking to its activities, adequate internal financial controls and a laid down Policy with reference to financial statements/ activities. No weakness in the design or operation has been observed.

During the period under review, there were no frauds reported by the auditors under the provisions of the Companies Act, 2013

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Shri S Srinivasan, Independent Director has resigned and ceased to be the Director w.e. from 13.09.2016. The Board has placed on record their deep sense of appreciation for his services and contribution during his Tenure as Director / Independent Director.

In terms of the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Smt. Reet K Keswani has been appointed as WOMAN Director. She is an Independent Director. Necessary resolution is placed for Members' approval.

Pursuant to sub Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has received a Declaration from Smt. Keswani, Independent Director, confirming that she meets and qualifies with criteria of Independence as prescribed both under the Companies Act, 2013 and under SEBI regulations.

Your Directors recommend her re-appointment as Director. Except Smt. Keswani, herself, no other Director is interested in her appointment. Brief resume of Smt. Keswani, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, is given elsewhere in the Annual Report.

Shri Phulchand Agarwal retires by rotation and being eligible offers himself for re-appointment.

Except that, there was no change in Directorate/ KMP during the Year under review.

A formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors, which is satisfactory. The Board has decided to widen the scope and enhance the volume of activities during the coming Year. Since only One Independent Director is on the Board, the question of meeting of Independent Directors does not exist. All the Directors are updated and familiarized with the activities of the Company.

### **AUDITORS' OBSERVATIONS:**

The Auditors' Report does not contain any qualification, reservation or adverse remark. The observations made by the auditors are self-explanatory and are dealt with in the notes to the accounts.

### **AUDITORS:**

M/s Dhiren Shah & Company, Chartered Accountants, the Statutory Auditors of the Company are holding office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013.

### **SECRETARIAL AUDITOR:**

The Board has appointed Shri Dushyant B Dholakia, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2016--2017. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith as Annexure to this Report. The Board sincerely endeavors to comply with the provisions of Companies Act, 2013 and SEBI Directives referred to in the Secretarial Audit Report.

### **MEETINGS HELD DURING THE YEAR UNDER REVIEW:**

The Board met Four times during the year under review. For further details, please refer report on Corporate Governance annexed to this Report.

### **CONSERVATION of ENERGY. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

Provisions of the Companies Act, 2013 for disclosure of information on Conservation of Energy and Technology Absorption are presently not applicable to the Company. There was no Foreign Exchange earning or outgo during the year under review.

### **PARTICULARS OF EMPLOYEES:**

There were no employees drawing salaries in excess of limits prescribed under Section 197(12) of The Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 apply.

### **FIXED DEPOSITS**

Your Company has not accepted any public deposits during the year under review.

**EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return of the Company is annexed herewith as separate Annexure and forms part of this Report.

**GENERAL DISCLOSURES:**

- The Particulars of loans, guarantees or investments under Section 186 are given in the Financial Statements ( Please refer Schedule 11 read with Note No. 10 to the Accounts)
- In view of no major activities undertaken by the Company during the year under review, there are no elements of risks which in the opinion of the Board may threaten the existence of the Company.
- The Company is not making any payment of managerial Remuneration as envisaged under section 197(12) read with Rule 5 of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 except the payment of Fees for attending Meetings of Board/Committee to Independent Director and as such there is nothing to disclose. In view thereof, there is also nothing to disclose on Ratio of remuneration of each director to the median employee's remuneration and other prescribed details as required under Section 197(12) of the Companies Act read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules -2014;
- The Company has no female employee, and as such there is nothing to disclose under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- The Company has framed Vigil Mechanism which incorporates the Whistle Blower Policy in terms of the Listing Agreement. Since the Company has not accepted any Public Deposits / Borrowings, there is nothing to disclose.
- The Company has not issued any Equity Shares with Differential Rights, Sweat Equity, ESOS, etc. during the Year under review.
- In terms of the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015, an Audit Committee as per the composition required is in place, to the extent possible. The Board of Directors have accepted the recommendation, if any, of the Audit Committee.
- No significant or material orders were passed by the Regulators or courts or Tribunals which impact the going concern status and Company's operations in future.

**ACKNOWLEDGEMENT:**

Your Directors place on record their sincere appreciation for continuous support and assistance received by the Company from the Textile Labour Association, Bankers and Financial Institutions.

The Directors also place on record their appreciation of dedicated and sincere services of the employees of the company at all levels.

The Company will make every effort to meet the aspirations of its Shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

**For and on behalf of the Board**  
**Sd/-**

**Phulchand Agarwal**

Place: Mumbai

Date: 29<sup>th</sup> May, 2017

**Chairman**

## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

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

To,  
The Members,  
Advance Lifestyles Limited  
Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Advance Lifestyles Limited-CIN L45309MH1988PLC268437 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of 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 March 31, 2017, ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. 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;
- (5) There are no other laws as are applicable specifically to this Company.

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

- (i) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(LODR).
- (ii) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries Of India.

During the period under review, the Company has complied with the provisions of the Act, rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

- a) The Company being a Listed Company, under Section 204 of the Companies Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is required to appoint a Company Secretary.

*I am informed by the management that that the Company is making sincere endeavor to fill the vacant post (since February-2013) of Company Secretary.*

- b) The Board of Directors has discontinued charging of interest on a Loan made to a Company, which is against the provisions of Section 186 (7) of the Companies Act, 2013.

- c) The Company being a Listed Company, under Section 149(1) of the Companies Act read with SEBI LODR Regulations, 2015 is required to appoint a Woman Director on the Board of Directors on and from 1<sup>st</sup> April 2015.

*Such appointment has been made w. e. from 13.09.2016.*

- d) The Company being a Listed Company is required to have a Chief Financial Officer under Section 203 of the Companies Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

*The management is of the view that in absence of any major activities, presently there is no need for such post. In absence of any CFO, the Certification of Accounts under Regulation 17(8) of SEBI LODR Regulations, 2015 is done by the Managing Director himself.*

I further report that considering the total strength of three Directors, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Director. One Woman Independent Director has been appointed during the period under review; however, One Independent Director resigned during the period under review. As a result there are presently 3 Directors including one woman Independent Director. This composition does not match with certain LODR requirements, as at the year end, as to the minimum number of Independent Directors in Audit Committee, Holding of Internal Meeting of Independent Directors etc..

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board / Committee, 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 further report that** during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.

- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations

This report is to be read with my letter of even date which is annexed as Annexure-A and forms an integral part of this Report.

**Place : Ahmedabad**  
**Date : 29.05.2017**

**Sd/-**  
**(Dushyant B Dholakia)**  
**FCS No.: 2169**  
**C P No.: 12302**

**Annexure-A**

**Annexure to the Secretarial Audit Report of even date**

To,  
The Members  
Advance Lifestyles Limited  
Mumbai

Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the Secretarial Records is the responsibility of the management of the Company. My responsibility as Secretarial Auditors is to express an opinion on these records, based on my audit.
2. During the audit, I have followed the 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 processes and practices, 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 regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, 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.
7. While forming an opinion on compliance and issuing the Secretarial Audit Report, I have also taken into consideration the compliance related actions taken by the Company after 31<sup>st</sup> March, 2017 but before issue of the Report.

**Place : Ahmedabad**  
**Date : 29.05.2017**

**Sd/-**  
**(Dushyant B Dholakia)**  
**FCS No.: 2169**  
**C P No.: 12302**



**Auditors' Certificate on Corporate Governance**

To

The Members of **Advance Lifestyles Limited**

We have examined the compliance of conditions of Corporate Governance by **Advance Lifestyles Limited** ('the Company') for the year ended 31<sup>st</sup> March 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations except Regulation 17(1)(b), 18(1)(b), 19(1)(C) and Clauses (b), (c), (f), (g) and (i) of Regulation 46(2).

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

**For, Dhiren Shah & Co.  
Chartered Accountants,  
(Firm Reg.No.114633W)**

**Sd/-  
(Dhiren Shah)  
Partner  
Membership No.035824**

**Place: Ahmedabad.  
Date: 29<sup>th</sup> May, 2017**

## CORPORATE GOVERNANCE REPORT

### 1. Company's philosophy on code of governance

Corporate Governance is about ensuring transparency, disclosure and reporting that conforms fully to the existing laws of the country and to promote ethical conduct of business throughout the organization. At this Company, governance standards are initiated by senior management which percolates down throughout the organization. The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures and enhance shareholder value without compromising on compliance with the laws and regulations.

Sound corporate governance is critical to enhance and retain trust of the stakeholders. The Board of Directors fully supports corporate governance practices in your Company with appropriate checks and balances at right places and at right intervals. The Company has complied with necessary requirements of Corporate Governance under Clause 49 of the listing agreement with the stock exchanges and Listing Obligations & Disclosure Requirements, 2015, the disclosure requirements are given below.

### 2. Board of Directors

The Board being representative of shareholders have a fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are protected.

#### a) Composition and Category of the Board:

The Board of Directors of the Company as on 31<sup>st</sup> March, 2017 comprises of THREE directors. There is One Promoter Director, who is Chairman & Managing Director of the Company. The two other Directors include Smt. Reet K Keswani, the Independent Woman Director No Director is related to each other.

