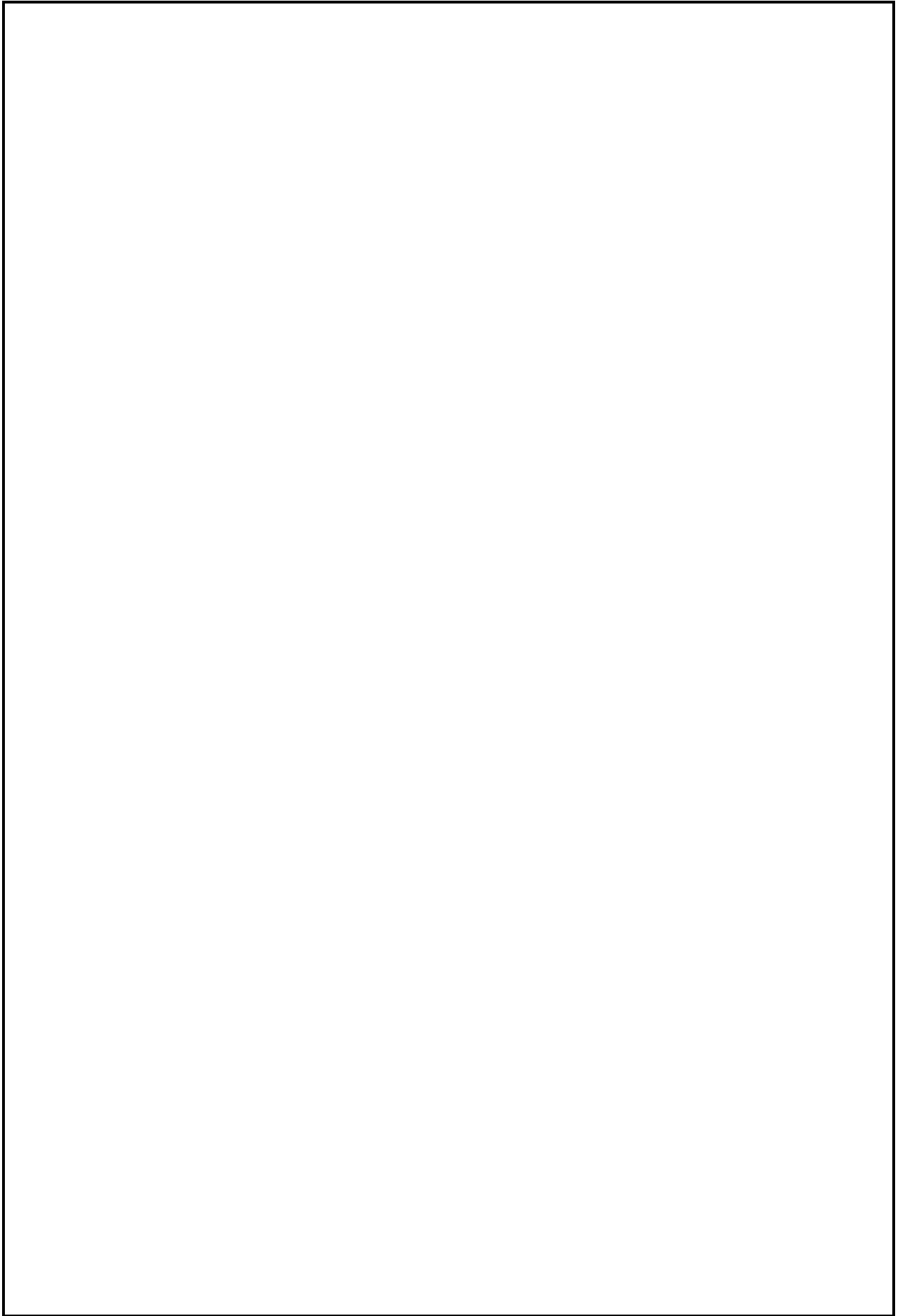


**24th ANNUAL REPORT
2012-2013**

ADVANCE

ADVANCE LIFESTYLES LIMITED

**F.F. 21-22, ADVANCE PLAZA, OUTSIDE DELHI GATE, SHAHIBAUG,
AHMEDABAD - 380004**



BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR

PHULCHAND AGARWAL

INDEPENDENT NON EXECUTIVE
DIRECTORS

S. SRINIVASAN

M.S. BHARDWAJ

DIRECTOR

SUNDEEP AGARWAL

BANKERS

CORPORATION BANK
ING VYSYA BANK LIMITED
KOTAK MAHINDRA BANK

REGISTERED OFFICE

F.F. 21-22, ADVANCE PLAZA, OUTSIDE DELHI GATE
SHAHIBAUG, AHMEDABAD – 380004

REGISTRAR AND SHARE TRANSFER AGENT

SHAREPRO SERVICES (I) PRIVATE LIMITED
416-420, DEVNANDAN MALL,
OPP. SANYAS ASHRAM, ELLISBRIDGE,
AHMEDABAD – 380006

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BUSINESS PROFILE

Advance Lifestyles Limited is mainly engaged in the business of trading of textiles. Acknowledging the ample opportunities in the real estate sector in Gujarat, the company tried to focus on mid and large size residential and commercial developments in the state as well as exploring such growth opportunities in other parts of the country. However, the Company is re-focussing in Textile sector again. Advance Lifestyles Limited is a venture of a Multinational Group having diversified business in real estate, apparel manufacturing and retailing in India as well as commodities trading and mining across the globe.

BOARD OF DIRECTORS

Mr. Phulchand Agarwal, Chairman and Managing Director

Mr. Phulchand Agarwal is a promoter Director of Advance Lifestyles Limited and is in business for more than sixty years. He is also a Promoter Director of Phulchand Exports Limited, an organization which has presence in various sectors across the globe.

Mr. Phulchand Agarwal has been awarded "Best Citizen's Award" in 1996 by Mr. H. D. Devegowda, Former Prime Minister of India, and "Indira Gandhi Priyadarshani Award - 1997" by Mr. S. D. Sharma, Former President of India, for his outstanding service, achievements and contribution to Industrial India.

Shri Phulchand Agarwal is a Director in Phulchand Exports Private Limited

Mr. S Srinivasan, Director

Mr. S Srinivasan served as joint Managing Director of Stock Holding Corporation of India Ltd (SHCIL). He has experience in Finance and Business Development, having a varied portfolio of clients from small scale units to large sector investors. His strength lies in framing policy papers in the areas of investments, procedures, delegation of authority and human resource. He has also served as Nominee Director of IDBI.

Mr. Srinivasan has recently been inducted into the Panel of Arbitrators by NSE.

Mr. M. S. Bharadwaj, Director

Mr. M. S. Bharadwaj is a practicing advocate at Mumbai High Court. His key areas of expertise are Customs, Revenue Laws, Central Excise, Income Tax, Money Laundering Laws and FEMA.

Mr. Sundeep Agarwal, Director

Mr. Sundeep Agarwal, aged 38 years, Indian National, is a B.Com (Hons.), CA, CS and CFA with over 15 years of experience including 5 years in the Real Estate Sector.

Mr. Sundeep has a keen acumen and deep understanding for Business Development with a pronounced skill for resolving any issues which might hinder the business growth. Mr. Sundeep has provided effective leadership and is on Board of many other Companies besides being an Executive in a Real Estate Company.

Mr. Sundeep Agarwal is Director in following Companies:

1. Advance Infraspac Private Limited
2. Advance Spacelink Private Limited
3. Grant Infrastructure Private Limited

(This may be treated as information to Members under Clause 49 (VI) (G) of the Listing Agreement)

NOTICE

NOTICE is hereby given that the **Twenty Fourth Annual General Meeting** of the Members of **ADVANCE LIFESTYLES LIMITED** will be held on Monday, 22nd July, 2013 at 11.00 a.m. at the Ground Floor, Advance Business Park, Opp. Swaminarayan Temple, Shahibaug, Road, Ahmedabad – 380004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2013 and Profit and Loss Account for the year ended on that date and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Phulchand Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. DHIREN SHAH & CO., Chartered Accountants, Firm Registration No.114633W, the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution unanimously:

“RESOLVED THAT Mr. Sundeep Agarwal, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice in writing under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention proposing Mr. Sundeep Agarwal as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and that his period of office shall be liable to determination by retirement of Directors by rotation.”

For and on behalf of the Board

Place: Ahmedabad
Date: 27th June, 2013

PHULCHAND AGARWAL
CHAIRMAN

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 and the Proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before commencement of the meeting.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed herewith.
3. The Register of Members and Share Transfer Book of the Company will remain closed from Tuesday, 16th July, 2013 to Monday, 22nd July, 2013 (Both days inclusive).
4. Any member requiring further information on accounts at the meeting is requested to send the queries in writing so as to reach the Registered Office of the Company at least two days before the meeting.
5. The members are requested to notify change of their address, if any, to the Company at the Registered Office or to the Company's Share Transfer Agents viz. M/s Sharepro Services (India) Private Limited, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380006.
6. Across the world, there is an increasing focus on doing our share to help save our environment from further degradation. Recognizing this trend, the Ministry of Corporate Affairs (vide circular nos.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed Companies to share documents / notices (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc) with its Shareholders through an electronic mode. A summarised Statement as required is enclosed and form part of the Annual Report. The move of the Ministry allows public at large to contribute to the green movement.

To support this Green initiative of the Government in full measure, Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Shareholders holding Shares in electronic form can avail the said facility by registering/ changing the E-mail address with the Depository through their concerned Depository Participants (DP) and forward the same to Company's Registrar i.e SHAREPRO SERVICES (I) PRIVATE LIMITED, 416-420, DEVNANDAN MALL, OPP. SANYAS ASHRAM, ELLISBRIDGE, AHMEDABAD – 380006

Shareholders holding Shares in physical form can also avail the said facility by filling the information of E-mail etc. to Company's Registrars, i.e. SHAREPRO SERVICES (I) PRIVATE LIMITED at the address mentioned above.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

Mr. Sundeep Agarwal was appointed as an Additional Director with effect from January-2013 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 139 of the Articles of Association of the Company.

A notice under Section 257 of the Companies Act 1956 has been received from a Member signifying his intention to propose the name of Mr. Sundeep Agarwal for appointment as a Director of the Company.

Mr. Sundeep Agarwal, aged 38 years, Indian National, is a B.Com. (Hons.), CA, CS and CFA with over 15 years of experience including 5 years in the Real Estate Sector.

Mr. Sundeep has a keen acumen and deep understanding for Business Development with a pronounced skill for resolving any issues which might hinder the business growth. Mr. Sundeep has provided effective leadership and is on Board of many other Companies besides being an Executive in a Real Estate Company.

In view of his rich and vast experience and distinguished career, the appointment of Mr. Sundeep Agarwal as a Director of the Company would be in the best interest of the Company.

None of the Directors of your Company are interested either directly or indirectly in the resolution except Mr. Sundeep Agarwal, himself.

Your Directors recommend the resolutions as set out at Item Nos. 4 of the Notice for your approval.

Place: Ahmedabad
Date: 27th June, 2013

For and on behalf of the Board
PHULCHAND AGARWAL
CHAIRMAN

DIRECTORS' REPORT

To,
The Members,
ADVANCE LIFESTYLES LIMITED
Ahmedabad

Your Directors have pleasure in presenting herewith the **24th Annual Report** together with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

The highlights of Financial Results of the Company for the financial year ended 31st March, 2013 are as under:

Particulars	(Rs. in lacs)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Total Income	1082.48	1169.29
Depreciation	1.96	1.91
Profit / (Loss) before Tax	30.20	(39.24)
Ex-gratia provision written back	NIL	2.28
Profit / (Loss) after Taxation	24.35	(36.96)
Profit / (Loss) brought forward from last year	(46.45)	(9.49)
Balance Profit / (Loss) carried forward to Balance Sheet	(22.01)	(46.45)

OPERATIONS AND FUTURE PLANS:

During the year under review, the Company has earned a pre-tax Profit of 30.20 lacs as against a loss of Rs.39.24 lacs (Previous Year) This has been achieved by controlling the employees' cost, bringing about reduction in Project Expenses in spite of reduction in revenue.

(As already reported last year, the Company has selected Real Estate Sector amongst various business opportunities across sectors.)

The Financial Year 2012-13 had been a challenging one for Indian economy. Started on a positive note, it got bogged down as the monetary tightening continued to arrest the inflationary pressures. The estimated India's Gross Domestic Product (GDP) growth is to be 6.1% during the financial year 2012-13, which is far lower than expected. The extensive efforts by Govt of India and RBI to check inflation do not show desired results with weakening of Indian rupee against US \$. However, the second half of 2013 may see growth in all sectors including the real estate sector.