#### b) Details of memberships of the Directors in other Boards and in Board Committees as on 31<sup>st</sup> March, 2017 are as under:

None of the Directors is a Director on the Board of more than 10 public limited companies or acts as an Independent Director in more than 7 listed companies. Further, none of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees [as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] across all companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

The details of composition of the Board as at 31.03.2017, the attendance record of the Directors at the Board Meetings held during the financial year 2016-17 and at the last Annual General Meeting (AGM), as also the number of Directorships held by them in other Companies are given here below:

Name of the Director	Executive / Non-Executive / Independent	No. of Directorships in other Listed Companies	No. of Committees in which Chairman/ Member in other Listed Companies		No. of Board Meetings attended	Whether attended last AGM Yes/No
			Member	Chairman		
Shri Phulchand Agarwal	Chairman & Managing Director	NIL	NIL	NIL	4	Yes
Shri S Srinivasan (Upto 15.11.2016)	Independent Director	NIL	NIL	NIL	2	Yes
Shri Som Dutt	Non-Executive	NIL	NIL	NIL	4	Yes

Vyas	Director					
Smt. Reet K Keswani(From 13.09.2016)	Independent Woman Director	NIL	NIL	NIL	1	No

**c) Number of Board Meetings held and the dates on which held**

The Board met Four times during the year under review on 27<sup>th</sup> May, 2016, 13<sup>th</sup> September, 2016, 15<sup>th</sup> November, 2016, and 14<sup>th</sup> February, 2017. The maximum time-gap between any two consecutive meetings did not exceed 120 days.

**d) Attendance of Directors:**

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Director	Meetings		Attended at Last AGM held on
	Held	Attended	30-09-2016
Mr.Phulchand Agarwal	4	4	YES
Mr.S Srinivasan	4	2	YES
Mr. Som Dutt Vyas	4	4	YES
Mrs. Reet K Keswani	4	1	NO

**e) Circulation of Information and Board material:**

The information as required under Schedule II – Part A of the LODR 2015 is made available to the Board of Directors for discussion and consideration at Board Meetings. The agenda along with relevant papers for all the Meeting are circulated in advance to facilitate the Board members to take the informed decision. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. However, in case of urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the next Board Meeting. The Minutes of the proceedings of the Meetings of the Board of Directors are noted, approved and signed by the Chairman in the next Meeting of Board. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman.

**f) Management Discussion and Analysis Report**

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailed review of operations, performance and future outlook of the Company is given hereunder:

**a. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The growth in Real Estate Sector is at a very slow pace than expected few years ago and has slowed down. Risk factors also seem to be emerging. In textile, only Spinning Units have succeeded, Composite Units have failed to improve their performance.

**b. OPPORTUNITIES AND THREATS:**

The Real Estate market has reached to a saturation point. Much will depend on how the Sector reacts to REAL ESTATE REGULATORY Frame work, proposed by the Govt. of India. In textile, the vagaries of monsoon will decide the Cotton prices and ultimately Yarn / Fabric prices and overall market.

c. SEGMENT –WISE OR PRODUCT WISE OR PRODUCT-WISE PERFORMANCE:

In view of no major activity in either of the Sector, during the year under review, there is nothing to report.

d. OUTLOOK:

The Company is contemplating in purchasing a running unit or setting up a textile unit.

e. RISKS AND CONCERNS:

The risks are always attached to a business decision. The Management will have cautious and conservative approach while taking decisions.

f. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate system of internal control considering the restricted activities.

g. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

In view of no major activity, there is nothing to report.

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

There is no change number of employees in the employment and therefore nothing is there to report.

**g) Disclosures regarding Directors seeking appointment/re-appointment:**

Name of the Director	Mr. Phulchand Agarwal	Mrs. Reet K Keswani
Director Identification Number (DIN)	00026741	<b>07614653</b>
Date of Birth	18.08.1941	24.08.1988
Date of Appointment on Board	31.10.2009	13.09.2016
Qualification	A rich experience of more than 50 years in Commodities, Textile Exports and Marketing.	B. Com., ACA. Pre & Post Qualification Experience in Industry as well as in CA Consultancy Firm.
Shareholding in the Company	12,07,855 Equity Shares	NIL
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	1. Phulchand Exports Private Limited 2. PHULCHAND EXIM PRIVATE LIMITED	NIL

Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Member-Audit Committee, Nomination, Remuneration Committee, and Chairman Stakeholders Relationship Committee of Advance Lifestyles Limited.	Chairman-Audit Committee, Chairman Nomination, Remuneration Committee of Advance Lifestyles Limited.
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### 3. Code of Conduct

The Company has laid down a Code of Conduct, for all its Board Members for avoidance of conflicts of interest. The declarations with regard to its compliance have been received for the year 2016-17 from all the Board Members.

There were no material financial and commercial transactions, in which Board Members had personal interest, which could lead to potential conflict of interest with the Company during the year. The Code of Conduct is also available on Company's website viz. [www.advance.net.in](http://www.advance.net.in).

A declaration signed by the Managing Director affirming the compliance with the Code of Conduct by the Board Members of the Company for the financial year ended 31<sup>st</sup> March, 2017, is given below:

#### Declaration

As provided under of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule V(D), it is hereby declared that all the Board Members and Senior Management Personnel of Advance Lifestyles Limited have affirmed the compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2017.

Place: Mumbai  
Date : 29<sup>th</sup> May, 2017.

**Phulchand Agarwal**  
**Managing Director**

### 4. Committees of the Board :

#### A) Audit Committee:

Audit Committee of the Board comprises of three members, out of which Mrs. Reet Keswani (Chairman) is Independent Director and Shri Phulchand Agarwal, and Shri S D Vyas are Non Independent Director.

Terms of reference of Audit Committee are being modified by the Board to comply with Regulation 18(3) of LODR, 2015 as under:

#### a) Terms of Reference

The terms of reference of this Committee include matters specified in the Companies Act, 2013, Rules made thereunder, Listing Agreements or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be applicable, and those specified by the Board in writing. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The Committee acts as a link amongst the Management, Auditors and the Board of Directors. The Audit Committee acts in accordance with the terms of reference which, inter alia, include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the 'Directors' Responsibility Statement'.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statement.
  - f) Disclosure of any related party transactions.
  - g) Qualifications/modified opinion(s) in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is included in the terms of reference of the Audit Committee.

**b) The composition of the Audit Committee and the attendance of the members at the meeting held during the year are as under:**

<b>Name of the Director</b>	<b>Category</b>	<b>No. of Audit Committee Meetings attended</b>
Shri S Srinivasan (Upto 15.11.2016)	Independent Director- Chairman	2
Shri Phulchand Agarwal	Managing Director Member	4
Shri Som Dutt Vyas	Non-Executive Director- Member	4
Smt. Reet K Keswani (From 13.09.2016)	Independent Woman Director- Chairman	1

All the members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

All the recommendations made by the Audit Committee were accepted by the Board.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings.

The Chairman of the Audit Committee was present at the 27<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016.

**c) Number of Audit Committee meetings held and dates on which held:**

During the year under review Audit Committee meetings were held Four times on 27<sup>th</sup> May, 2016, 13<sup>th</sup> September, 2016, 15<sup>th</sup> November, 2016, and 14<sup>th</sup> February, 2017.

**B) NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee has been entrusted with the role of formulating criteria for determining the qualifications, positive attributes and independence of the Directors as well as identifying persons who may be appointed at Senior Management levels and also

devising a policy on remuneration of Directors, Key Managerial Personnel and other senior employees.

**Composition, Meetings and Attendance of Nomination and Remuneration Committee:**

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of 3 members / Directors.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meeting during the financial year 2016-17 are as under:

Name	No. of meetings during the Financial Year 2016-17	
	Held	Attended
Shri Phulchand Agarwal	1	Yes
Shri S Srinivasan- Chairman	1	Yes
Shri Som Dutt Vyas	1	Yes

Name	Salary Rs.	Perquisites Rs.	Contribution to Provident Fund Rs.	Total Rs.
Shri Phulchand Agarwal	NIL	NIL	NIL	NIL

Remuneration paid / payable to the Managing Director for the Financial Year 2016-17 is as under:

**For Non-executive Directors**

The Independent Director is paid remuneration by way of Sitting Fees.

**Sitting Fees**

The Independent Director is paid sitting fee @ Rs.7,500/- (Earlier Rs.10,000/-) for attending Board Meeting and / or for attending Audit Committee Meeting.

The total amount of sitting fees paid during the year was Rs.60,000/-. The details of sitting fees paid to the Independent Director during the year under report and their shareholding in the Company are as given below:

Name of the Independent Director	Sitting Fees paid during the period from 01.04.2016 to 31.03.2017 (Rs.)	No. of shares held As on 31 <sup>st</sup> March, 2017 (Nos.)
Shri S Srinivasan	45,000.00	-
Smt. Reet K Keswani	15,000.00	

**Nomination and Remuneration Policy:**



The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors and Key Managerial Personnel. Brief objectives of the Nomination and Remuneration Policy are as under:-

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel, Senior Management and other employees of the quality required to run the Company successfully.
2. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. The remuneration to Whole-time Directors is paid subject to the approval of shareholders and the Central Government, wherever necessary. The remuneration to Key Managerial Personnel (KMP) and other employees of the Company 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.
4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.
5. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
6. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. To lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

The Company has not granted any stock options to any of the Directors during the year.

There were no other pecuniary relationships or transactions of Executive/Non-Executive Directors vis-a-vis the Company.

**Details of shares of the Company held by Directors as on 31<sup>st</sup> March, 2017 are as under:**

Name	No. of shares held
Mr. Phulchand Agarwal	12, 07,855
Mr. S Srinivasan	0
Mr. Som Dutt Vyas	4910
Mrs. Reet K Keswani	0

The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

**C) Stakeholders' Relationship Committee :**

The Stakeholders Relationship Committee ensures quick redressal of the complaints of the stakeholders and oversees the process of share transfer. The Committee also monitors redressal of shareholders'/investors' complaints/grievances viz. Non-receipt of annual report, dividend payment, issue of duplicate share certificates, transmission of shares and other related complaints. In addition, the Committee also monitors other issues including status of dematerialisation

The composition of the Stakeholders' Relationship Committee is as under:

<b>Name of the Director</b>	<b>Chairman/Member</b>
Shri Phulchand Agarwal	Managing Director-Chairman
Shri Som Dutt Vyas	Non -Executive Director- Member

The Company holds Committee meetings on a periodical basis, as may be required to approve the transfers/transmissions/issue of duplicate shares, etc.

The Company has appointed Bigshare Services Private Limited to act as Registrar and Share Transfer Agents of the Company. To expedite the process of physical transfer of shares, the Board has delegated the authority to Registrar & Share Transfer Agent for physical transfer of shares. The physical transfers of shares approved are ratified at the subsequent Stakeholders Relationship Committee meeting.

The status of Investors' Complaints as on 31<sup>st</sup> March, 2017, - NIL

All valid share transfers, received during the year ended 31<sup>st</sup> March, 2017, have been acted upon and there were no share transfers pending as on 31<sup>st</sup> March, 2017.

The Committee expresses satisfaction with the Company's performance in dealing with the shareholders' grievances and its share transfer system.

#### 5. Subsidiary Companies: Monitoring Framework :

The Company has no subsidiary as at 31<sup>st</sup> March, 2017.

#### 6. General Body Meetings:

a) The last three Annual General Meetings were held as under:

<b>Financial Year</b>	<b>Date</b>	<b>Location of Meeting</b>	<b>Time</b>	<b>No. of special Resolutions passed</b>
2015-16	30.09.2016	254B Nirlon House, Dr Annie Besant Road, Worli, Mumbai 400 030	11.00 am	1
2014-15	30.09.2015	254B Nirlon House, Dr Annie Besant Road, Worli, Mumbai 400 030	11.00 am	-
2013-14	30.09.2014	Ground Floor, Advance Business Park, Opp. Swaminarayan Temple, Shahibaug Road, Ahmedabad 380004.	11.00 am	5
				-

#### 7. DISCLOSURES:

**Related Party Transactions**

During the year under review there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

The Company has formulated the Policy on dealing with related party transactions and the same is available on the website of the Company viz. [www.advance.net.in](http://www.advance.net.in)

**Accounting Treatment**

The Company has followed all relevant Accounting Standards while preparing Financial Statements and no treatment different from that prescribed in an Accounting Standard has been followed.

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

**Disclosures**

No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**Prevention of Insider Trading:**

The Company's Code of Internal Procedures and Conduct for dealing in securities aims at preserving and preventing misuse of unpublished price sensitive information. All the Directors and designated employees have been covered under the Code and provides for periodical disclosures.

**Vigil Mechanism/Whistle Blower Policy:**

The Company has established a Vigil Mechanism/Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases.

The Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**Policy on determining Material Subsidiaries:**

As the Company doesn't have any subsidiaries under the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement of adopting the policy for determining 'material' subsidiaries is not applicable in the case of the Company.

**Disclosure Of Accounting Treatment:**

The Company has followed the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable, in the preparation of financial statements.

**Code of Conduct for prohibition of Insider Trading:**

Your company had adopted a Code of conduct as per SEBI Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year under review, the Company had made due compliance with SEBI (Prohibition of Insider trade) Regulations, 2015.

**Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India.**

The Institute of Company Secretaries of India (ICSI), one of the India's premier professional bodies has issued Secretarial Standards on important aspects like Board Meetings, and General Meetings under series SS-1 and SS-2 which came into force from 1st July, 2015 upon endorsement of the same by Ministry of Corporate Affairs by notification and your company adheres to these standards

where ever applicable. The other standards like Payment of Dividend, Maintenance of Registers an Records, Transmission of Shares, Passing of resolutions by Circulation, Affixing of Common Seal and Board's report which are as on date of report Recommendatory in nature are also adhered to voluntarily.

#### 8. Means Of Communication:

The Company after approval by its Board of Directors and after submission of the same to Stock Exchange, publishes its Quarterly and Annual Results generally in Mumbai Lakshadeep/ Navshakti. and Active Times/Free Press Journal The said results are also available on the website of the Company at [www.advance.net.in](http://www.advance.net.in).

As the Company publishes the audited annual results within the stipulated period of 60 days, as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unaudited results for the last quarter of the financial year are not published.

Shareholding Pattern, Corporate Governance Report, Intimation of Board Meetings and other quarterly, half yearly and yearly compliances are posted through the portal <http://listing.bseindia.com>.

Management Discussion and Analysis Report forms part of this Annual Report.

#### 9. GENERAL SHAREHOLDER INFORMATION:

##### a) Annual General Meeting

Date	:	29 <sup>th</sup> September, 2017.
Time	:	11.00 a.m.
Venue	:	At the Regd. Office, i.e. 254 B Nirlon House, 4 <sup>th</sup> Floor, Dr Annie Besant Road, Worli, Mumbai 400 030

##### b) Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L45309MH1988PLC268437**

##### c) Registered Office:

254 B, Nirlon House, 4<sup>th</sup> Floor, Dr Annie Besant Road, Worli, Mumbai 400 030.

##### d) Financial Year

The Company follows April-March as its financial year. The results for every quarter are declared in the month following the quarter except for the quarter January-March, for which the audited results are declared in April/May as permitted under the LODR Regulations 2015.

##### e) Date of Book Closure

Friday, the 22<sup>nd</sup> September, 2017 to Friday, the 29<sup>th</sup> September, 2017 (both days inclusive)

##### f) Listing on Stock Exchanges

The Company's shares are listed on BSE Limited, Mumbai.

##### g) Stock Code

BSE Limited, Mumbai (BSE)	- 521048
Demat International Security Identification Number (ISIN) in NSDL & CDSL for Equity Shares	- INE 900E01015

##### h) Stock Price Data

Prices at BSE Limited, Mumbai (BSE)

Month	High (Rs.)	Low (Rs.)
April, 2016	10.00	10.00
May, 2016	11.02	10.50

June, 2016	11.57	10.48
July, 2016	13.60	11.52
August, 2016	15.65	14.25
September, 2016	19.94	14.50
October, 2016	25.90	20.00
November, 2016	33.65	27.15
December, 2015	30.40	30.40
January, 2017	30.00	27.01
February, 2017	25.75	19.00
March, 2017	18.50	15.20

**i) Registrars and Transfer Agents**

BIGSHARE SERVICES PRIVATE LIMITED  
A-820 SAMNUDRA COMPLEX,  
NR CLASSIC GOLD HOTEL,  
OFF. C G ROAD, NAVARANGPURA,  
AHMEDABAD – 380009

Phone: 079-40024135  
E-mail: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)

**j) Share Transfer System**

Presently, the share transfers received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. As required under the listing agreement a certificate on half yearly basis and quarterly report on Reconciliation of Share Capital from a practicing Company Secretary has been submitted to Stock Exchanges.

**k) Shareholding (as on 31st March, 2017):**

**i. Distribution of Shareholding as on 31<sup>st</sup> March, 2017:**

Category (Shares)	As on 31-03-2017			As on 31-03-2016		
	Total			Total		
	Holders	Shares	% to total shares	Holders	Shares	% to total shares
1-500	6,609	4,09,353	13.15	6,603	4,07,616	13.09
501-1,000	124	88,826	2.85	122	86,843	2.79
1,001-2,000	28	40,462	1.30	28	40,497	1.30
2,001-3,000	15	38,190	1.23	14	35,685	1.15
3,001-4,000	2	7,200	0.23	2	7,200	0.23
4,001-5,000	9	42,310	1.36	10	46,599	1.50
5,001-10,000	4	30,030	0.97	6	45,919	1.47
10,001& above	9	24,56,504	78.91	8	24,42,516	78.46
<b>TOTAL</b>	<b>6,800</b>	<b>31,12,875</b>	<b>100.00</b>	<b>6,793</b>	<b>31,12,875</b>	<b>100.00</b>

**ii. Shareholding Pattern as on 31st March, 2017:**

Category	No Of Shares	% Holding
<b>A. Promoter Shareholding</b>		
Individuals	17,15,052	55.10
Bodies Corporate	6,19,604	19.90
Foreign	NIL	NIL
<b>Total Promoter Holding (A)</b>	<b>23,34,656</b>	<b>75.00</b>
<b>B. Public Shareholding</b>		

Financial Inst. / Banks	265	
Insurance Companies	238	
Bodies Corporate	40,824	
Individuals:(Including Nri)	7,36,892	
<b>Total Public (B)</b>	<b>7,78,219</b>	<b>25.00</b>
<b>GRAND TOTAL</b>	<b>31,12,875</b>	<b>100.00</b>

**l) Dematerialization of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialized form. The dematerialization facility is available from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 81.41 % of the share capital are dematerialized as on 31<sup>st</sup> March, 2017.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE900E01015**.