As regards, residential housing sector is concerned, the Finance Ministry has urged for price correction in view of large no. of unsold houses in Metros. Increase in the cost of inputs at a stable rate on one hand and reduction in sales price on the other hand bring pressures on margins and profits of developers. Rampant shortage of skilled workforce at all levels, lack of availability of serviced urban lands, absence of single window approval system, slow reforms and unavailability / sluggish

pace of growth in infrastructure ultimately do not show a bright picture.

Your Company, therefore, did not venture any new project during the Year and accordingly, the Financial Results do not show any improved figures of turnover, reduction in expenditure or curtailment of losses as expected during 2012-2013. However, no efforts will be spared to snatch if any right opportunity in other sectors to improve performance is there.)

(As for the long term planning, the Company is exploring revenues from Schemes for affordable housing coupled with slum rehabilitation policies of the State Govt. as also contemplating to set up a Textile Unit).

DIVIDEND:

Due to the inadequate profit and brought forward losses, the Directors do not recommend any dividend.

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 both dated 11.2.2008, the Company has received resignations from 19 workers till 31.03.2013.

SUBSIDIARY COMPANIES:

During the Year under review, three new Companies have become Subsidiary Companies, by virtue of shareholdings therein, as under:

ADVANCE INFRASPACE PRIVATE LIMITED(AIPL) - from: July-2012

ADVANCE SPACELINK PRIVATE LIMITED(ASPL) - from: September-2012

GRANT INFRASTRUCTURE PRIVATE LIMITED(GIPL) - from: October-2012

The Members are informed that with transfer of shareholding in/change in ownership of AHMEDABAD LIFESPACE PRIVATE LIMITED, the said Company ceased to be a Subsidiary Company.

After the Financial Year under review, your Directors have decided to disinvest and sell the shareholdings in two of these Subsidiaries (AIPL & ASPL) and as such they will cease to be the Subsidiary from the date of such transfer of holdings.

As per the General Circular No.1/2011 dated 8.2.2011 issued by the Ministry of Corporate Affairs, Govt of India, a Consolidated Statement of the subsidiary companies viz. AIPL, ASPL & GIPL showing the required details for the period from 01.04.2012 to 31.03.2013 is attached to and forms part of this Annual Report and hence furnishing other documents as per Section 212 of the Companies Act, 1956 is exempted. Any member desirous of having full Annual Report of the said subsidiary Companies may write to the Registered Office of the Company and a copy of such Report will be sent by post.

CONSOLIDATED FINANCIAL STATEMENTS:

As stipulated by Clause 32 of Listing Agreement with Stock Exchanges, Consolidated Financial Statements of the Company and its Subsidiary Companies namely AIPL, GIPL & ASPL for the year ended 31st March, 2013 have been prepared by the Company in accordance with the requirements of Accounting Standard – 21 “Consolidated Financial Statements” and Accounting Standard – 23 “Accounting for investments in Associates” issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements form part of the Annual Report.

CORPORATE GOVERNANCE:

The Company has taken necessary measures to comply with the Listing Agreement with the Stock Exchanges including revised Clause 49 regarding Corporate Governance. A separate report on corporate Governance for the year ended on 31st March, 2013 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 revised Clause 49 of Listing Agreement is obtained by the Company and annexed to the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of The Companies Act, 1956 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, 2013 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the Directors have prepared the annual accounts of the Company on a going concern basis.

COMPLIANCE OF SEBI DIRECTIVES AND LISTING AGREEMENT:

As per SEBI directives and amended provisions of Listing Agreement, there should be a minimum of 25 % public shareholding in every listed Company. To comply with the said directions and provisions, after the close of the Financial Year under review, the Promoters made two attempts to reduce their own shareholding through Offer for Sale through Stock Exchange and the Public Shareholding has reached to 25 % now.

CONSERVATION of ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

Provisions of the Section 217 (e) of The Companies Act, 1956 for disclosure of information on Conservation of Energy and Technology Absorption are presently not applicable to the Company. There is 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 217 (2A) of The Companies Act, 1956 read with Companies (Particulars of Employees Rules, 1975) as amended and hence no information is furnished thereto.

DIRECTORS:

Shri Phulchand Agarwal, Director is liable for retirement by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment as Director. Except Shri Phulchand Agarwal, himself, no other Director is interested in his appointment.

Shri Sundeep Agarwal, has been inducted in the Board of Directors as Additional Director from January-2013. Necessary resolutions have been placed for your approval.

The Board has placed on record their appreciation for the contribution made and services rendered by Shri S D Vyas, as a Director during 29.5.2012 to 23.1.2013.

CERTIFICATE UNDER SECTION 383 A OF THE COMPANIES ACT,1956:

A Certificate under Section 383 A of the Companies Act, 1956 issued by Practising Company Secretary is attached and forms part of this Report.

AUDITORS' OBSERVATIONS:

The observations made by the auditors are self explanatory and are dealt with in the notes to the accounts.

AUDITORS:

Auditors of the Company M/s Dhiren Shah & Company, Chartered Accountants, Ahmedabad retire at the ensuing Annual

General Meeting and being eligible, offers themselves for re-appointment.

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

Place: Ahmedabad

PHULCHAND AGARWAL

Date: 27th June, 2013

CHAIRMAN

ANNEXURE TO THE REPORT OF BOARD OF DIRECTORS

ASHISH C. DOSHI

Company Secretary

COMPLIANCE CERTIFICATE

To
The Members
ADVANCE LIFESTYLES LIMITED
(Formerly known as The Ahmedabad Advance Mills Ltd)
Ahmedabad

I have examined the registers, records, books, and papers of ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Ltd) (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company as well as their Registrar and Share transfer Agents, its officers and agents, I certify that in respect of the aforesaid financial year:

1. the company has kept and maintained all registers as stated in the Annexure "A" to this certificate, as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. the company has filed forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time with normal filing fees and in case of late filing with additional fees prescribed under the Act and the rules made there under.
3. the company being a limited company, restrictive provisions applicable to private limited company are not applicable and therefore comments are not required.
4. the Board of Directors duly met 4 (Four) times on 29/05/2012, 13/08/2012, 08/11/2012 and 14/02/2013, in respect of which meetings, the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.
5. the company closed its Register of Members and Share Transfer Books from 20/09/2012 to 28/09/2012 (both days inclusive) as required under the provisions of Section 154 of the Act.
6. the Annual General Meeting for the financial year ended on 31/03/2012 was held on 28/09/2012 and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. no Extra Ordinary General Meeting was held during the financial year.
8. the company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act However, the company has advanced inter corporate loans to the companies under the same management as reported in the Related Party Transactions in the Audited Balance sheet subject to compliance of law by the company.
9. the company has not entered into transactions falling within the provisions of section 297 of the Act in respect of contracts specified in that section.
10. the company has made necessary entries in the register maintained under section 301 of the Companies Act, 1956 where ever required for the transactions entered into by the company u/s 299 of the Companies Act, 1956.
11. there were no instances requiring approval under section 314 of the Act.
12. the company has appointed registrar and Share transfer Agents and all applications for issuance of duplicate share certificates are being dealt with by the said agents during the financial year.
13. the company :
 - (i) and its R & T agents had generally delivered all the certificates on lodgment thereof for transfer, transmission or any other purpose in accordance with the provisions of the Act as informed by R & T Agents of the company;
 - (ii) has not deposited any amount of dividend in a separate bank account as no dividend was declared;
 - (iii) has not paid/posted any divided warrants as no dividend was declared and therefore there was no question of transferring unclaimed/unpaid dividend to unpaid Dividend Account;
 - (iv) there being no unpaid dividends, application money, due for refund, matured deposits, matured debenture and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years, there was no occasion to transfer any such amounts to Investor Education and Protection Fund.

14. the Board of Directors of the company is duly constituted.
15. the Company has not appointed any Managing Director during the year under review.
16. the Company has not appointed any sole selling agents during the year.
17. The company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. the company has not issued any securities during the financial year.
20. the company has not bought back any shares during the year under review.
21. the company has not redeemed any preference shares or debentures during financial year.
22. the company wherever necessary generally keeps in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. the company has not invited/accepted any deposits from public falling within purview of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975.
24. the amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31/03/2013 is/are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual general meeting.
25. the company has given inter corporate loans and made inter corporate investments, or given guarantees or provided securities to other Bodies Corporate which is within limits prescribed in section 372A of the Act.
26. the Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum of Association with respect to the Objects of the company during the year under scrutiny.
28. the Company has not altered the provisions of Memorandum of Association with respect to the name of the company during the year under scrutiny.
29. the Company has not altered provisions of Memorandum of Association with respect to the Share Capital of the company during the year under scrutiny.
30. the Company has not altered Articles of Association during the year under scrutiny.
31. no prosecutions were initiated against the company and no show cause notices were received by the company for alleged offences under the Act and no fines, penalties and punishments were imposed on the company in any cases as informed by the management.
32. the company has not received any amount as security from its employees during the year under certification and therefore was not required to deposit as per provisions of section 417(1) of the Act.
33. the Company had not deposited both employees and employers contributions to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place: AHMEDABAD
Date : 27/06/2013

SIGNATURE: **Sd/-**
NAME OF COMPANY SECRETARY: **ASHISH C DOSHI**
C.O.P. NO.: **2356**

Annexure A

Registers maintained by Company.

Sr. No.	Section	Name of the Register
1	108	Share Transfer Register (in electronic form)
2	143	Register of Charges
3	150	Register of Members (in electronic form)
4	151	Index of Members
5	193	Minutes of Meeting of Board of Directors
6	193(1)	Minutes of General Meetings
7	301	Register of Contracts (Companies and Firms in which directors are interested)
8	303	Register of Directors
9	307	Register of Director's Shareholding
10.	372A	Investments in securities of other bodies Corporate and Guarantees given.

Annexure B

Forms and returns as filed by the company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial Year under review.

Sr. No.	Description of the Document	Section	Particulars of Form/Return	Date of filing and ROC Receipt No.
01	Appointment of Mr. Somdatta Amardatta Vyas as Additional Director w.e.f. 29/05/2012	303	Form-32	857205866 10/09/2012
02	Change of Registered Office within local limits of the City, Town or Village	146	Form-18	25/09/2012 858286212
03	Information by Auditor to the Company	224(1) (a)	Form-23B	08/10/2012
04	Registration of Resolutions	192	Form-23	860911393 31/10/2012
05	Change in Designation of Mr. Somdatta Amardatta Vyas as Director w.e.f. 28/09/2012	303	Form-32	860907219 31/10/2012
06	Appointment of Mr. Sundeep Agarwal as Additional Director w.e.f. 10/01/2013	303	Form-32	17/01/2013 866075441
07	Resignation of Mr. Somdatta Amardatta Vyas as Director w.e.f. 10/01/2013	303	Form-32	23/01/2013 866346552
08	Annual Return as on 28/09/2012 in Schedule V	159	Form-20B	006497408 08/02/2013
09	Resignation of Mrs. Binal Gandhi as Company Secretary of the Company	303	Form-32	870088828 13/03/2013

Place: AHMEDABAD
Date : 27/06/2013

SIGNATURE: **Sd/-**
NAME OF COMPANY SECRETARY: **ASHISH C DOSHI**
C.O.P. NO.: **2356**

CERTIFICATE

The Members of
Advance Lifestyles Limited,
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by **Advance Lifestyles Limited**, for the year ended on **31st March, 2013**, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the Listing Agreement.

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

For **Dhiren Shah & Co.**,
Chartered Accountants
Firm Registration No. 114633W

Place: Ahmedabad

Date : 13th June 2013

Dhiren Shah
Proprietor
Membership No. 35824

CORPORATE GOVERNANCE REPORT

(2012-2013)

The Company is committed to doing business in an efficient, responsible, honest and ethical manner. Good Corporate Governance goes beyond compliance and involves a Companywide commitment. This commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence and in the best interests of all the stakeholders, in particular shareholders, employees and customers in a balanced fashion with long term benefits to all.

1. Board of Directors:

a) Composition and category of Directors:

The Board of Directors of the Company consists of Four Directors. The composition and the category of Directors are as under:

Names of the Directors	Category
Shri Phulchand Agarwal	Chairman and Managing Director
Shri S. Srinivasan	Non-Executive / Independent
Shri M.S. Bhardwaj	Non-Executive / Independent
Shri Sundeep Agarwal	Director

No. of Board Meetings:

FIVE Meetings of the Board of Directors, were held during the year 2012-2013 on the following dates:

29.5.2012, 13.08.2012, 08.11.2012, 10.01.2013 and 14.02.2013.

b) Attendance of Directors at Board Meetings and the last Annual General Meeting.