**m) Outstanding GDRs / ADRs / Warrants or any convertible instrument, conversion and likely impact on equity: Nil**

**n) Site location/ Admn./Corporate Office:**

Advance Lifestyles Limited  
F F 21-22, Advancde Plaza,  
Outside Delhi Gate,  
Ahmedabad 380 004

**o) Address of Correspondence:**

The Compliance Officer  
F F 21-22, Advancde Plaza,  
Outside Delhi Gate,  
Ahmedabad 380 004

\*\*\*

## Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON **31.03.2017**  
[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:**

i.	CIN	L45309MH1988PLC268437
ii.	Registration Date	18/08/1988
iii.	Name of the Company	ADVANCE LIFESTYLES LIMITED
iv.	Category / Sub-Category of the Company	PUBLIC LIMITED
v.	Address of the Registered office and contact details	4 <sup>TH</sup> FLOOR, 254B, NIRLON HOUSE, DR ANNIE BESANT ROAD, WORLI, MUMBAI 400030
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	BIGSHARE SERVICES PRIVATE LIMITED A-820 SAMNUDRA COMPLEX, NR CLASSIC GOLD HOTEL, OFF. C G ROAD, NAVARANGPURA, AHMEDABAD – 380009

**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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	NOT APPLICABLE		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
NIL					

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year																																							
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares																																								
<b>A. Promoter</b>	<table border="1"> <thead> <tr> <th>Category</th> <th>No Of Shares</th> <th>% Holding</th> </tr> </thead> <tbody> <tr> <td><b>A. Promoter Shareholding</b></td> <td></td> <td></td> </tr> <tr> <td>Individuals</td> <td>17,15,052</td> <td>55.10</td> </tr> <tr> <td>Bodies Corporate</td> <td>6,19,604</td> <td>19.90</td> </tr> <tr> <td>Foreign</td> <td>NIL</td> <td>NIL</td> </tr> <tr> <td><b>Total Promoter Holding (A)</b></td> <td><b>23,34,656</b></td> <td><b>75.00</b></td> </tr> <tr> <td><b>B. Public Shareholding</b></td> <td></td> <td></td> </tr> <tr> <td>Financial Inst. / Banks</td> <td>265</td> <td></td> </tr> <tr> <td>Insurance Companies</td> <td>238</td> <td></td> </tr> <tr> <td>Bodies Corporate</td> <td>40,824</td> <td></td> </tr> <tr> <td>Individuals:(Including Nri)</td> <td>7,36,892</td> <td></td> </tr> <tr> <td><b>Total Public (B)</b></td> <td><b>7,78,219</b></td> <td><b>25.00</b></td> </tr> <tr> <td><b>GRAND TOTAL</b></td> <td><b>31,12,875</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>									Category	No Of Shares	% Holding	<b>A. Promoter Shareholding</b>			Individuals	17,15,052	55.10	Bodies Corporate	6,19,604	19.90	Foreign	NIL	NIL	<b>Total Promoter Holding (A)</b>	<b>23,34,656</b>	<b>75.00</b>	<b>B. Public Shareholding</b>			Financial Inst. / Banks	265		Insurance Companies	238		Bodies Corporate	40,824		Individuals:(Including Nri)	7,36,892		<b>Total Public (B)</b>	<b>7,78,219</b>	<b>25.00</b>	<b>GRAND TOTAL</b>	<b>31,12,875</b>	<b>100.00</b>
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a) Individual/ HUF																																																
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Sub-total(A)(1):-																																																
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k) Any Other....																																																
Sub-total (A)(2):-																																																
<b>B. Public Shareholding</b>																																																
<b>1. Institutions</b>																																																
a) Mutual Funds																																																
b) Banks / FI																																																
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h) Foreign Venture Capital Funds																																																
i) Others (specify)																																																
Sub-total (B)(1)																																																
<b>2. Non Institutions</b>																																																
a) Bodies Corp.																																																
(i) Indian																																																
(ii) Overseas																																																
b) Individuals																																																
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh																																																



(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	
<b>c) Others(Specify)</b>	
Sub-total (B)(2)	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	
C. Shares held by Custodian for GDRs & ADRs	
Grand Total (A+B+C)	

**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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.	Promoter Group	23,34,646	75%	-	23,34,646	75%	-	NIL
2.								
3.								
	<b>Total</b>	23,34,646	75%	-	23,34,646	75%	-	NIL

**iii. Change in Promoters' Shareholding ( please specify, if there is no change)**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Change			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

**I. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(Rs.in Laks)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		5552.16		5552.16
ii) Interest due but not paid		359.35		359.35
iii) Interest accrued but not due				
<b>Total(i+ii+iii)</b>		<b>5911.51</b>		<b>5911.51</b>
Change in Indebtedness during the financial year				
- Addition		1015.65		1015.65
- Reduction		1126.06		1126.06
<b>Net Change</b>		<b>110.41</b>		<b>110.41</b>
Indebtedness at the end of the financial year				
i) Principal Amount		5801.10		5801.10
ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		<b>5801.10</b>		<b>5801.10</b>

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	NIL	
2.	Stock Option		

3.	Sweat Equity	NIL
4.	Commission - as % of profit - others, specify...	
5.	Others, please specify	
6.	Total (A)	
	Ceiling as per the Act	

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name : 1. Shri S Srinivasan 2. Smt. Reet Keswani				Total Amount
	<u>Independent Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify	0.25	0.20		0.15	0.60 LAKH
	Total (1)	0.25	0.20		0.15	0.60 LAKH
	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify	NIL				
	Total (2)					
	Total (B)=(1+2)	0.25	0.20		0.15	0.60 LAKH
	Total Managerial Remuneration	0.25	0.20		0.15	0.60 LAKH
	Overall Ceiling as per the Act	10.00	10.00		10.00	

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	NIL			
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit				

	- others, specify...	
5.	Others, please specify	
	Total	

### III. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty			NIL/ NOT APPLICABLE		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL/ NOT APPLICABLE		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			NIL/ NOT APPLICABLE		
Punishment					
Compounding					

Sd/-

Place: Mumbai  
Date: 29<sup>th</sup> May, 2017

( PHULCHAND AGARWAL)  
CHAIRMAN & MANAGING DIRECTOR

**CEO CERTIFICATION**

The Board of Directors  
Advance Lifestyles Limited  
MUMBAI

**Certification of Financial Statements for the year 2016-2017**

I, Phulchand Agarwal, Chairman & Managing Director of the company on the basis of the review of Financial Statements and Cash Flow Statements for the financial year ending 31.03.2017 and to the best of my knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are to the best of my knowledge and belief, no transactions entered into by the company during the year ended 31.03.2017 which are fraudulent, illegal or in violation of the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting, I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.
5. I further certify that:
  - (a) There have been no significant changes in the internal control over financial reporting during this year.
  - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
  - (c) There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Sd/-

Place: Mumbai  
Date : 29<sup>th</sup> May, 2017

Phulchand Agarwal  
Chairman and Managing Director

## Independent Auditor's Report

To

The Members of Advance Lifestyles Limited.

### Report on the Ind AS Financial Statements:

We have audited the accompanying Ind AS Financial Statements of **Advance Lifestyles Limited (Formerly Known as The Ahmedabad Advance Mills Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss including other Comprehensive Income, Cash Flow Statement and the statement of Changes in equity for the year ended March 31, 2017, and a summary of significant accounting policies and other explanatory information for the year ended as on 31<sup>st</sup> March, 2017.

### Management's Responsibility for the 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 and presentation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other Comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are responsible 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility:

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company's Directors as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs of the company as at 31<sup>st</sup> March 2017 and its Profit including comprehensive income, its cash flows and changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. 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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - e) on the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 B" and
  - 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 does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses; hence the company need not make any provision.

- iii. There were no amounts which were required to be transferred to the investor education and protection fund by the Company.
- iv. The company has provided requisite disclosure in the Ind AS Financial Statements as to holding as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and same are in accordance with books of account maintained by the company. [Refer Point (25) of Note – “2” of Notes to Account]

For, Dhiren Shah & Co.  
Chartered Accountants  
FRN: 114633W

Place: Ahmedabad  
Date: 29-05-2017

Sd/-  
Dhiren Shah  
(Partner)  
Membership No. : 035824



**Annexure-A to the Auditor's Report**

The Annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the year ended 31<sup>st</sup> March, 2017, we report that:

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) The company has a regular programme of physical verification of its fixed assets by which fixed assets of the Company have been physically verified by the Management and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and no material discrepancies were noted in the same.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Thus, paragraph 3(iii) of the order is not applicable to the company.
- iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185, but has not complied with section 186 of the Companies Act, 2013 with respect to the loans and investments made.
- v) The Company has not accepted any deposits from the public.
- vi) The Central Government has not specified the maintenance of cost records under section 148(1) of the Act for any of the products rendered by the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales-tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material dues were in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, sales-tax, duty of excise, duty of customs, service tax and value added tax which have not been disputed with the appropriate on account of any dispute.

- viii) The company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
- x) According to the information and explanation given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company is not paying managerial remuneration to any of the Directors. Hence, this clause is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the paragraph 3(xv) of the order is not applicable.
- xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. The company has not obtained the registration till the date of signing the audit report. The company is being advised to obtain the registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For, Dhiren Shah & Co.  
Chartered Accountants  
FRN: 114633W

Sd/-  
Dhiren Shah  
(Partner)  
Membership No. : 035824

Place: Ahmedabad  
Date: 29-05-2017

## **Annexure B to the independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of **Advance Lifestyles Limited (Formerly Known as The Ahmedabad Advance Mills Limited)** ("the Company") as of March 31, 2017 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**

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, 2013.

#### **Auditors' Responsibility**

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, issued by ICAI and deemed to be prescribed under section 143(10) of the companies Act, 2013 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, 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, 2017, 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.

Place: Ahmedabad  
Date: 29-05-2017

For, Dhiren Shah & Co.  
Chartered Accountants  
FRN: 114633W

Sd/-  
Dhiren Shah  
(Partner)  
Membership No. : 035824

<b>Balance Sheet as at 31st March 2017</b>				
			(Amount in Rs.)	
	<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March 2016</b>
<b>I. ASSETS</b>				
<b>1 Non Current Assets</b>				
	(a) Property Plant & Equipment	1	419,210	467,120
	(b) Capital Work in Progress		-	-
	(c) Investment Property		-	-
	(d) Other Intangible Assets		-	-
	(e) Intangible assets under development		-	-
	(f) Biological Assets other than bearer plants		-	-
	(g) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Loans	2	685,166,661	645,399,964
	(iv) Others		-	-
	(j) Other non-current assets		-	-
<b>2 Current Assets</b>				
	(a) Inventories	3	1,424,943	1,424,943
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	4	65,000,000	125,000,000
	(iii) Cash and cash equivalents	5	173,638,293	173,640,403
	(iv) Bank balances other than (iii) above	5	319,646	950,336
	(v) Loans	6	33,132,710	25,230,705
	(vi) Others		-	-
	(c) Current Tax Assets (Net)		-	-
	(d) Other current assets		-	-
<b>TOTAL ASSETS</b>			<b>959,101,463</b>	<b>972,113,471</b>
<b>II EQUITY &amp; LIABILITIES</b>				
<b>1 Equity</b>				
	(a) Equity Share capital	7	31,128,750	31,128,750
	(b) Other Equity	8	273,225,536	270,389,593
<b>Liabilities</b>				
<b>2 Non Current Liabilities</b>				
	(a) Financial Liabilities			
	(i) Borrowings	9	580,110,143	591,151,890
	(ii) Trade payables		-	-
	(iii) Other financial liabilities (other than those specified in (b) below, to be specified)		-	-
	(b) Provisions		-	-
	(c) Deferred tax liabilities (Net)		7,944	-
	(d) Other non-current liabilities	10	118,489	118,489
<b>3 Current Liabilities</b>				
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade payables	11	44,242,800	44,242,800
	(iii) Other financial liabilities (other than those specified in (c) below, to be specified)		-	-
	(b) Other current liabilities	12	1,203,613	5,529,318
	(c) Provisions	13	27,464,188	29,401,631
	(d) Current Tax Liabilities (Net)		1,600,000	151,000
<b>TOTAL EQUITY &amp; LIABILITIES</b>			<b>959,101,463</b>	<b>972,113,471</b>
<b>Significant Accounting Policies</b>		21		
<b>For, Dhiren Shah &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>		
<b>Chartered Accountants</b>				
<b>(Firm Reg. No. 114633W)</b>				
Sd/-		Sd/-		Sd/-
<b>Dhiren Shah</b>		<b>Phulchand Agarwal</b>		<b>S D Vyas</b>
<b>Partner</b>		<b>Managing Director</b>		<b>Director</b>
<b>Memb.No. 035824</b>		<b>DIN : 00026741</b>		<b>DIN : 00026670</b>
<b>Place : Ahmedabad</b>		<b>Place : Mumbai</b>		
<b>Date : 29.05.2017</b>		<b>Date : 29.05.2017</b>		

<b>Standalone Statement of Profit and Loss for the year ended 31.03.2017</b>			(Amount in Rs.)	
Particulars		Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
			(Rs.)	(Rs.)
<b>I</b>	<b>CONTINUING OPERATIONS</b>			
	Revenue from operations	14	-	2,036,895
	Other income	15	8,562,701	43,693,020
	<b>Total revenue (1+2+3)</b>		<b>8,562,701</b>	<b>45,729,915</b>
<b>II</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	16	-	2,032,240
	(b) Purchases of stock-in-trade			-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	17	-	-
	(d) Employee benefits expense	18	1,146,116	1,293,064
	(e) Finance costs	19	1,670,479	40,703,368
	(f) Depreciation and amortisation expense	1	51,109	149,683
	(g) Other expenses	20	1,328,821	1,698,859
	<b>Total expenses</b>		<b>4,196,525</b>	<b>45,877,215</b>
<b>III</b>	<b>Profit / (Loss) before exceptional items and tax (I-II)</b>		<b>4,366,176</b>	<b>(147,300)</b>
<b>IV</b>	Exceptional items		-	-
<b>V</b>	<b>Profit / (Loss) before tax (III - IV)</b>		<b>4,366,176</b>	<b>(147,300)</b>
<b>VI</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		1,600,000	151,000
	(b) Short/(Excess) Provision of Income Tax written off		(77,711)	(58,435)
	(c) Deferred tax Liability		7,944	-
			<b>1,530,233</b>	<b>92,565</b>
<b>VII</b>	<b>Profit / (Loss) from continuing operations (8+9)</b>		<b>2,835,944</b>	<b>(239,865)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	B (i) Items that will be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>IX</b>	<b>Total Comprehensive Income (14±15)</b>		<b>2,835,944</b>	<b>(239,865)</b>
<b>X</b>	<b>Earnings per share (of Rs.10/- each) (Continuing operations)</b>			
	Basic		0.91	(0.08)
	Diluted		0.91	(0.08)
	<b>Significant Accounting Policies</b>	21		
In terms of our report attached.				
<b>For, Dhiren Shah &amp; Co.,</b>		<b>For and on behalf of the Board of</b>		
<b>Chartered Accountants</b>		<b>Directors</b>		
<b>(Firm Reg. No. 114633W)</b>				
Sd/-		Sd/-		Sd/-
<b>Dhiren Shah</b>		<b>Phulchand Agarwal</b>		<b>S D Vyas</b>
<b>Partner</b>		<b>Managing Director</b>		<b>Director</b>
<b>Memb.No. 035824</b>		<b>DIN : 00026741</b>		<b>DIN : 00026670</b>
<b>Place : Ahmedabad</b>		<b>Place : Mumbai</b>		
<b>Date : 29.05.2017</b>		<b>Date : 29.05.2017</b>		

## Statement of Changes in Equity for the period ended 31.03.2017

## Equity Share Capital

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	(Rs.)	Number of shares	(Rs.)
Balance at the beginning of the period	3,112,875	31,128,750	3,112,875	31,128,750
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the period	3,112,875	31,128,750	3,112,875	31,128,750

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus			Items of Other Comprehensive Income					Money received against share warrants	Total	
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus			Exchange differences on translating the financial statements of a foreign operation
Balance at the beginning of the reporting period	-	-	28,962,983	-	-	241,426,610	-	-	-	-	-	-	270,389,593
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	2,835,944	-	-	-	-	-	-	2,835,944
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	28,962,983	-	-	244,262,554	-	-	-	-	-	-	273,225,536

For, Dhiren Shah & Co.,  
Chartered Accountants  
(Firm Reg. No. 114633W)

Sd/-  
Dhiren Shah  
Partner  
Memb.No. 035824

Place : Ahmedabad  
Date : 29.05.2017

For and on behalf of the Board of Directors

Sd/-  
Phulchand Agarwal  
Managing Director  
DIN : 00026741

Sd/-  
S D Vyas  
Director  
DIN : 00026670

Place : Mumbai  
Date : 29.05.2017

Cash Flow Statement for the year ended 31 March, 2017		(Amount in Rs.)	
Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016	
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before exceptional items and Tax	4,366,176		(147,300)
<u>Adjustments for:</u>			
Depreciation and amortisation	51,109		149,683
Finance costs	1,670,479		40,703,368
Interest income	(8,562,101)		(43,574,462)
Profit on sale of Asset	-		(118,558)
Profit on sale of investment	-		-
Miscellaneous Income	-		-
Liabilities / provisions no longer required written back	-		-
	<b>(6,840,513)</b>		<b>(2,839,969)</b>
Operating profit / (loss) before working capital changes	(2,474,337)		(2,987,270)
<u>Changes in working capital:</u>			
<u>Adjustments for (increase) / decrease in operating assets:</u>			
Inventories	-		-
Trade receivables	60,000,000		(125,000,000)
Long-term loans and advances	(39,766,697)		144,122,601
Short-term loans and advances	(7,902,005)		(23,209,121)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>			
Trade payables	-		44,242,800
Other current liabilities	(4,325,705)		64,640
Long Term Provisions	-		-
Other long-term liabilities	-		-
Short-term provisions	(488,443)		(12,587,044)
	<b>7,517,150</b>		<b>27,633,877</b>
<b>Cash flow from / (used in) operating activities</b>	<b>5,042,813</b>		<b>24,646,607</b>
Cash flow from extraordinary items	-		-
Cash generated from operations	5,042,813		24,646,607
Net income tax (paid) / refunds	(1,530,233)		(92,565)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>3,512,580</b>		<b>24,554,042</b>
<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets, including capital advances	(3,200)		(8,990)
Sale of fixed Assets	-		125,000
Proceeds on sale of Investments	-		-
Capitalization Granted by Hon'ble Settlement Commission vide order dt. 27-02-2014 pursuant to Additional income offered (Net off tax paid).	-		-
Purchase of long-term investments	-		-
- Subsidiaries	-		-
Sale of Long-term investments	-		-
- Subsidiaries	-		-
- Others	-		-
Interest received	-		-
- Subsidiaries	-		-
- Others	8,562,101		43,574,462
Miscellaneous Income	-		-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>8,558,901</b>		<b>43,690,472</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from long-term borrowings (Net)	(11,041,747)		(96,667,235)
Proceeds from Short-term borrowings (Net)	-		-
Proceeds from the Share warrants	-		-
Net increase / (decrease) in working capital borrowings	-		-
Finance cost	(1,670,479)		(40,703,368)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(12,712,226)</b>		<b>(137,370,603)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(640,745)</b>		<b>(69,126,089)</b>
Cash and cash equivalents at the beginning of the year	174,590,739		243,716,828
<b>Cash and cash equivalents at the end of the year</b>	<b>173,949,995</b>		<b>174,590,739</b>
<b>Reconciliation of Cash and cash equivalents with the Balance</b>			
Cash and cash equivalents as per Balance Sheet	<b>173,957,939</b>		<b>174,590,739</b>
<b>Cash and cash equivalents at the end of the year *</b>			
<b>* Comprises:</b>			
(a) Cash on hand	173,638,293		173,640,403
(b) Balances with banks			
(i) In current accounts	294,540		929,580
(ii) In deposit accounts	25,106		20,756
(c) Cheques on Hand	-		-
	<b>173,957,939</b>		<b>174,590,739</b>

**Notes:**

(i) The Cash flow statement has been prepared by Indirect Method as prescribed in AS-3 "Cashflow Statement"

(ii) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

In terms of our report attached.