Name of the Directors	Category	Dates of Board Meetings and attendance	Dates of General Meeting and attendance
Shri S. Shrinivasan	Non-Executive / Independent	13.08.2012 and 08.11.2012	28.09.2012 Attended
Shri M.S. Bhardwaj	Non-Executive / Independent	29.05.2012 and 13.08.2012	28.09.2012 Attended
Shri Phulchand Agarwal	Chairman and Managing Director	29.05.2012, 13.08.2012, 08.11.2012, 10.01.2013 and 14.02.2013	28.09.2012 Attended
Shri S.D. Vyas	Non-Executive / Independent	29.5.2012 and 10.01.2013	Ceased to be a Director
Shri Sundeep Agarwal	Director	14.02.2013 and 10.01.2013	Joined as Director from January-2013.

Category	Name of the Directors	Name of Other Directorships	No. of Memberships of other Board Committees	No. of other Board / Committees of which the Director is a Chairperson
Chairman and Managing Director	Shri Phulchand Agarwal	1	1 (Audit)	–
Non-Executive Director / Independent	Shri S. Shrinivasan	3	2 (Audit)	1
Non-Executive Director / Independent	Shri M.S. Bhardwaj	1	1 (Audit)	–
Director	Shri Sundeep Agarwal	3	–	–

The Audit Committee was constituted during the year 2004-2005 in view of the requirements of SEBI Regulations comprising two independent Directors and the Managing Director.

The terms of reference of the Audit Committee are:

- a) To review financial statements and pre-publication announcements before submission to the Board;
- b) To ensure compliance of internal control systems and action taken on internal audit reports;
- c) To apprise the Board on the impact of accounting policies, accounting standards and legislation;
- d) To hold periodical discussion with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.

2. Meetings of Management Audit Committee:

During the year, four meetings of Management Audit Committee were conducted on 29.5.2012, 13.08.2012, 08.11.2012 and 14.02.2013 as per Clause 49 of the Listing Agreement.

Names of the Directors	Category	Dates of Committee Meetings and attendance
Shri S. Shrinivasan	Chairman, Non-Executive / Independent	13.08.2012 and 08.11.2012
Shri M.S. Bhardwaj	Non-Executive	29.05.2012 and 13.08.2012
Shri Phulchand Agarwal	Chairman and Managing Director	29.05.2012, 13.08.2012, 08.11.2012, 10.01.2013, 14.02.2013
Shri Sundeep Agarwa;	Director	14.02.2013 and 10.01.2013

3. Shareholders' Grievance Committee:

Names of the Directors	Category	Dates of Committee Meetings and attendance
Shri S. Srinivasan	Chairman, Non-Executive / Independent	13.08.2012 and 08.11.2012
Shri M.S. Bhardwaj	Non-Executive / Independent	29.05.2012 and 13.08.2012

The Shareholders' Grievance Committee was constituted during the year 2004-2005 in view of the requirements of SEBI Regulations comprising two Directors of the Company.

A meeting of the shareholders' grievance committee was held on 29.5.2012, 13.08.2012, 08.11.2012 and 14.02.2013 where members of the committee were present. It was reported in the meeting that no complaint was received.

To expedite the process of Share Transfers, the board has delegated powers of Share Transfers to Share Transfer Agents and they are attending to the share transfer formalities at least once in a fortnight.

4. Details of Remuneration paid to Directors:

Sr. No.	Name of the Directors	Relationship with other Directors	Sitting Fee for Board & Committee Meetings	Salary / Perquisites & Commission
1.	Shri S. Srinivasan	NIL	Rs. 12,000/-	NIL
2.	Shri M.S. Bhardwaj	NIL	Rs. 6,000/-	NIL

5. General Body Meetings:

Year	AGM	Location	Date	Time
2009-10	21 st	Registered Office	31.07.2010	11.00 a.m.
2010-11	22 nd	Registered Office	22.09.2011	11.00 a.m.
2011-12	23 rd	Registered Office	28.09.2012	11.00 a.m.

6. Disclosures:

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

In terms of Section 299 (3) of the Companies Act, 1956, the General Notices of disclosure of interest are obtained from the Directors and accordingly, the Register of Contracts under Section 301 of the Companies Act, 1956 is tabled and signed.

- (b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Equity Shares are listed for trading on the floor of Bombay Stock Exchange.

No strictures and penalties have ever been imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities, on matters related to capital markets. The scrip is in-active.LTP is Rs. 44.70.

The company was required to achieve minimum public shareholding (MPS) of 25% till 03.06.2013. For the said compliance, the promoters had attempted Offer for sale (OFS) method to comply with the provision but due to insufficient response of the public, the company could not achieve the MPS.

In the meantime, the Company was issued Mails, Reminders and Warnings, Show Cause Notice from SEBI / BSE with regard to maintaining Minimum Public Shareholding of 25 %, The Promoters made 2nd attempt by way of Offer For Sale (OFS) and have now reduced their shareholding to 75 %.

7. Means of Communication:

Quarterly/Half Yearly Financial Results of the Company are forwarded to the Ahmedabad and Mumbai Stock Exchanges as and when taken on record by the Board and Audit Committee. The Company has its website www.advance.net.in and all the relevant financial information has been displayed on the same.

8. Management Discussion and Analysis Report:

Overall Review, Industry Structure and Developments

(In spite of high expectations, the year under review faced problems of high inflation, slower industrial growth in all sectors resulting into lower demand and high costs. The management therefore adopted a conservative approach and did not venture any new projects during the year under review. However, the management will grab opportunities, in other Sectors.)

Opportunities and Threats

Gujarat offers tremendous business opportunities in real estate and infrastructure sector mainly on account of proactive and business friendly government policies, enterprising public and excellent infrastructure. Real Estate business is highly susceptible to changes in external environment viz. interest rates, government policies, economic scenario etc.

Segment wise Performance

During the year under review, the Company was engaged in trading in clothes and continued its activities in real estate development already taken up.

Outlook

The company is looking forward for new opportunities in textile sector. With the new entrant of Multi nationals in and around Ahmedabad, overall business environment should become favourable.

Internal Control System

We have availed the services of Chartered Accountant for carrying out internal audit and internal control of systems followed by the Company.

Human Relations

As the business activities will increase in the coming years, the company will employ more people. The Company was a Sick Unit and was discharged from BIFR in June 2006.

Caution

From the prevailing business environment, it is felt to keep the external debts low since servicing of principals by payment of interest will not be prudent. Financial resources would be utilised conservatively and would be used only in projects with higher and faster returns.

DEVELOPMENT AFTER THE CLOSE OF THE FINANCIAL YEAR:

As per SEBI directives and amended provisions of Listing Agreement, there should be a minimum of 25% public shareholding in every listed Company. To comply with the said directions and provisions, **after the close of the Financial Year**, the Promoters made two attempts to reduce their own shareholding through Offer for Sale through Stock Exchange and now the Public Shareholding has reached to 25%.

9. General Shareholder Information:

1.	Registered Office	F.F.21-22, Advance Plaza, Shahibaug Road, Outside Delhi Gate, Ahmedabad-380004
2.	Date, Time and Venue of the 24 th Annual General Meeting (AGM)	23 rd July, 2013 at 11.00 a.m. at Ground Floor, Advance Business Park, Opp. Swaminarayan Temple, Shahibaug Road, Ahmedabad-380004.
3.	Dividend for F.Y. 2012-2013	NIL
4.	Book Closure Date	16.07.2013 to 22.07.2013 (Both days inclusive)
5.	Financial Calendar Financial Reporting for Quarter ending June 30, 2013 Quarter ending Sept. 30, 2013 Quarter ending Dec. 31, 2013 Year ending March, 31, 2014	First week of August, 2013 First week of November, 2013 First week of February, 2014 Last week of May, 2014
6.	The equity shares of Rs. 10/- each are listed at	Ahmedabad Stock Exchange Kamdhenu, Panjara Pole, Ahmedabad-380015 Bombay Stock Exchange Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001
7.	Listing Fees	Listing Fees have been paid for both the Stock Exchanges for 2012-2013
8.	Stock Market data	BSE-Listed w.e.f. 1 st October, 2012 ASE-No trade has taken place
9.	Stock Exchange Security Code and other related information	
	Bombay Stock Exchange Limited	521048
	Ahmedabad Stock Exchange Limited	02000
10.	Corporate Identification Number (CIN)	L17110GJ1988PLC011139

Distribution of Shareholding as on 31st March, 2013:

No. of Equity Shares Held	31 March, 2013			31 March, 2012		
	No. of Shares	No. of Share-holders	% of Share-holders	No. of Shares	No. of Share-holders	% of Share-holders
1 – 500	407833	6612	13.11	406557	6602	13.06
501 – 1000	86794	123	2.79	86917	123	2.79
1001 – 2000	37653	27	1.21	36153	26	1.16
2001 – 3000	23216	10	0.75	25616	11	0.83
3001 – 4000	7800	2	0.25	7800	2	0.25
4001 – 5000	32460	7	1.04	32460	7	1.04
5001 – 10000	19032	2	0.61	19032	2	0.61
10001 & above	2498087	6	80.25	2498340	6	80.25
Total	3112875	6789	100.00	3112875	6779	100.00

10. Dematerialization of Shares:

The Shares of the Company are already approved by the National Securities Depository Limited (NSDL), Mumbai for dematerialization and the ISIN No. allotted to the company is **INE900E01015**. The shares are also approved by Central Depository Services (India) Limited (CDSL) with ISIN No. **INE900E01015**. The promoters' shareholding has been dematerialised before 31st December, 2011.

a) Shareholding Pattern as on March 31, 2013

Category	No. of Shares held	Percentage of Shareholding
A. Promoters holding		
Individuals	168984	54.29
Bodies Corporate	77460	24.88
Foreign	NIL	NIL
Total Promoter's Shareholding (A)	246445	79.17
B. Public Shareholding		
Financial Institutions / Banks	265	0.01
Insurance Companies	238	0.01
Sub-Total (B)(1)	503	0.02
Bodies Corporate	3987	1.28
Individuals-		
I. Individual Shareholders holding	60804	19.53
Sub-Total (B)(2)	64791	20.81
Total Public Shareholding (B)	64842	20.83
GRAND TOTAL (A) + (B)	311287	100.00

CEO CERTIFICATION

The Board of Directors
Advance Lifestyles Limited
F.F. 21-22, Advance Plaza,
Shahibaug, Ahmedabad – 380004

Certification of Financial Statements for the year 2012-2013

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 31.03.2013 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 31.03.2013 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.

Place: Ahmedabad
Date : 27th June, 2013

Phulchand Agarwal
Chairman and Managing Director

Independent Auditor's Report

To the Members of
Advance Lifestyles Limited.

Report on the Financial Statements:

We have audited the accompanying financial statements of Advance Lifestyles Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013 the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the

manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Place: Ahmedabad
Date: 13-06-2013

Dhiren Shah
(Partner)
Membership No. : 035824

**The Annexure referred to in paragraph 1 under the heading of “Report on
Other Legal and Regulatory Requirements” of our Report of even date**

1. In respect of its Fixed Assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) The Company has given unsecured loans to 3 subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs. 57.12 Crores and the year end balance is Rs. 57.12 Crores.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company are, prima facie, not prejudicial to the interest of the Company.
 - (c) As per the information and explanations give to us, there are no stipulation for receipt of principal amount of loans or interest. However, the Company is charging the interest at the year end.
 - (d) Since, there are no stipulations in respect of receipt of principal amount of loans, we are not in a position to comment whether any amount is over due or not.
 - (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken unsecured loans from 2 companies listed in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs. 100.42 Crores and the year end balance is Rs. 16.85 Crores.
 - (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company are, prima facie, not prejudicial to the interest of the Company.
 - (g) As per the information and explanations give to us, there are no stipulation for repayment of principal amount of loans or interest. However, the Company is accounting the interest at the year end.
 - (h) Since, there are no stipulations in respect of repayment of principal amount of loans, we are not in a position to comment whether any amount is over due or not.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. In our opinion and according to the information and explanations given to us, the Company has not carried out any contract or arrangements referred to in Section 301 of the Companies Act, 1956. Hence, Clause 4(v) of the Order is not applicable to the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. Company’s internal audit is carried out by a Chartered Accountant. In our opinion and according to the information & explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.

8. In our opinion and according to the information and explanations given to us, the cost records as prescribed under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 have not been maintained by the Company during the period, as there was no manufacturing activity except trading of cloth and property development activities.
9. In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess other statutory dues to the extent applicable have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty.
10. In our opinion, there are accumulated losses at the end of the financial year. The Company has not incurred cash loss during the financial year covered by the audit but in the immediately preceding financial year, the Company has incurred cash losses.
11. The Company has not taken loan from bank or financial institutions and has also not issued debenture. Hence, clause 4(xi) of the Order is not applicable to the Company.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Order is not applicable to the Company.
14. According to information and explanations given to us, the Company is not dealing in or trading in Shares, securities, debentures and other Investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. The Company has not taken any term loan during the Year under audit. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Place: Ahmedabad
Date: 13-06-2013

Dhiren Shah
(Partner)
Membership No. : 035824

Balance Sheet as at 31st March 2013

Particulars		Note No.	As At 31.03.2013	As At 31.03.2012
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	1	31,128,750	31,128,750
	(b) Reservers and surplus	2	26,762,161	24,317,532
	(c) Money received against share warrants		–	–
			57,890,911	55,446,282
2	Share application money pending allotment			
3	Non-current liabilities			
	(a) Long-term borrowings	3	707,239,462	1,087,346,837
	(b) Deferred tax liabilities (net)		–	–
	(c) Other long-term liabilities	4	1,934,576	25,247,287
	(d) Long-term provisions	5	680,000	680,000
			709,854,038	1,113,274,124
4	Current liabilities			
	(a) Short-term borrowings			
	(b) Trade payables	6	2,038,003	14,311,161
	(c) Other current liabilities	7	8,282,486	9,432,609
	(d) Short-term provisions	8	43,511,248	46,259,419
			53,831,737	70,003,189
	TOTAL		821,576,686	1,238,723,595
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	1,974,299	2,112,479
	(ii) Intangible assets		–	–
	(iii) Capital work-in-progress		–	–
	(iv) Intangible assets under development		–	–
	(v) Fixed assets held for sale		–	–
			1,974,299	2,112,479
	(b) Non-current investments	10	10,594,947	99,990
	(c) Deferred tax assets (net)		–	–
	(d) Long-term loans and advances	11	781,772,677	1,174,618,433
	(e) Other non-current assets		–	–
			792,367,624	1,174,718,423
2	Current assets			
	(a) Current investments		–	–
	(b) Inventories	12	1,424,943	29,653,672
	(c) Trade receivables	13	–	10,731,828
	(d) Cash and cash equivalents	14	4,020,883	320,125
	(e) Short-term loans and advances	15	21,788,936	21,187,068
	(f) Other current assets		–	–
			27,234,762	61,892,693
	TOTAL		821,576,686	1,238,723,595
	Significant Accounting Policies & Notes on Accounts.	“26”		

As per our report of even date attached herewith.

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

For and on behalf of the Board of Directors

Dhiren Shah
Partner
Memb. No. 035824

Sd/-
Managing Director

sd/-
Director

Place : Ahmedabad
Date : 13-06-2013

Place : Ahmedabad
Date : 13-06-2013

Statement of Profit and Loss for the year ended 31.3.2013

Particulars		Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
A	COUNTING OPERATIONS			
1	Revenue from operations (gross)	16	5,061,260	11,245,530
	Less: Excise duty		-	-
	Revenue from operations (net)		5,061,260	11,245,530
2	Other income	17	103,197,575	105,683,705
4	Total revenue (1+2+3)		108,258,835	116,929,235
5	Expenses			
	(a) Cost of materials consumed		-	-
	(b) Purchases of stock-in-trade	18	610,954	14,515,112
	(c) Direct Expenses	19	277,562	2,379,423
	(d) Indirect Expenses	20	5,689,750	4,513,109
	(e) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(3,691,002)	(15,829,293)
	(f) Employee benefits expense	22	1,008,954	4,646,165
	(g) Finance costs	23	97,993,149	108,834,480
	(h) Depreciation and amortization expense	9	196,980	191,297
	(i) Other expenses	24	3,152,859	1,603,159
	Total expenses		105,239,206	120,853,452
6	Profit / (Loss) before exceptional and extraordinary items and tax (4-5)		3,019,629	(3,924,217)
7	Exceptional items	25	-	227,950
8	Profit / (Loss) before extraordinary items and tax (6 + _ 7)		3,019,629	(3,696,267)
9	Extraordinary items		-	-
10	Profit / (Loss) before tax (8 + _ 9)		3,019,629	(3,696,267)
11	Tax expense:			
	(a) Current tax expense for current year		575,000	-
	(b) Deferred tax		-	-
			575,000	-
12	Profit / (Loss) from continuing operations (10 + _ 11)		2,444,629	(3,696,267)
B	DISCONTINUING OPERATIONS			
12.i	Profit / (Loss) from discontinuing operations (before tax)		-	-
13	Profit / (Loss) from discontinuing operations (12.i)		-	-
14	Profit / (Loss) for the year (12 + _ 14)		2,444,629	(3,696,267)
15.i	Earnings per share (Of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations		0.78	(1.19)
	(ii) Total operations		0.78	(1.19)
	(b) Diluted			
	(i) Continuing operations		0.78	(1.19)
	(ii) Total operations		0.78	(1.19)
15.ii	Earnings per share (excluding extraordinary items) (of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations		0.78	(1.19)
	(ii) Total operations		0.78	(1.19)
	(b) Diluted			
	(i) Continuing operations		0.78	(1.19)
	(ii) Total operations		0.78	(1.19)
	Significant Accounting Policies & Notes on Accounts.	"26"		

In terms of our report attached.

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

Dhiren Shah
Partner
Memb. No. 035824

Place : Ahmedabad
Date : 13-06-2013

For and on behalf of the Board of Directors

sd/-
Managing Director

sd/-
Director

Place : Ahmedabad
Date : 13-06-2013

Cash Flow Statement for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items but after tax		2,444,629		(3,696,267)
Adjustments for:				
Depreciation and amortization	196,980		191,297	
Finance costs	97,993,149		104,223,016	
Interest income	(99,887,3061)		(105,649,225)	
Profit on sale of investment	(3,309,669)			
Liabilities / provisions no longer required written back	101,204		(262,430)	
Operating profit / (loss) before working capital changes		(4,905,642)		(1,497,342)
Changes in working capital:		(2,461,013)		(5,193,609)
Adjustments for (increase) / decrease in operating assets:				
Inventories	28,228,729		(15,829,293)	
Trade receivables	10,630,624		(10,730,828)	
Long-term loans and advances	396,224,314		(972,071,931)	
Short-term loans and advances	(601,868)		(29,087)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(12,273,158)		13,848,525	
Other current liabilities	(1,150,123)		8,772,178	
Other long-term liabilities	(23,312,711)		19,637,529	
Long-term provisions	0		0	
Short-term provisions	(2,748,171)		(5,563,378)	
		394,997,636		(961,966,286)
		392,536,623		(967,159,895)
Cash flow from extraordinary items		-		-
Cash generated from operations		392,536,623		(97,159,895)
Net income tax (paid) / refunds		(3,378,558)		10,757,937
Net cash flow from / (used in) operating activities (A)		389,158,065		(956,401,958)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(58,800)		(133,277)	
Profit on sale of investment	3,309,669			
Purchase of long-term investments				
- Subsidiaries	(10,494,957)		(10)	
Interest received				
- Subsidiaries	71,837,649		96,700,386	
- Others	28,049,657		8,948,839	
Net cash flow from / (used in) investing activities (B)		92,643,218		105,515,938
C. Cash flow from financing activities				
Proceeds from long-term borrowings (Net)	(380,107,375)		954,289,709	
Net increase / (decrease) in working capital borrowings	0		0	
Finance cost	(97,993,149)		(104,223,016)	
Net cash flow from / (used in) financing activities (C)		(478,100,524)		850,066,693
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		3,700,759		(819,327)
Cash and cash equivalents at the beginning of the year		320,125		1,139,452
Cash and cash equivalents at the end of the year		4,020,884		320,125
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		4,020,883		320,125
Cash and cash equivalents at the end of the year*				
*Comprises:				
(a) Cash on hand		26,075		74,570
(b) Balance with banks				
(i) In current accounts		570,032		230,438
(ii) In deposit accounts		15,117		15,117
(c) Cheques on Hand		3,409,659		
		4,020,883		320,125

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

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

Place : AHMEDABAD
Date : 13-06-2013

For and on behalf of the Board of Directors

Sd/-
Managing Director

Sd/-
Director

Place : AHMEDABAD
Date : 13-06-2013

Notes forming part of the financial statements

Note 1 Share Capital

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of Shares	(Rs.)	Number of Shares	(Rs.)
<u>(a) Authorised</u>				
Equity shares of Rs. 10/- each with voting rights	25,000,000	25,000,000	25,000,000	25,000,000
<u>(b) Issued</u>				
Equity shares of Rs. 10/- each with voting rights	3,112,875	31,128,750	3,112,875	31,128,750
	3,119,875	31,198,750	3,119,875	31,198,750
<u>(c) Subscribed and fully paid up</u>				
Equity shares of Rs. 10 each with voting rights	3,112,857	31,128,750	3,112,875	31,128,750
Total	3,112,875	31,128,750	3,112,875	31,128,750

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of shares held	% holding in that class of shares	Numbers of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. Phulchand Agarwal	1,182,652	37.99	1,182,652	37.99
Mr. Pradeep Agarwal	507,197	16.29	507,197	16.29
Phulchand Exports Pvt. Ltd.	708,613	22.76	708,613	22.76

(b) RECONCILIATION OF NO. OF SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR AND AT CLOSING OF THE YEAR

Particulars	31/03/2013		31/03/2012	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
At the beginning of the year	3,112,875	31,128,750	3,112,875	31,128,750
Add :				
Issued during the year	–	–	–	–
Outstanding at the end of the year	315,000	3,150,000	315,000	3,150,000

Note 2 Reserves and Surplus

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
(a) Capital reserve		
Opening balance	28,962,983	28,962,983
Add: Additions during the year	–	–
Less: Utilised / transferred during the year	–	–
Closing balance	28,962,983	28,962,983
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(4,645,451)	(949,184)
Add: Profit / Loss for the year	2,444,629	(3,696,267)
Amounts transferred from:		
General reserve	–	–
Other reserves	–	–
Closing balance	(2,200,822)	(4,645,451)
Total (a+b)	26,762,161	24,317,532

Notes forming part of the financial statements

Note 3 Long-term borrowings

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Loans and advances		
Unsecured:		
From Related Parties	168,491,743	989,263,549
From Inter corporate deposits	536,047,719	98,083,288
From others	2,700,000	–
Total	707,239,462	1,087,346,837

Note 4 Other long-term liabilities

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
(a) Trade Payables:	–	–
(b) Others:		
(i) Acceptances	–	20,000,000
(ii) Property Development	105,269	105,269
(iii) Other than Acceptances	1,829,307	5,142,018
Total	1,934,576	25,247,287

Note 5 Long-term provisions

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Other Long-Term Provisions		
Provision for Taxation (A.Y. 2007-08)	680,000	680,000
Total	680,000	680,000

Note 6 Trade payables

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Trade payables:		
Creditors for Traded Goods	641,501	14,040,002
Creditors for Expenses	1,396,502	271,159
Total	2,038,003	14,311,161

Note 7 Other current liabilities

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
(a) Other payables		
Statutory remittances		
Unpaid TDS	7,974,402	9,432,609
Service Tax Payable	303,887	–
VAT Payable	2,397	–
Professional Tax Payable	1,800	–
Total	8,282,486	9,432,609

Note 8 Short Tem Provisions

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Provisions for employee benefits:		
Gratuity	8,310,818	8,980,818
Other employee benefits	34,619,932	36,265,832
Expenses	5,498	1,012,769
Taxation Provision	575,000	–
Total	43,511,248	46,259,419

Note: Company's liability towards gratuity, retrenchment, compensation and other employees' benefits have been considered as current liability since the provision for the same has been made in past and are payable immediately on receipt of the resignations from the employees of the Textile Mill.