**For, Dhiren Shah & Co.**

Chartered Accountants

Firm Reg. No. 114633W

**For and on behalf of the Board of Directors**

Sd/-

**(Dhiren Shah)****Partner****(Mem. No. 035824)**

Sd/-

**Phulchand Agarwal****Managing Director****DIN : 00026741**

Sd/-

**S D Vyas****Director****DIN : 00026670**

Place : Ahmedabad

Date : 29.05.2017

Place : Mumbai

Date : 29.05.2017



## Notes forming part of the financial statements

## Note 1 : Property Plant &amp; Equipment

(Amount in Rs.)

NAME OF ASSET	GROSS BLOCK				ACCUMALATED DEPRECIATION & IMPAIRMENT				NET BLOCK	
	AS ON 01/04/2016	ADDITION	DISPOSALS/ RETIREMENT DURING THE YEAR	AS ON 31/03/2017	AS ON 01/04/2016	DEPRECIATI ON FOR THE YEAR	SALES/RETIR EMENT ADJUSTMENT	AS ON 31/03/2017	AS ON 31/03/2017	AS ON 31/03/2016
<b>TANGIBLE ASSETS</b>										
Land	181,489	-	-	181,489	-	-	-	-	181,489	181,489
Plant & Machinery	402,834	-	-	402,834	265,050	20,497	-	285,547	117,287	137,784
Furniture & Fixtures	619,499	-	-	619,499	471,652	29,744	-	501,396	118,103	147,847
Motor Car & Motor Cycle	754,268	-	-	754,268	754,268	-	-	754,268	-	-
Computer	-	3,200	-	3,200	-	868	-	868	2,332	-
<b>TOTAL</b>	<b>1,958,090</b>	<b>3,200</b>	<b>-</b>	<b>1,961,290</b>	<b>1,490,970</b>	<b>51,109</b>	<b>-</b>	<b>1,542,080</b>	<b>419,210</b>	<b>467,120</b>
<b>PREVIOUS YEAR</b>	<b>2,020,786</b>	<b>8,990</b>	<b>12,886</b>	<b>2,016,890</b>	<b>1,406,530</b>	<b>149,683</b>	<b>6,443</b>	<b>1,549,770</b>	<b>467,120</b>	<b>614,256</b>

**NOTE:**

DEPRECIATION ON THE ASSETS HAS BEEN PROVIDED AS PER THE STRAIGHT LINE METHOD IN ACCORDANCE WITH THE RATES SPECIFIED IN THE SCHEDULE II TO THE COMPANIES ACT 2013 AND ROUNDED OFF TO THE NEAREST RUPEE. DEPRECIATION ON ADDITION HAS BEEN PROVIDED ON PRO RATA BASIS.

## Note 2 : Loans (Non Current Assets)

Particulars	As at 31 March, 2017	As at 31 March, 2016
	(Rs.)	(Rs.)
<u>Loans and advances to related parties</u>		
Unsecured, considered good		
To Subsidiary Companies		
To Inter corporate	572,101,740	576,647,240
<u>Advance Income Tax</u>		
Advance Tax Paid	1,396,269	1,396,269
Tax Deducted at Sources Receivable	852,244	214,045
Balances with government authorities	145,999	145,999
<u>Other loans and advances</u>		
<u>Unsecured, considered good</u>		
(Advance recoverable in cash or in kind or for vale to be received)	89,629,095	45,955,097
Advances for Property Purchase	21,000,000	21,000,000
Deposits	41,314	41,314
<b>Total</b>	<b>685,166,661</b>	<b>645,399,964</b>

## Note 3 : Inventories

Particulars	As at 31 March, 2017	As at 31 March, 2016
	(Rs.)	(Rs.)
Stock-in-trade (acquired for trading) Shops	1,424,943	1,424,943
<b>Total</b>	<b>1,424,943</b>	<b>1,424,943</b>

## Note 4 : Trade Receivables

Particulars	As at 31 March, 2017	As at 31 March, 2016
	(Rs.)	(Rs.)
a) Outstanding for more than 6 months	-	-
b) Outstanding for less than 6 months	65,000,000	125,000,000
<b>Total</b>	<b>65,000,000</b>	<b>125,000,000</b>

**Note 5 : Cash and Bank Balance**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	(Rs.)	(Rs.)
<b>(a) Cash and cash equivalent</b>		
- Cash on Hand (Ahmedabad)	7,793	9,903
- Cash Deposit Against Cheques	173,630,500	173,630,500
<b>Total (a)</b>	<b>173,638,293</b>	<b>173,640,403</b>
<b>(b) Balances with banks</b>		
<u>(i) In current accounts</u>		
- Corporation Bank (CBCA01000412)	32,005	32,005
- Corporation Bank (CA0125110)	9,435	30,945
- Kotak Mahindra Bank (CA 6111234426)	84,869	698,399
- ING Vysya Bank (524011006273-Ahmedabad)	60,212	60,212
- Vysya Bank (5690- Mumbai)	108,019	108,019
<u>(ii) In deposit accounts</u>		
- Vysya Bank (Maharashtra VAT)	25,106	20,756
<b>Total (b)</b>	<b>319,646</b>	<b>950,336</b>
<b>Total (a+b)</b>	<b>173,957,939</b>	<b>174,590,739</b>

**Note 6 : Loans (Current Assets)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	(Rs.)	(Rs.)
<b><u>Loans and Advances</u></b>		
Unsecured, considered good		
Balances with government authorities	315,215	388,905
Vat receivable	3,285	3,285
IT Refund Receivable	560,953	560,953
Other Advances	32,253,257	24,277,562
<b>Total</b>	<b>33,132,710</b>	<b>25,230,705</b>

**Note 7 : Share Capital**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	(Rs.)	Number of shares	(Rs.)
<b>(a) Authorised</b>				
Equity shares of Rs. 10/- each with voting rights	25,000,000	250,000,000	25,000,000	250,000,000
<b>(b) Issued</b>				
Equity shares of Rs.10/- each with voting rights	3,112,875	31,128,750	3,112,875	31,128,750
<b>Total</b>	<b>3,112,875</b>	<b>31,128,750</b>	<b>3,112,875</b>	<b>31,128,750</b>
<b>(c) Subscribed and fully paid up</b>				
Equity shares of Rs.10 each with voting rights	3,112,875	31,128,750	3,112,875	31,128,750
<b>Total</b>	<b>3,112,875</b>	<b>31,128,750</b>	<b>3,112,875</b>	<b>31,128,750</b>

**(A) Reconciliation Of No Of Shares Out Standing At The Beginning Of The Year And At Closing Of The Year**

Particulars	31/03/2017		31/03/2016	
	No. of Share	Amounts(Rs.)	No. of Share	Amounts(Rs.)
At The Beginning Of The Year	3,112,875	31,128,750	3,112,875	31,128,750
<b>ADD:</b>				
Issue During the Year	-	-	-	-
<b>Outstanding At The End Of The Year</b>	<b>3,112,875</b>	<b>31,128,750</b>	<b>3,112,875</b>	<b>31,128,750</b>

**(b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has one class of equity shares and rank at pari pasu.

**(c) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Mr. Phulchand Agarwal	1,207,855	38.8	1,207,855	38.8
Mr. Pradeep Agarwal	507,197	16.29	507,197	16.29
Phulchand Exports Pvt. Ltd.	619,604	19.9	553,613	17.78

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus				Items of Other Comprehensive Income					Total		
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation		Other items of Comprehensive Income (specify nature)	Money received against share warrants
Balance at the beginning of the reporting period	-	-	28,962,983	-	-	241,426,610	-	-	-	-	-	-	-	270,389,593
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	2,835,944	-	-	-	-	-	-	-	2,835,944
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	28,962,983	-	-	244,262,554	-	-	-	-	-	-	-	273,225,536

**Note 9 : Borrowings (Non Current Liabilities)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	(Rs.)	(Rs.)
<b>Loans</b>		
Unsecured :		
Inter Corporate Deposits		
From Related Parties	-	-
From Others	580,110,143	591,151,890
<b>Total</b>	<b>580,110,143</b>	<b>591,151,890</b>

**Note 10 : Other long-term liabilities**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	(Rs.)	(Rs.)
(a) Trade Payables:	-	-
(b) Others:		
(i) Property Development	105,269	105,269
(ii) Other than Acceptances	13,220	13,220
<b>Total</b>	<b>118,489</b>	<b>118,489</b>

**Note 11 : Trade payables**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	(Rs.)	(Rs.)
<b>Trade payables:</b>		
Creditors for Traded Goods	44,242,800	44,242,800
<b>TOTAL</b>	<b>44,242,800</b>	<b>44,242,800</b>

**Note 12 : Other current liabilities**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	(Rs.)	(Rs.)
<b>(a) Other payables</b>		
<u>Statutory remittances</u>		
Unpaid TDS	35,000	4,069,180
Professional Tax Payable	400	400
<b>(b) Others</b>	1,168,213	1,459,738
<b>Total</b>	<b>1,203,613</b>	<b>5,529,318</b>