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Limited)

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2013

NOTE NO.- 9

FIXED ASSETS

NAME OF ASSET	RATE OF DEP	GROSS BLOCK				ACCUMALATED DEPRECIATION & IMPAIRMENT			NET BLOCK	
		AS ON 01/04/2012	ADDITION	SALES	AS ON 31/03/2013	AS ON 01/04/2012	DEPRECIATION FOR THE YEAR	AS ON 31/03/2013	AS ON 31/03/2013	AS ON 31/03/2012
TANGIBLE ASSETS										
Land	0%	181,489	-	-	181,489	-	-	-	181,489	181,489
Building	1.63%	961,747	-	-	961,747	323,761	15,676	339,438	622,309	637,986
Plant & Machinery	4.75%	393,844	-	-	393,844	130,490	18,708	149,198	244,646	263,353
Furniture & Fixtures	6.33%	741,488	-	-	741,488	277,167	40,808	317,975	423,513	464,321
Motor Car & Motor Cycle	9.50%	781,554	-	-	781,554	397,374	74,248	471,621	309,933	384,181
Computer	16.21%	396,543	58,800	-	455,343	215,394	47,540	262,934	192,409	181,149
TOTAL		<u>3,456,665</u>	<u>58,800</u>	<u>-</u>	<u>3,515,465</u>	<u>1,344,186</u>	<u>196,980</u>	<u>1,541,166</u>	<u>1,974,299</u>	<u>2,112,479</u>
PREVIOUS YEAR		<u>3,323,388</u>	<u>133,277</u>	<u>-</u>	<u>3,456,665</u>	<u>1,152,889</u>	<u>191,297</u>	<u>1,344,186</u>	<u>2,112,479</u>	<u>2,170,499</u>

NOTE:

DEPRECIATION ON THE ASSETS HAS BEEN PROVIDED AS PER THE STRAIGHT LINE METHOD IN ACCORDANCE WITH THE RATES SPECIFIED IN THE SCHEDULE XIV TO THE COMPANIES ACT 1956 AND ROUNDED OFF TO THE NEAREST RUPEE. DEPRECIATION ON ADDITION HAS BEEN PROVIDED ON PRO RATA BASIS.

Notes forming part of the financial statements

Note 10 Non-current investments

Particulars	As at 31 st March, 2013			As at 31 st March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Investments (At cost):						
<u>Investment in equity instruments</u>						
(i) of subsidiary						
9,999 (As at 31 st March, 2011 : 9,998) shares of Rs. 10 each fully paid up in Advance Lifespaces Pvt. Ltd.	-	-	-	-	99,990	99,990
9,999 shares of Rs. 10 each fully paid up in Advance Infraspaces Pvt. Ltd.	-	99,990	99,990	-	-	-
3,14,999 shares of Rs. 33 each fully paid up in Grand Infrastructure Pvt. Ltd.	-	10,394,967	10,394,967	-	99,990	99,990
9,999 shares of Rs. 10/- each fully paid up in Advance Spacelink Pvt. Ltd.		99,990	99,990			
Total		10,594,947	10,594,947		99,990	99,990

Note 11 Long-term loans and advances

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
<u>Loans and advances to related parties</u>		
<u>Unsecured, considered good</u>		
To Subsidiary Companies	571,231,349	969,102,485
To related parties	60,634,419	111,100,000
<u>Advance Income Tax</u>		
Tax Deducted as Sources	7,138,115	3,759,557
Balances with government authorities	149,284	149,285
Other loans and advances		
<u>Unsecured, considered good</u>		
(Advance recoverable in cash or		
in kind or for value to be received)	142,619,510	90,507,107
Total	781,772,677	1,174,618,433

Notes forming part of the financial statements

Note 12 Inventories

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
(a) Work-in-progress – Law Garden Project (Refer Note 12(a))	–	23,993,911
(b) Stock-in-trade (acquired for trading) Textile Fabric	–	4,234,818
(c) Stock-in-trade (acquired for trading) Shops	1,424,943	1,424,943
Total	1,424,943	29,653,672

Note 12(a) Working for Work-in-Progress

Law Garden Project

Expenditure	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Opening Work in Progress (a)	23,993,911	12,399,436
Allocated Project expenses		
Architect Fees	–	1,000,000
Bonus Payable	–	177,685
Books & Periodicals	–	15,789
Consulting Charges	–	816,766
Conveyance Allowance	–	46,110
Electricity Charges	9,805	17,482
Hotel Charges	–	84,450
Interest Expense	6,047,946	4,611,464
Legal Expenses	26,000	126,500
Legal and Professional fees	1,685,400	728,313
Petrol Expenses	1,500	336,162
Salary Expenses	–	2,647,995
Leave Traels Allowance	–	157,225
Medical Expenses	–	29,191
Travelling Expenses	44,300	402,129
Land Development Expenses	101,840	75,430
Security Charges	53,009	170,202
Office Maintenance Expenses	1,904	83,842
Repairs and maintenance of motor vehicles	–	24,090
Telephone Expenses	–	24,704
Postage, Printing and Stationery	–	18,945
Miscellaneous Expenses	10,000	–
Total Expenses Incurred for the Project (b)	7,981,704	11,594,475
Opening Work in Progress + Expense of the period	31,975,615	23,993,911
Less: Excess Salary Recovered (c)	(55,884)	–
Closing Work in Progress (a+b+c)	31,919,731	23,993,911
Less: Balance of Work in Progress transferred to Grant Infra. Pvt. Ltd. As on 01.10.2012 (d)	(31,919,731)	–
Net Closing Work in Progress transferred to Balance Sheet (a+b–c–d)	–	23,993,911

Note 13 Trade receivables

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Trade receivable outstanding for the period exceeding six months from the date they become due.	-	-
Unsecured Considered Good	-	-
Other Trade receivables	-	10,731,828
Unsecured Considered Good	-	-
Total	-	10,731,828

Note 14 Cash and cash equivalents

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
(a) Cash on hand		
-Cash on Hand (Ahmedabad)	2,080	28,075
-Cash on Hand (Workers)	23,995	46,495
Total (a)	26,075	74,570
(b) Balances with banks		
(i) In current accounts		
- Corporation Bank (CBCA01000412)	28,847	504,849
- Corporation Bank (CA0125110)	147,179	36,813
- Kotak Mahindra Bank (CA 6111234426)	83,039	-
- ING Vysya Bank (524011006273-Ahmedabad)	60,215	60,215
- Vysya Bank (5690-Mumbai)	250,752	(371,439)
(ii) In deposit accounts		
- Vysya Bank (Maharashtra VAT)	15,117	15,117
Total (b)	585,149	245,555
(c) Cheques on Hand	3,409,659	-
Total (c)	3,409,659	-
Total (a+b+c)	4,020,883	320,125

Note 15 Short-term loans and advances

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
<u>Loans and Advances</u>		
Unsecured, considered good		
Deposits	43,260	148,260
Prepaid expenses	6,033	9,801
Balances with government authorities	15,111	16,507
Advances for Property Purchase	21,000,000	21,000,000
Other Advances	724,532	12,500
Total	21,788,936	21,187,068

Notes forming part of the financial statements

Note 16 Trade receivables

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2013
	(Rs.)	(Rs.)
Sale of Yarn	650,478	513,702
Sale of Fabric	4,410,782	10,731,828
<u>Less:</u>		
Excise duty	-	-
Total	5,061,260	11,245,530

Note 17 Other income

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
(a) Other non-operating income:		
Sundry Balance Written Back		34,480
Total (a)	-	34,480
(b) Interest income comprises:		
<u>Interest from banks on:</u>		
Deposits	162,910	3,016
<u>Interest from Others:</u>		
Interest from Loans & Advances	99,724,396	104,878,645
Interest on income tax refund	-	767,564
Total (b)	99,887,306	105,649,225
(c) Profit on sale of Investment	3,309,669	-
(d) Miscellaneous Income	600	-
Total – Other non-operating income (a+b+c+d)	103,197,575	105,683,705

Notes forming part of the financial statements

Note 18 Purchases of traded goods

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2013
	(Rs.)	(Rs.)
Traded good Textile Yarn	6150,954	475,110
Textile Fabric	–	14,040,002
Total	610,954	14,515,112

Note 19 Direct Expenses

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Architect Fees	–	1,000,000
Consulting Charges	–	850,762
Designing Charges	21,550	22,750
Land Development Expenses	101,840	75,430
Power and Fuel	93,812	145,572
Rates and Taxes (Property Tax)	7,351	114,707
Security Charges	53,009	170,202
Total	277,562	2,379,423

Note 20 Indirect Expenses

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Advertisement Expenses	44,028	33,381
Books & Periodicals	880	20,350
Communication (Telephone, Internet & Postage)	114,236	174,026
Conveyance Expenses	58,118	109,626
Guest House Expenses	–	3,497
Guest House Rent	35,000	385,000
Insurance	12,572	11,627
Legal and Professional Expenses	5,056,163	2,285,920
Legal Expenses	67,122	199,489
Petrol Expenses	49,799	424,253
Plaza Maintenance Charges	31,306	28,768
Printing and Stationery	46,792	57,492
Repairs and Maintenance – Buildings (Office)	12,445	163,210
Repairs and Maintenance – Vehicles	54,067	45,145
Travelling and Conveyance	107,222	571,325
Total	5,689,750	4,513,109

Notes forming part of the financial statements

Note 21 Changes in inventories of Finished Goods work-in-progress and stock-in-trade

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
<u>Inventories at the end of the year:</u>		
Finished Trading goods – Textile Fabric	–	4,234,818
Work-in-Progress (Project)	–	23,993,911
Stock-in-Trade (Shops)	1,424,943	1,424,943
Total (a)	1,424,943	29,653,672
<u>Inventories at the beginning of the year:</u>		
Finished goods	4,234,818	–
Work-in-Progress (Project)	23,993,911	12,399,436
Less: WIP Transferred to Grant Infra. Pvt. Ltd. (Refer Note 12(a))	(31,919,731)	–
Stock-in-Trade (Shops)	1,424,943	1,424,943
Total (b)	(2,266,059)	13,824,379
Net increase / (decrease) (b – a)	(3,691,002)	(15,829,293)

Note 22 Employee benefits expense

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Salaries and Wages	814,966	3,497,658
Retrenchment Exp.	53,691	201,277
Exgratia Expenses	–	219,000
Gratuity Expenses	–	222,115
Staff Welfare Expenses	3,935	8,836
Leave Travel Allowance	52,133	207,973
Bonus Expense	62,928	246,486
Medical Expenses	21,301	42,820
Total	1,008,954	4,646,165

Note 23 Finance costs

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
<u>(a) Interest expense on:</u>		
(i) Borrowings	96,467,671	108,168,726
(ii) Interest paid as Commitment Charges	1,525,478	665,754
Total	97,993,149	108,834,480

Notes forming part of the financial statements

Note 24 Other expenses

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Bank Charges	10,579	9,772
Donations and Contributions	–	30,000
Filing Fees	–	4,200
Hotel Charges	38,954	84,450
Late Payment Interest on Statutory Dues (TDS, Professional Tax, Property Tax)	44,067	33,813
Listing Fees	34,108	585,601
Membership & Subscription	12,930	7,590
Miscellaneous Expenses	28,262	42,047
Office Maintenance Exp.	46,684	171,672
Payments to auditors (Refer Note 24 (a))	449,395	441,200
Pooja Expenses	15,740	96,710
Repairs and maintenance – Others	27,479	42,104
Sundry Balances Written off	101,204	–
Service Tax	299,921	–
Bad Debts	2,025,536	–
Sitting Fees	18,000	54,000
Total	3,152,859	1,603,159

Note 24 (a) Payment to Auditors

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
As auditors - statutory audit	449,395	386,050
For other services	–	55,150
Total	449,395	441,200

Note 25 Exceptional Item

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Ex Gratia Provision W/back	–	227,950
Total	–	227,950

NOTE NO: 26

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

A-1 SIGNIFICANT ACCOUNTING POLICIES :

(i) Basis of Accounting:

The financial statements are prepared under 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 211(3C).

(ii) Use of Estimates:

The preparation of financial statements in conformity with generally Accepted Accounting Principles 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.

(iii) Fixed Assets and Depreciation:

Fixed assets including structural changes/major improvements are stated at cost of acquisition including incidental expenses related to acquisition and installation less accumulated depreciation.

Depreciation is provided on the straight-line method at the rates and method specified in Schedule XIV to the Companies Act, 1956.

(iv) Inventories:

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence, if any. The cost of inventories is arrived at based on first-in-first-out method.

(v) Revenue recognition:

a. Revenue from sale of textiles (stock-in-trade) is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and are recorded net of sales tax and other levies.

b. Interest Income is recognized on a time proportion basis.

(vi) Investments:

Investments in shares of the Subsidiary Company has been shown as Non Current Investments and valued at cost.

(vii) 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.

NOTE NO: 26

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

(viii) Borrowing cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets is shown under the head "Work-in-Progress" as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of Profit & Loss.

(ix) 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.

(x) Provision for Current & Deferred Tax:

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

In view of unabsorbed brought forward business loss or depreciation as per income-tax records of the Company, it has not accounted for the Deferred Tax Liability or Deferred Tax Asset as per AS-22.

(xi) 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.

(xii) Cash Flow Statements:

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" notified under the Companies Act, 1956 and presents the cash flow by operating, investing and financing activities of the company. Cash and Cash equivalents presented in the Cash Flow Statements consist of cash on hand, balances and demand deposit with banks.

(xiii) Contingent Liabilities:

Contingent liabilities as defined in Accounting Standard 29 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.

NOTE NO: 26

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

(xiv) 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 profit and loss account in the year in which it is identified as impaired.

B-1 OTHER NOTES :

1. 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)(0) 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.
2. During the year, the Company has acquired 3,14,999 Equity Shares of Rs. 10/- each at a premium of Rs. 23/- of M/s. Grant Infrastructure Pvt. Ltd. And thereby the said company became the subsidiary company. In past, the Company has paid advance for acquiring the land as well as has incurred the project construction expenses with the consent of the said company Grant Infrastructure Pvt. Ltd. On becoming Grant Infrastructure Pvt. Ltd., the subsidiary company, the project construction expenses of Rs. 3.19 Crores standing in the books of account of the Company has been transferred to the said subsidiary company Grant Infrastructure Pvt. Ltd.

Above treatment of transfer of construction work in progress to Grant Infrastructure Pvt. Ltd. Has been shown in Note 12 forming part of Balance Sheet.
3. During the year, the company Advance Life Spacelink Pvt. Ltd. And Advance Infraspace Pvt. Ltd., have become the subsidiary company.
4. During the year, the company Advance Lifespace Pvt. Ltd. Ceases to be the subsidiary company as the Company has sold 9,999 Equity Shares of said Advance Lifespace Pvt. Ltd.
5. 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. 19,12,000/- (Previous period Rs. 21,01,006/-) made in earlier years has been adjusted against liability provided/paid in pursuance of the Order.
6. 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 AAFR that set-off 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 filling appeal before the CIT (Appeal). The CIT (Appeal) has decided the appeal in favor of the company, and the Income Tax Department has preferred an appeal before the ITAT which is pending before the ITAT.

NOTE NO: 26

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

In the financial year 2007-08 relevant to A.Y. 2008-09, the Assessing Officer has levied the tax on book profit u/s 115JB of the Income Tax Act, 1961. Against the said order of the Assessing Officer, the Company has filed an appeal before CIT (A). The CIT (Appeals) has decided the appeal in favour of the company.

7. 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 Honourable 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 Honourable High Court further held that the closure declared by the Mill Management is legal and valid.
8. Consequent to Honourable 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 1/4/1997 to 31/3/2007. 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. 3,32,71,288/- as on 31/03/2013 (Rs. 3,52,73,959/- as on 31/03/2012).
9. (A) Contingent Liabilities not provided for:
 -Estimated amount of contracts remaining to be execute on capital account not provided for (net of advance paid) is Rs. 87,50,000/- (Previous Year – Rs. 87,50,000/-).

 -The Income Tax assessments of the Company have been completed upto Assessment Year 2010-11. The demand of Rs. 4,08,07,057/- for Assessment Year 2007-08 has been reduced to Rs. Nil as a result of Appellate Order of CIT(A) in favour of the Company. Against the said Appellate Order, the Income Tax Department has preferred second appeal before Tribunal which is pending to be decided. Similarly, the demand of Rs. 2,77,620/- for the Assessment Year 2008-09 has been reduced to Nil as a result of Appellate Order of CIT(A) in favour of the Company.

10. Earnings per share (EPS):

	Current Year	Previous Year
(Loss) / Profit after tax available to equity shareholders (*)	24,44,629	(3,696,267)
Weighted average number of equity shares for Basic EPS	3,112,875	3,112,875
Weighted average number of equity shares for Diluted EPS (considering Share Application Money)	3,112,875	3,112,875
Basic EPS – (*)	Rs. 0.78	Rs. (1.19)
Diluted EPS – (*)	Rs. 0.78	Rs. (1.19)
Face value per share	Rs. 10.00	Rs. 10.00

(*) Subject to adjustments in respect of qualifications contained in the Auditors' report.

NOTE NO: 26

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

11. (A) **Transactions with Related parties:**

Transactions	Year ended 31.03.2013			Year ended 31.03.2012		
	Subsidiary Company Rs.	Associate Promoter Rs.	Other enterprises under common control (Rs.)	Subsidiary Company Rs.	Associate Promoter Rs.	Other enterprises under common control (Rs.)
Repayment of Inter corporate unsecured loan taken :						
1)Phulchand Exports Pvt. Ltd.	–	1,100,684,979	–	–	41,70,77,576	–
2) Prateek Spintex Limited	–	–	28,857,534	–	–	5,00,88,802
Inter corporate unsecured Loan received:						
1) Phulchand Exports Pvt.Ltd.	–	242,310,000	–	–	131,68,83,275	–
2)Prateek Spintex Limited	–	–	7,675,000	–	–	5,75,88,017
Inter Corporate Deposit (ICDs) Placed repaid by the Parties.						
1) Phulchand Exports Pvt. Ltd.	–	24,98,030	–	–	24,98,030	–
2) Grant Infrastructure Pvt. Ltd.	4,600,000	–	–	–	–	–
3) Advance Infraspace Pvt. Ltd.	2,099,980	–	–	–	–	–
Inter corporate Deposits (ICDs) placed:						
1)Advance Lifespaces Pvt.Ltd.	–	–	–	119,61,82,747	–	–
2) Grant Infrastructure Pvt. Ltd.	441,209,978	–	–	–	–	–
3) Advance Infraspace Pvt. Ltd.	15,600,700	–	–	–	–	–
4) Advance Spacelink Pvt. Ltd.	470	–	–	–	–	–

NOTE NO: 26

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

Interest on unsecured loan taken :						
1) Phulchand Exports Pvt. Ltd.	-	49,192,804	-	-	7,57,76,305	-
2) Prateek Spintex Limited	-	-	9,592,902	-	-	95,88,017
Inter corporate unsecured loans taken & outstanding as at the end of the period:						
1) Phulchand Exports Pvt. Ltd.	-	90,623,524	-	-	89,98,05,698	-
2) Prateek Spintex Limited	-	-	77,868,218	-	-	8,94,57,850
Inter corporate unsecured loans placed & outstanding as at the end of the period (including accrued interest):						
1) Advance Lifespaces Pvt. Ltd.	-	-	-	96,91,02,485	-	-
2) Grant Infrastructure Pvt. Ltd.	557,612,512	-	-	-	-	-
3) Advance Infraspaces Pvt. Ltd.	13,618,834	-	-	-	-	-
4) Advance Spacelink Pvt. Ltd.	470	-	-	-	-	-

NOTE NO: 26

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

11. (B) **List of related party and their nature of relationship:**

Sr. No.	Nature of Relationship	Name of the Parties
1.	Subsidiary Companies	Advance Infraspace Pvt. Ltd. Grant Infrastructure Pvt. Ltd. Advance Spacelink Pvt. Ltd.
2.	Associate Promoter	Phulchand Exports Pvt. Ltd.
3.	Other enterprise under common control	Prateek Spintex Limited
4.	Key Management personnel (Directors)	1. Phulchand Agarwal (Mng. Director) 2. M.S. Bharadwaj (Non-Ex. Director) 3. S. Srinivasan (Non-Ex. Director) 4. Sundeep Agarwal (Director)

12. **Segment reporting:**

The Company has identified two reportable segments viz. Textile Mill & Real Estate / Property Project activity. Segment have been identified and reported taking in to account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with the following additional notes for segment reporting.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment asset and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as "Unallocable".
- c) Information given in accordance with the requirements of Accounting Standard 17 on Segment Reporting notified under the Companies Act, 1956.

Significant Notes for Segment Reporting :

- d) The Company has two reportable primary segments i.e. Textile Mill and Property Construction.
- e) Unallocated represents all unallocable items not included in segments.
- f) There are no inter-segment transactions during the period.
- g) Information about Secondary Segments:

Since all the activities of the Company in relation to the abovementioned Business segments are situated only at Ahmedabad, disclosure requirement under this segment are not applicable.

NOTE NO: 26

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

Information about Primary Business Segments

Particulars	Year ended on 31.03.2013 Audited	Year ended on 31.03.2012 Audited
	Rs.	Rs.
Segment Revenue		
Textile Mill	5,061,260	11,245,530
Property Construction	–	–
Total	5,061,260	11,245,530
Less : Inter Segment Revenue	–	–
Net Sales/Income from Operations	5,061,260	11,245,530
Segment Results		
[Profit/(Loss) before tax and interest]		
Textile Mill	(7,715,500)	(3,940,766)
Property Construction	–	–
Unallocated	27,93,026	(1,181,710)
Total	(49,22,474)	(5,122,476)
Less :		
Interest Income / (Interest Expense) (Net)	7,942,103	1,426,209
Total Profit / (Loss) Before Tax	30,19,629	(3,696,267)
Capital Employed		
(Segment assets – Segment Liabilities)		
Textile Mill	(42,669,441)	(43,674,537)
Property Construction	(124,570,831)	98,305,357
Unallocated	22,51,21,183	815,460
Total	5,78,80,911	55,446,280

13. The company has not received information from any of its suppliers whether they are registered Micro or Small enterprises or not and therefore the amount due to such suppliers, if any, has not been identified by the company.
14. Figures of the previous year have been rearranged / regrouped wherever necessary.

SIGNATURES TO SCHEDULES 1 TO 26

For, Dhiren Shah & Co.
Chartered Accountants
(Firm Reg. No. 114633W)
Dhiren Shah
Partner
(Member No. 035824)
Place : Ahmedabad
Date : 13.06.2013

For and on behalf of the Board of Directors

Sd/-
Managing Director

Sd/-
Director

Place : Ahmedabad
Date : 13.06.2013

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1.	Name of Subsidiary Companies	Advance Infraspace Pvt. Ltd. Adance Spacelink Pvt. Ltd. Grant Infrastructure Pvt. Ltd.
2.	The Financial year of the Subsidiary companies ended on	
3.	Extent of interest of Advance Lifestyles Ltd. in the capital of the subsidiaries at the end of the financial year of the subsidiaries	9999 shares of Rs. 10 each fully paid up out of 10,000 shares (99.99%) 9999 shares of Rs. 10 each fully paid up out of 10,000 shares (99.99%) 3,14,999 shares of Rs. 10 each fully paid up out of 3,15,000 shares (99.99%)
4.	The net aggregate amount of profit/ loss of the subsidiaries so far as it concerns the members of Advance Lifestyles Ltd. a) Not dealt with in the company's accounts for the year ended 31 st March 2013 amounted to i) For the subsidiary's financial ended as (2) above ii) For the previous financial years of the subsidiary since it became the holding company's subsidiary b) Dealt with in the company's accounts for the year ended 31 st March 2013 amounted to i) For the subsidiary's financial ended as (2) above ii) For the previous financial year of the subsidiary since it became the holding company's subsidiary	(Rs. 27,510) (Rs. 31,206) NIL NIL NIL NIL
5.	The provisions of section 212(5) of the Companies Act, 1956 are not application as the financial year of the Subsidiary company coincides with that of the Holding Company.	