**Note 13 : Provisions ( Current Liabilities)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	(Rs.)	(Rs.)
<b>Provision for employee benefits :</b>		
Gratuity	5,076,968	5,201,968
Other employee benefits	22,387,220	24,199,663
<b>Total</b>	<b>27,464,188</b>	<b>29,401,631</b>

**Note 14 : Revenue From Operations**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Rs.)	(Rs.)
Sales	-	2,036,895
<b>Total</b>	<b>-</b>	<b>2,036,895</b>

**Note 15 : Other income**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Rs.)	(Rs.)
<b>(a) Interest income comprises:</b>		
<u>Interest from banks on:</u>		
Deposits	4,349	-
<u>Interest from Others:</u>		
Interest from Loans & Advances	8,557,752	43,574,462
Interest on income tax refund	-	-
<b>Total (a)</b>	<b>8,562,101</b>	<b>43,574,462</b>
<b>(b) Profit on sale of Motar Car</b>	<b>-</b>	<b>118,558</b>
<b>(c) Miscellaneous Income</b>	<b>600</b>	<b>-</b>
<b>Total - Other non-operating income (a+b+c)</b>	<b>8,562,701</b>	<b>43,693,020</b>

**Note 16 : Cost of Material Consumed**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Rs.)	(Rs.)
a) Purchase of goods	-	2,026,590.00
b) Direct Expense :		
Freight Expense	-	5,650.00
<b>Total</b>	<b>-</b>	<b>2,032,240.00</b>

**Note 17 : Changes in inventories of stock-in-trade**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Rs.)	(Rs.)
<u>Inventories at the end of the year:</u>		
Stock-in-trade (Shops)	1,424,943	1,424,943
<b>Total (a)</b>	<b>1,424,943</b>	<b>1,424,943</b>
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade (Shops)	1,424,943	1,424,943
<b>Total (b)</b>	<b>1,424,943</b>	<b>1,424,943</b>
<b>Net increase / (decrease) (b-a)</b>	<b>-</b>	<b>-</b>

**Note 18 : Employee benefits expense**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Rs.)	(Rs.)
Salaries and wages	761,388	981,057
Bonus Expense	56,615	54,779
Contribution to PF and other funds	1,500	24,144
Leave Travel Allowance	39,540	39,531
Leave Encashment Expense	31,800	-
House Rent Allowance	189,780	-
Retrenchment Exp.	18,207	189,739
Reimbursement Expense	47,256	-
Staff welfare expenses	30	3,814
<b>Total</b>	<b>1,146,116</b>	<b>1,293,064</b>

**Note 19 : Finance costs**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Rs.)	(Rs.)
<b>(a) Interest expense on:</b>		
Borrowings	1,183,562	40,174,199
For Late Payment of Listing Fee	-	4,000
For Late Payment of Statutory Dues	486,917	525,169
<b>Total</b>	<b>1,670,479</b>	<b>40,703,368</b>

**Note 20 : Other expenses**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Rs.)	(Rs.)
Advertisement expenses	37,835	42,953
Annual custodian fees	20,750	10,305
Bank Charges	1,116	245,692
Communication (Telephone, Internet & Postage )	-	7,779
Conveyance Expenses	32,870	9,700
Cenvat Credit Written Off	50,814	-
Filing Fees	7,463	600
Hotel Charges	6,049	20,477
Insurance	1,656	19,208
Legal & Professional Expenses	352,963	382,399
Listing Fees	200,000	224,720
Miscellaneous expenses	2,190	4,006
Office Maintainance Exp.	1,649	1,470
Petrol Expenses	-	1,000
Pooja Expenses	-	300
Postage and Courier	6,722	3,823
printing and Stationery	2,500	1,594
Professional- Tax Expences	2,400	2,403
reimbursement of Expenses	-	47,256
Repairs and maintenance - Vehicle	-	8,250
Service Tax	33,388	11,672
Sitting Fees	60,000	85,000
Sundry Balances Written off	-	27,464
Taxes and Rates	23,824	83
Testing Charges	1,947	-
Travelling & Conveyance	52,705	47,125

**Notes forming part of the financial statements**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	(Rs.)	(Rs.)
Website Updation Charges	27,480	-
Payments to auditors :		
i) For Statutory Audit	373,750	377,475
ii) For Tax Audit	-	87,480
iii) For Income Tax Matters	28,750	28,625
<b>Total</b>	<b>1,328,821</b>	<b>1,698,859</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:****NOTES- "21"****CORPORATE INFORMATION :**

Advance Life Styles Limited is a company registered under Companies Act, 1956 vide its registration number L45309MH1988PLC268437 on 18<sup>th</sup> August, 1988. The company is engaged in carrying on the business of Textile Mills, Trading of Cloth and Property Construction.

**SIGNIFICANT ACCOUNTING POLICIES :****(1) Basis of Accounting:**

For all the periods upto and including the year ended March 31, 2017 the company prepared its financial statements as per the historical cost convention on an accrual basis in accordance with the generally accepted accounting principles (GAAP) and applicable accounting standards issued by Institute of Chartered Accountants of India referred in Section 133 of the Companies Act, 2013 read with Rule 7 of companies (Accounts) Rules, 2014.

The company adopted Indian Standard ("Ind AS") from 1st April, 2016 and accordingly the Financial Results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The Financial Results for all periods have been prepared in accordance with the recognition and measurement principles of Ind AS 34. These financial statements for the year ended March, 2017 are the first financial statements after Ind AS applicability.

**(2) Use of Estimates:**

The preparation of financial statements in conformity with Ind AS require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of the revenue and expenses during the reporting period. Actual results could differ from these estimates and the difference between actual results and estimates are



recognized in the period in which the results are known/materialize estimated and underlying assumptions are reviewed on an ongoing basis.

(3) **Inventories:**

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence, if any.

(4) **Cash and Cash Equivalents**

(i) Cash Comprises of cash on hand. Cash equivalents are short term balances with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(ii) Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular generating, financing and investing activities of the company are segregated.

(5) **Property, Plant and equipment:**

Property, Plant and equipment including structural changes/major improvements are stated at cost of acquisition including incidental expenses related to acquisition and installation less accumulated depreciation.

Depreciation on tangible assets is provided on straight line method over the useful lives of assets in accordance with Schedule II of the Companies Act, 2013.

(6) **Revenue recognition:**

Interest Income is recognized on a time proportion basis.

(7) **Investments:**

There is no investment.

(8) **Employee Benefits:**

The Company's contribution paid/payable during the year to the Provident Fund/Gratuity Fund is charged to the Statement of Profit and Loss. The gratuity liability, as per Payment of Gratuity Act is payable up to 13/03/1995 to all eligible workers. In terms of the Order dated 23/01/2004, of the Honorable BIFR, and order dated 15/02/2008, of the Honorable High Court of Gujarat, provision for Gratuity to all the eligible workers have been provided for on an arithmetic calculation basis.

(9) **Retrenchment Expenses:**

Retrenchment compensation and salary for the closure period is required to be paid on receipt of resignation from the employees and vacating the hut /chhapra / room / quarter in the mill premises occupied by them in terms of Order dated 15/02/2008

passed by the Honorable Gujarat High Court. Accordingly, the company has already made provisions for retrenchment compensation and salary for the closure period in past.

(10) **Borrowing cost:**

Borrowing cost is recognized in Statement of profit and Loss in the period in which they are incurred.

(11) **Provision for Current & Deferred Tax:**

(i) **Current Tax :**

The provision for current year taxation has been made as per the provisions of the Income tax Act, 1961.

(ii) **Deferred Tax :**

Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(12) **Earnings per share:**

The company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standards 20 on "Earning per share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(13) **Contingent Liabilities:**

Contingent liabilities as defined in Ind AS 37 on "Provision, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Provision is made if it is probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

(14) **Impairment of Assets:**

The Company makes an assessment of any indicator that may lead to impairment of assets on an annual basis. An asset is treated as an impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and value in use. Any impairment loss is charged to Statement of profit and loss account in the year in which it is identified as impaired.

(15) The Company had suspended its operations at Ahmedabad since March 13, 1995 due to financial constraints and labour unrest. The Company was declared as a Sick Unit within the meaning of Section 3(1)(o) of the Sick Industrial (Special Provisions) Act, 1985 (SICA). The Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated August 22, 2006 has discharged the Company from the purview of SICA.

The net worth of the Company has been represented by positive signs and recovered from the huge erosion as compared to past years financial results.