Financial Information of Subsidiary Companies

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 & 3 dated 8 February 2011 and 21 February 2011 respectively has granted a general exemption from Compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries as on 31.03.2013 is given below :

(in Lacs)

Sr. No.	Name/s of Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Profit after tax
1	Grant Infrastructure Pvt. Ltd.	31.50	75.00	6097.38	6097.38	NIL
2	Advance Infra Space Pvt. Ltd.	1.00	-0.27	490.36	490.36	-0.27
3	Advance Space Link Pvt. Ltd.	1.00	-0.31	1.28	1.28	-0.31

Place : Ahmedabad

Date : 13.06.2013

For Advance Lifestyles Limited

Sd/-
Managing Director

Sd/-
Director

Independent Auditors' Report

To,

**The Board of Directors of
Advance Lifestyles Limited
Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of **Advance Lifestyles Limited** and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For, DHIREN SHAH & CO.
Chartered Accountants
Firm Reg. No. 114633W

Dhiren Shah
(Partner)
Memb. No. 035824

Place : Ahmedabad
Date : 13-06-2013

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Consolidated Balance Sheet as at 31st March 2013

Particulars		Note No.	As At 31.03.2013	As At 31.03.2012
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	1	31,128,750	31,128,750
	(b) Reservers and surplus	2	34,203,445	24,255,161
	(c) Money received against share warrants		–	–
			65,332,195	55,383,911
2	Share application money pending allotment		30	10
3	Minority Interest			
	Non-current liabilities			
	(a) Long-term borrowings	3	783,089,509	1,293,549,380
	(b) Deferred tax liabilities (net)		–	–
	(c) Other long-term liabilities	4	1,934,574	193,516,547
	(d) Long-term provisions	5	680,000	680,000
			785,704,083	1,487,745,927
4	Current liabilities			
	(a) Short-term borrowings			
	(b) Trade payables	6	2,110,000	14,425,901
	(c) Other current liabilities	7	9,185,140	10,737,932
	(d) Short-term provisions	8	43,566,192	46,275,964
			54,861,332	71,439,797
	TOTAL		905,897,640	1,614,569,644
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets	9		
	(i) Tangible assets		1,974,299	2,112,479
	(ii) Intangible assets		7,244,977	–
	(iii) Capital work-in-progress		–	–
	(iv) Intangible assets under development		–	–
	(v) Fixed assets held for sale		–	–
			9,219,276	2,112,479
	(b) Non-current investments	10	–	–
	(c) Deferred tax assets (net)		–	–
	(d) Long-term loans and advances	11	210,540,858	205,515,948
	(e) Other non-current assets		–	–
			210,540,858	205,515,948
2	Current assets			
	(a) Current investments		–	–
	(b) Inventories	12	610,267,019	1,374,332,985
	(c) Trade receivables	13	–	10,731,828
	(d) Cash and cash equivalents	14	4,527,997	407,499
	(e) Short-term loans and advances	15	70,899,246	21,437,068
	(f) Other current assets	16	443,244	31,837
			686,137,506	1,406,941,217
	TOTAL		905,897,640	1,614,569,644
	Significant Accounting Policies & Notes on Accounts.	"27"		

As per our report of even date attached herewith.

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

Dhiren Shah
Partner
(Mem. Ship No. 035824)

Place : Ahmedabad
Date : 13-06-2013

Advance Lifestyles Ltd.

For and on behalf of the Board of Directors

sd/-
Managing Director

sd/-
Director

Place : Ahmedabad
Date : 13-06-2013

(Formerly known as The Ahmedabad Advance Mills Limited)
Consolidated Statement of Profit and Loss for the year ended 31.03.2013

Particulars		Note No.	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
A	COUNTING OPERATIONS			
1	Revenue from operations (gross)	17	5,061,260	11,245,530
	Less: Excise duty		—	—
	Revenue from operations (net)		5,061,260	11,245,530
2	Other income	18	75,542,170	8,983,538
4	Total revenue (1+2+3)		80,603,430	20,229,068
5	Expenses			
	(a) Cost of materials consumed		—	—
	(b) Purchases of stock-in-trade	19	610,954	14,515,112
	(c) Direct Expenses	20	480,494,823	1,248,663,926
	(d) Indirect Expenses	21	5,716,598	4,952,691
	(e) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(511,676,787)	(1,360,279,642)
	(f) Employee benefits expense	23	1,008,954	4,646,165
	(g) Finance costs	24	97,993,149	109,861,877
	(h) Depreciation and amortization expense	9	196,980	191,297
	(i) Other expenses	25	3,297,846	1,647,423
	Total expenses		77,642,517	24,198,849
6	Profit / (Loss) before exceptional and extraordinary items and tax (4-5)		2,960,913	(3,969,781)
7	Exceptional items	26	—	227,950
8	Profit / (Loss) before extraordinary items and tax (6±7)		2,960,913	(3,741,831)
9	Extraordinary items		—	—
10	Profit / (Loss) before tax (8±9)		2,960,913	(3,741,831)
11	Tax expense:			
	(a) Current tax expense for current year		575,000	—
	(b) Deferred tax		—	—
			575,000	—
12	Profit / (Loss) from continuing operations (10±11)		2,385,913	(3,741,831)
B	DISCONTINUING OPERATIONS			
12.i	Profit / (Loss) from discontinuing operations (before tax)		—	—
13	Profit / (Loss) from discontinuing operations (12.i)		—	—
14	Profit / (Loss) for the year (12±14)		2,385,913	(3,741,831)
15.i	Earnings per share (of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations		0.76	(1.20)
	(ii) Total operations		0.76	(1.20)
	(b) Diluted			
	(i) Continuing operations		0.76	(1.20)
	(ii) Total operations		0.76	(1.20)
15.ii	Earnings per share (excluding extraordinary items) (of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations		0.76	(1.20)
	(ii) Total operations		0.76	(1.20)
	(b) Diluted			
	(i) Continuing operations		0.76	(1.20)
	(ii) Total operations		0.76	(1.20)
	Significant Accounting Policies & Notes on Accounts.	“27”		

In terms of our report attached.

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

Dhiren Shah
Partner
Memb. No. 035824

Place : Ahmedabad
Date : 13-06-2013

ADVANCE LIFESTYLES LIMITED
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

For and on behalf of the Board of Directors

sd/-
Managing Director

sd/-
Director

Place : Ahmedabad
Date : 13-06-2013

Note 1 Share Capital

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of Shares	(Rs.)	Number of Shares	(Rs.)
<u>(a) Authorised</u>				
Equity shares of Rs. 10/- each with voting rights	25,000,000	25,000,000	25,000,000	25,000,000
<u>(b) Issued</u>				
Equity shares of Rs. 10/- each with voting rights	3,112,875	31,128,750	3,112,875	31,128,750
	3,112,875	31,128,750	3,112,875	31,128,750
<u>(c) Subscribed and fully paid up</u>				
Equity shares of Rs. 10 each with voting rights	3,112,875	31,128,750	3,112,875	31,128,750
Total	3,112,875	31,128,750	3,112,875	31,128,750

Note 1(a) RECONCILIATION OF NO. OF SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR AND AT CLOSING OF THE YEAR

Particulars	31/03/2013		31/03/2012	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
At the beginning of the year	3,112,875	31,128,750	3,112,875	31,128,750
Add :				
Issued during the year	-	-	-	-
Outstanding at the end of the year	315,000	3450,000	315,000	3,150,000

Note 2 Reserves and Surplus

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
<u>(a) Capital reserve</u>		
Opening balance	28,962,983	28,962,983
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	28,962,983	28,962,983
<u>(b) Surplus / Premium</u>		
Opening balance	7,500,000	
Add: Additions during the year		
Less: Utilised/transferred during the year	-	-
Closing balance (b)	7,500,000	
<u>(c) Surplus / (Deficit) in Statement of Profit and Loss</u>		
Opening balance	(4,707,822)	(965,991)
Less: Loss of Advance Lifespace Pvt. Ltd. Reduced	(62,371)	
As No More Subsidiary		
Balance	(4,645,451)	
Add: Profit / (Loss) for the year	2,385,913	(3,741,831)
Amounts transferred from:		
General reserve	-	-
Other reserves	-	-
Closing balance	(2,259,538)	(4,707,822)
Total (a+b+c)	34,203,445	24,255,161

ADVANCE LIFESTYLES LIMITED
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Note 3 Long-term borrowings

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Loans and advances		
Unsecured:		
From Related Parties	203,738,456	989,263,549
From Inter corporate deposits	573,687,386	304,285,831
From other deposits	5,663,667	–
Total	783,089,509	1,293,549,380

Note 4 Other long-term liabilities

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
(a) Trade Payables:	–	–
(b) Others:		
(i) Acceptances	–	188,269,260
(ii) Property Development	105,269	105,269
(iii) Other than Acceptance	1,829,305	5,142,018
Total	1,934,574	193,516,547

Note 5 Long-term provisions

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Other Long-Term Provisions		
Provision for Taxation (A.Y. 2007-08)	680,000	680,000
Total	680,000	680,000

Note 6 Trade payables

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Trade payables:		
Creditors for Traded Goods	641,501	14,040,002
Creditors for Expenses	1,468,499	385,899
Total	2,110,000	14,425,901

Note 7 Other current liabilities

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
(a) Other payables		
(i) Statutory remittances		
Unpaid TDS	8,796,898	10,737,932
Service Tax Payable	384,045	–
VAT Payable	2,397	–
Professional Tax Payable	1,800	–
Total	9,185,140	10,737,932

Note 8 Short Tem Provisions

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Provisions for employee benefits:		
Provision for Gratuity	8,310,818	8,980,818
Other employee benefits	34,619,932	36,265,832
Provisions for Expenses	60,442	1,029,314
Provision for Taxation	575,000	0
Total	43,566,192	46,275,964

Note: Company's liability towards gratuity, retrenchment, compensation and other employees' benefits have been considered as current liability since the provision for the same has been made in past and are payable immediately on receipt of the resignations from the employees of the Textile Mill.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2013

NOTE NO. 9
FIXED ASSETS

NAME OF ASSET	RATE OF DEP	GROSS BLOCK				ACCUMALATED DEPRECIATION & IMPAIRMENT			NET BLOCK	
		AS ON 01/04/2012	ADDITION	SALES	AS ON 31/03/2013	AS ON 01/04/2012	DEPRECIATION FOR THE YEAR	AS ON 31/03/2013	AS ON 31/03/2013	AS ON 31/03/2012
TANGIBLE ASSETS										
Land	0%	181,489	-	-	181,489	-	-	-	181,489	181,489
Building	1.63%	961,747	-	-	961,747	323,761	15,676,	339,438	622,309	637,986
Plant & Machinery	4.75%	393,844	-	-	393,844	130,490	18,708	149,198	244,646	263,353
Furniture & Fixtures	6.33%	741,488	-	-	741,488	277,167	40,808	317,975	423,513	464,321
Motor Car & Motor Cycle	9.50%	781,554	-	-	781,554	397,374	74,248	471,621	309,933	384,181
Computer	16.21%	396,543	58,800	-	455,343	215,394	47,540	262,934	192,409	181,149
TOTAL (a)		3,456,665	58,800	-	3,515,465	1,344,186	196,980	1,541,166	1,974,299	2,112,479
(b) INTANGIBLE ASSETS										
Goodwill	0 %	-	7,244,977	-	7,244,977	-	-	-	7,244,977	-
TOTAL (b)		-	7,244,977	-	7,244,977	-	-	-	7,244,977	-
TOTAL (a+b)		3,456,665	7,303,777	-	10,760,442	1,344,186	196,980	1,541,166	9,219,276	2,112,479
PREVIOUS YEAR		3,323,388	133,277	-	3,456,665	1,152,889	191,297	1,344,186	2,112,479	2,170,499

NOTE:

DEPRECIATION ON THE ASSETS HAS BEEN PROVIDED AS PER THE STRAIGHT LINE METHOD IN ACCORDANCE WITH THE RATES SPECIFIED IN THE SCHEDULE XIV TO THE COMPANIES ACT 1956 AND ROUNDED OFF TO THE NEAREST RUPEE. DEPRECIATION ON ADDITION HAS BEEN PROVIDED ON PRO RATA BASIS.

ADVANCE LIFESTYLES LIMITED

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Notes forming part of the financial statements

Note 10 Non-current investments

Particulars	As at 31 st March, 2013			As at 31 st March, 2012	
	Quoted	Unquoted	Total	Quoted	Unquoted
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Investments (At cost):					
<u>Investment in equity instruments</u>					
(i) of subsidiary					
9,999 shares of Rs. 10 each fully paid up in Advance Infraspaces Pvt. Ltd.	–	99,990	99,990	–	99,990
Less: Balance Reduced due to Consolidation	–	–	–	–	(99,990)
Less: Sold During the Year	–	99,990	99,990	–	–
Net Balance (a)	–	–	–	–	–
9,999 Shares of Rs. 10 each fully paid up in Advance Infraspaces Pvt. Ltd.	–	99,990	99,990	–	–
Less: Balance Reduced due to Consolidation	–	(99,990)	(99,990)	–	–
Net Balance (b)	–	–	–	–	–
9,999 Shares of Rs. 10 each fully paid up in Advance Spacelink Pvt. Ltd.	–	99,990	99,990	–	–
Less: Balance Reduced due to Consolidation	–	–99,990	(99,990)	–	–
Net Balance (c)	–	–	–	–	–
3,14,999 shares of Rs. 33 each fully paid up in Grand Infrastructure Pvt. Ltd.	–	10,394,967	10,394,967	–	–
Less: Balance Reduced due to Consolidation	–	3,149,990	3,149,990	–	–
Balance	–	7,244,977	7,244,977	–	–
Less: Balance transferred to Goodwill	–	(7,244,977)	(7,244,977)	–	–
Net Balance (d)	–	–	–	–	–
Total (a+b+c+d)	0	0	0	0	0