- (16) Other liabilities, which include worker's dues have been ascertained on the basis of available records with the Company and are subject to adjustments. Pending final settlement of dues, the payments to workers included in advance to employees, as per court order amounting to Rs. 8,60,506/- (Previous period Rs. 9,16,506/-) made in earlier years has been adjusted against liability provided/paid in pursuance of the Order.
- (17) The company had vide its letter dated September 19,2005 applied to the Income-tax Department for granting relief and concessions in accordance with the sanctioned Revival Scheme of BIFR vide their Order dated January 23, 2004. Further the BIFR vide its discharge Order dated August 22, 2006, issued directives to the Income tax department to exempt the Company from payment of capital gain tax and permit the Company to set off the capital gains, if any, against accumulated losses of the Company. However, the Income tax department filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the said directives of BIFR which was rejected by AAIFR vide its order dated 10th June 2008. In the financial year 2006-07 relevant to A.Y. 2007-08 the Assessing Officer has interpreted the order of BIFR and AAIFR that set-off of accumulated business loss against the Capital Gain beyond 8 years is not allowable and accordingly the demand was raised by the Income Tax Department. The said demand was challenged by the company by filing appeal before the CIT(Appeal). The CIT(Appeal) has decided the appeal in favor of the company. The Income Tax Department preferred an appeal before the ITAT and ITAT has given the judgment in favour of the company.
- (18) The Company and the Textile Labour Union arrived at a settlement in respect of employees' dues on 11/02/2008 and the same has been modified by the Honorable High Court of Gujarat on 15/02/2008, as a result of which the Company is liable to pay in respect of such settlement, an amount aggregating Rs. 15 crores (approx.) to 848 employees on the condition precedent, that the payment will be made to the concerned employee within sixty days after his resignation is received and in respect of the employees concerned having hut/chhapra/room/quarter in the mill premises and he is a beneficiary of the settlement/ order, he shall have to first vacate the hut/chhapra/room/quarter occupied by him in the mill premises and shall have to first handover possession thereof to the Mill Management and thereafter, within sixty days period, the Mill Management will pay the amount to the concerned employee as per the consent terms. The Honorable High Court further held that the closure declared by the Mill Management is legal and valid.
- (19) Consequent to Honorable High Court's order dated 15/02/2008, the company has already made the provision for gratuity relating to all employees in earlier years of the closure of the years 01/04/1997 to 31/03/2007. The liability (other than gratuity) in respect of retrenchment compensation and salary, the company has made the payment to the workers on the basis of resignation received from the employees and accounted for in

the books in earlier years. Similarly, the company had also made the provisions for all unresigned employees including employees from whom resignations are yet to be received in terms of the order of High Court dated 15/02/2008 which is amounting to Rs. 1,74,07,097/- as on 31/03/2017 (Rs. 1,93,21,562/- as on 31/03/2016).

(20) **Contingent Liabilities not provided for:**

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance paid) is Rs. 87,50,000/- (Previous Year Rs. 87,50,000/-).

(21) **Earnings per share (EPS):**

Particulars	Current Year	Previous Year
(Loss) / Profit after tax available to equity shareholders (*)	30,30,461	(2,39,865)
Weighted average number of equity shares for Basic EPS	31,12,875	31,12,875
Weighted average number of equity shares for Diluted EPS (considering Share Application Money)	31,12,875	31,12,875
Basic EPS – (*)	Rs. 0.97	Rs.(0.08)
Diluted EPS –(*)	Rs. 0.97	Rs. (0.08)
Face value per share	Rs.10.00	Rs.10.00

(23) List of related party and their nature of relationship :

Sr. No.	Nature of Relationship	Name of the Parties
1.	Promoter	Phulchand Exports Pvt. Ltd.
2.	Key Management Personnel (Directors)	1) Phulchand Agarwal (Mng. Director) 2) S.D. Vyas (Director) 3) Reet Kamal Keswani (Women Independent Director)

24) The company has not received information from any of its suppliers whether they are registered as Micro or Small enterprises or not and therefore the amount due to such suppliers, if any, has not been identified by the company.

**25) Details Of Specified Bank Notes (SBN)**

Details Of Specified Bank Notes (SBN) held and transacted during the period from 08<sup>th</sup> November, 2016 to 30th December is provided as follows:

<b>Particulars</b>	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing cash on hand as in 08.11.2016	22,500/-	-	22,500/-
(+) Permitted Receipts	-	24,000/-	24,000/-
(-) Permitted Payments	-	7,848/-	7,848/-
(-) Amount Deposited in Banks	22,500/-	-	22,500/-
Closing cash on hand as in 30.12.2016	-	16,151/-	16,151/-

For,  
Dhiren Shah & Co.  
Chartered Accountants,  
(Firm Reg.No.114633W)

For and on behalf of the Board of Directors

Sd/-  
(Dhiren Shah)  
Partner  
Membership No.035824

Sd/-  
Phulchand Agarwal  
Managing Director  
DIN : 00026741

Sd/-  
S.D. Vyas  
Director  
DIN : 00026670

Place : Ahmedabad.  
Date : 29-05-2017

Place : Mumbai.  
Date : 29-05-2017

**ADVANCE LIFESTYLES LIMITED**4<sup>TH</sup> FLOOR, 254B, NIRLON HOUSE, DR ANNIE BESANT ROAD, WORLI, MUMBAI 400030

CIN- L45309MH1988PLC268437

**FORM NO. MGT-11 (PROXY FORM)**

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

CIN	L45309MH1988PLC268437
Name of the Company	Advance Lifestyles Limited
Registered Office	4 <sup>TH</sup> FLOOR, 254B, NIRLON HOUSE, DR ANNIE BESANT ROAD, WORLI, MUMBAI 400030
Name of the Member(s)	
Registered Address:	
E-mail ID	
D P ID	

I/ We being the Member(s) and holding \_\_\_\_\_ Shares of the above named Company, hereby appoint:

- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID \_\_\_\_\_  
Signature \_\_\_\_\_ or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID \_\_\_\_\_  
Signature \_\_\_\_\_ or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID \_\_\_\_\_  
Signature \_\_\_\_\_ as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 29th day of September, 2017 at 11.00 a.m. at 4<sup>th</sup> Floor, 254B, Nirlon House, Dr Annie Besant Road, Worli, Mumbai 400030 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

- Adoption of Annual Accounts of the Company as on 31<sup>st</sup> March, 2017 (Ordinary Resolution).
- Re-appointment of Mr. Phulchand Agarwal, Director & CMD, who retires by rotation (Ordinary Resolution).
- Appointment of M/s. Dhiren Shah & CO., Chartered Accountants, Ahmedabad as Auditors of the Company and fixing their remuneration (Ordinary Resolution).

**Special Business:**

- Approval of Members to the appointment of Ms. Reet K Keswani, Chartered Accountant, as Woman Independent Director of the Company for a term for 5 consecutive years commencing from 13th September, 2016.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ September, 2017

Signature of Shareholder : \_\_\_\_\_

Signature of Proxy Holder(s): \_\_\_\_\_

Affix 1 Re. Revenue Stamp
------------------------------------

Note: This form of Proxy in order to be effective should be \_\_\_\_\_ duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

**ADVANCE LIFESTYLES LIMITED**  
4<sup>TH</sup> FLOOR, 254B, NIRLON HOUSE, DR ANNIE BESANT ROAD, WORLI, MUMBAI 400030  
CIN-L45309MH1988PLC268437

## ATTENDANCE SLIP

Full Name of the Member attending \_\_\_\_\_

Full Name of the Joint Holder \_\_\_\_\_  
(To be filled in if first named joint holder does not attend meeting)

Name of Proxy \_\_\_\_\_  
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Annual General Meeting held at 4<sup>th</sup> Floor, 254B, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai 400030 on Friday, the 30th day of September, 2016 at 11.00 a.m.

\_\_\_\_\_ Folio No

\_\_\_\_\_ DP ID No. \*

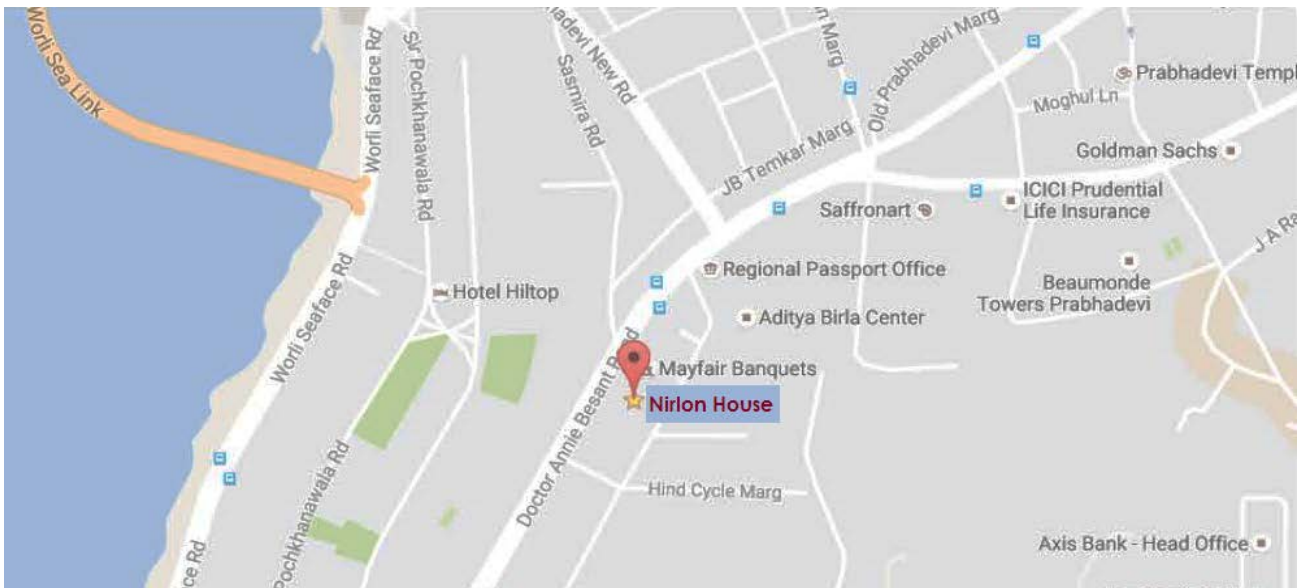
\_\_\_\_\_ Client ID No.\*

\* Applicable for members holding shares in electronic form.

No. of Share(s) held \_\_\_\_\_

\_\_\_\_\_  
Member's / Proxy's Signature

## VENUE OF 28th ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

**VENUE:**

ADVANCED LIFESTYLES LIMITED  
4<sup>TH</sup> FLOOR, NIRLON HOUSE,  
254B, DR ANNIE BESANT ROAD  
WORLI, MUMBAI - 400 030.



*If undelivered, please return to:-*

**Advance Lifestyles Limited**

F. F. 21-22, Advance Plaza,  
Shahibag Road,  
Ahmedabad -380 004.