Note 11 Long-term loans and advances

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
<u>Loans and advances</u>		
<u>Unsecured, considered good</u>		
To related party	60,634,419	111,100,000
<u>Advance Income Tax</u>		
Tax Deducted at Sources	7,138,115	3,759,557
Balances with government authorities	149,284	149,284
Other loans and advances	–	–
<u>Unsecured, considered good</u>	–	–
(Advance recoverable in cash or in kind or for value to be received)	142,619,040	90,507,107
Total	210,540,858	205,515,948

ADVANCE LIFESTYLES LIMITED
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 12 Inventories

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
(a) Work-in-progress – Law Garden Project (Refer Note 12(a))	–	23,993,911
(b) Work-in-progress – GIPL Law Garden (Refer Note 12(b))	608,842,076	–
(c) Stock-in-trade (acquired for trading) Textile Fabric	–	4,234,818
(d) Stock-in-trade (acquired for trading) Shops	1,424,943	1,424,943
(e) Work-in-progress of New Manek Chowk Mill (Refer Note 12(c))	–	1,344,679,314
Total	1,424,943	29,653,672

Note 12(a) Working for Work-in-Progress

Law Garden Project

Expenditure	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Opening Work in Progress (a)	23,993,911	12,399,436
Allocated Project Expenses		
Architect Fees	–	1,000,000
Bonus Payable	–	177,685
Books & Periodicals	–	15,789
Consulting Charges	–	816,766
Conveyance Allowance	–	46,110
Electricity Charges	9,805	17,482
Hotel Charges	–	84,450
Interest Expense	6,047,946	4,611,464
Legal Expenses	26,000	126,500
Legal and Professional fees	1,685,400	728,313
Petrol Expenses	1,500	336,162
Salary Expenses	–	2,647,995
Leave Traels Allowance	–	157,225
Medical Expenses	–	29,191
Travelling Expenses	44,300	402,129
Land Development Expenses	101,840	75,430
Security Charges	53,009	170,202
Office Maintenance Expenses	1,904	83,842
Repairs and maintenance of motor vehicles	–	24,090
Telephone Expenses	–	24,704
Postage, Printing and Stationery	–	18,945
Miscellaneous Expenses	10,000	–
Total Expenses Incurred for the Project (b)	7,981,704	11,594,475
Opening Work in Progress + Expense of the period	31,975,615	23,993,911
Less: Excess Salary Recovered (c)	(55,884)	–
Closing Work in Progress (a+b+c)	31,919,731	23,993,911
Less: Balance of Work in Progress transferred to Grant Infra. Pvt. Ltd. As on 01.10.2012 (d)	(31,919,731)	–
Net Closing Work in Progress transferred to Balance Sheet (a+b–c–d)	–	23,993,911

ADVANCE LIFESTYLES LIMITED
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Note 12(b) Working for Work-in-Progress

Law Garden Project – (Grant Infrastructure Pvt. Ltd.)

Expenditure	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Opening Work in Progress	100,856,291	–
Add:		
Direct Expenses	480,217,261	–
Finance Cost	27,655,405	–
Other Expenses	113,119	–
Closing Work in Progress	608,842,076	–

Note 12(c) Working for Work-in-Progress

New Manek Chowk Project (Advance Lifespace Pvt. Ltd.)

Expenditure	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Opening Work in Progress (a)	1,344,679	–
<u>Allocated Project Expenses</u>		
Consultancy Charges	–	24,266
Expenses to get the land rights relinquished	–	2,800,000
Land Development Expenses	–	12,072
Lease Hold Rights of the Land	–	1,242,613,945
Power & Fuel Charges	–	28,800
Security Charges	–	468,865
Site Expenses	–	336,555
Legal Expenses	–	22,203
Legal & Professional Expenses	–	415,860
Interest Expenses	–	97,727,783
Total Expenses Incurred for the Project (b)	–	1,344,450,350
Add: Pre-Operative Expenses of Previous Year now transferred to Work-in-Progress (c)	–	228,964
Less: Excess Salary Recovered (c)	(55,884)	–
Sub Total (a+b+c)	1,344,679,314	1,344,679,314
Less: Amt. reduced as Advance Lifespace Pvt. Ltd. is no more Subsidiary Company as on 31-03-2013	1,344,679,314	–
Closing Work in Progress (a+b+c)	–	1,344,679,314

ADVANCE LIFESTYLES LIMITED

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Notes forming part of the financial statements

Note 13 Trade receivables

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Trade receivable outstanding for the period exceeding six months from the date they become due.	–	–
Unsecured, Considered Good	–	–
Other Trade receivables	–	10,731,828
Unsecured, Considered Good	–	–
Total	–	10,731,828

Note 14 Cash and cash equivalents

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
(a) Cash on hand		
-Cash on Hand	58,688	40,010
-Cash on Hand (Workers)	23,995	46,495
Total (a)	82,683	86,505
(b) Balances with banks		
(i) In current accounts		
- Corporation Bank (CBCA01000412)	28,846	504,849
- Corporation Bank (CBCA01000415)	–	75,439
- Corporation Bank (CA0125110)	147,179	36,813
- Kotak Mahindra Bank (CA 6111234426)	83,039	–
- Indian Overseas Bank (3823)	4,944	–
- Kotak Mahindra Bank (8911270253)	89,980	–
- Kotak Mahindra Bank (4711233894)	245,451	–
- Kotak Mahindra Bank (6611230829)	110,132	–
- ING Vysya Bank (524011006273-Ahmedabad)	60,215	60,215
- Vysya Bank (5690-Mumbai)	250,752	(371,439)
(ii) In deposit accounts		
- Vysya Bank (Maharashtra VAT)	15,117	15,117
Total (b)	1,035,655	320,994
(c) Cheques on Hand	3,409,659	–
Total (c)	3,409,659	–
Total (a+b+c)	4,527,997	407,499

Note 15 Short-term loans and advances

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
<u>Loans and Advances</u>		
Unsecured, considered good		
Deposits	43,260	148,260
Prepaid expenses	6,033	9,801
Balances with Government Authorities	15,111	16,507
Other Advance	1,834,842	262,500
Advances for Property Purchase	69,000,000	21,000,000
Total (a)	70,899,246	21,437,068

ADVANCE LIFESTYLES LIMITED
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Notes forming part of the financial statements

Note 16 Other Current Assets

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	(Rs.)	(Rs.)
Preliminary Expenses	31,837	39,795
Less: Amount pertaining to Advance Lifespace Pvt. Ltd. (reduced) as no more subsidiary.	-31,837	-
Balance	-	39,795
Add: Expenses during the current financial year	57,912	-
Less: 1/5 th Written off during the year	8,920	7,958
Total (a)	48,992	31,837
Capital Expenses pending for allocation	394,252	228,964
Less: Transferred to Work-in-Progress		(228,964)
Total (b)	394,252	-
Total (a+b)	443,244	31,837

Note 17 Revenue from operations

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Sale of Yarn	650,478	513,702
Sale of Fabric	4,410,782	10,731,828
<u>Less:</u>		
Excise duty	-	-
Total	5,061,260	11,245,530

Note 18 Other income

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
(a) Other non-operating income:		
Sundry Balance Written Back		34,699
Total (a)	-	34,699
(b) Interest income comprises:		
Interest from banks on:		
Deposits	162,910	3,016
Interest from Others:		
Interest from Loans & Advances	72,068,991	8,178,259
Interest on income tax refund	-	767,564
Total (b)	72,231,901	8,948,839
(c) Profit on sale of Investment	3,309,669	-
(d) Miscellaneous Income	600	-
Total – Other non-operating income (a+b+c+d)	75,542,170	8,983,538

ADVANCE LIFESTYLES LIMITED

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Notes forming part of the financial statements

Note 19 Purchases of traded goods

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Traded good Textile Yarn	6150,954	475,110
Textile Fabric	–	14,040,002
Total	610,954	14,515,112

Note 20 Direct Expenses

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Architect Fees	–	1,000,000
Consulting Charges	3,151,509	875,028
Designing Charges	21,550	22,750
Leasehold Right Purchase		1,242,613,945
Expenses for getting land rights relinquished		2,800,000
Land Development Expenses	134,077	87,502
Power and Fuel	123,478	174,372
Rates and taxes (Property Tax)	7,351	114,707
Panchayat Tax	10,294	
Security Charges	126,833	639,067
Work-in-Progress transferred as on 01.10.2012	31,919,731	
Development Rights acquired:		
From Venus Infra. & Development Ltd.	289,000,000	
From Swapna Co-Op. Housing Society	156,000,000	
Site Expenses	–	336,555
Total	480,494,823	1,248,663,926

Note 21 Indirect Expenses

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Advertisement Expenses	44,028	33,381
Books & Periodicals	880	20,350
Communication (Telephone, Internet & Postage)	114,236	174,794
Conveyance Expenses	58,218	109,626
Guest House Expenses	–	3,497
Guest House Rent	35,000	385,000
Insurance	12,572	11,627
Legal and Professional Expenses	5,072,863	2,701,780
Legal Expenses	71,697	221,692
Petrol Expenses	49,799	424,253
Plaza Maintenance Charges	31,306	28,768
Printing and Stationery	52,265	58,243
Repairs and Maintenance – Buildings (Office)	12,445	163,210
Repairs and Maintenance – Vehicles	54,067	45,145
Travelling and Conveyance	107,222	571,325
Total	5,716,598	4,952,691

ADVANCE LIFESTYLES LIMITED
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Notes forming part of the financial statements

Note 22 Changes in inventories of Finished Goods work-in-progress and stock-in-trade

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
<u>Inventories at the end of the year:</u>		
Finished Trading goods – Textile Fabric	–	4,234,818
WIP (GIPL – Law Garden)	608,842,076	23,993,911
Stock-in-Trade (Shops)	1,424,943	1,424,943
New Manek Chowk Mill Project WIP	–	1,344,450,350
Total (a)	610,267,019	1,374,104,021
<u>Inventories at the beginning of the year:</u>		
Finished goods	4,234,818	–
Law Garden Project WIP	23,993,911	12,399,436
Less: CWIP Transferred to Grant Infra. Pvt. Ltd.	–31,919,731	–
Add: Opening WIP of Grant Infrastructure Pvt. Ltd.	100,856,291	–
Stock-in-Trade (Shops)	1,424,943	1,424,943
Total (b)	98,590,232	13,824,379
Net increase / (decrease) (a – b)	(511,676,787)	(1,360,279,642)

Note 23 Employee benefits expense

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Salaries and Wages	814,966	3,497,658
Salaries and Wages		201,277
Retrenchment Exp.	53,691	
Exgratia Expenses	–	219,000
Gratuity Expenses	–	222,115
Staff Welfare Expenses	3,935	8,836
Leave Travel Allowance	52,133	207,973
Bonus Expense	62,928	246,486
Medical Expenses	21,301	42,820
Total	1,008,954	4,646,165

Note 24 Finance costs

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
(a) Interest expense on:		
(i) Borrowings	96,861,923	108,168,726
Less: Tr. to Current Assets as Pre-Op. Expenses	–394,252	–
Total (i)	96,467,671	108,168,726
(ii) Interest paid as Commitment Charges	1,525,478	1,693,151
Total	97,993,149	109,861,877

ADVANCE LIFESTYLES LIMITED

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Notes forming part of the financial statements

Note 25 Other expenses

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Bank Charges	10,893	19,123
Donations	–	30,000
Filing Fees	–	4,200
Hotel Charges	38,954	84,450
Interest on late payment of Government dues	44,067	36,127
Bad Debts	2,025,536	–
Listing Fees	34,108	585,601
Membership & Subscription	12,930	7,590
Miscellaneous Expenses	29,519	43,017
Office Maintenance Exp.	46,684	173,807
Payments to auditors (Refer Note 25 (a))	511,339	457,745
Pooja Expenses	15,740	96,710
Preliminary Expenses Written off	12,248	7,959
Repairs and maintenance – Others	27,479	42,104
Professional Tax	–	4,990
Sundry Balances Written off	101,204	–
Service Tax	384,045	–
Sitting Fees	18,000	54,000
Less: Sundry Balance Written Off	–14,900	–
Total	3,297,846	1,647,423

Note 25 (a) Payment to Auditors

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
As auditors - statutory audit	511,339	402,595
For taxation matters	–	–
For other services	–	55,150
Total	511,339	457,745

Note 26 Exceptional Item

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	(Rs.)	(Rs.)
Ex Gratia Provision W/back	–	227,950
Total	–	227,950

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Ltd.)

NOTE NO: 27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2013

A. Principles of Consolidation

The consolidated financial statements relate to Advance Lifestyles Limited ('the Company') and its subsidiary companies (i) Grant Infrastructure Pvt. Ltd., (ii) Advance Infraspaces Private Limited and (iii) Advance Space Link Pvt. Ltd. The consolidated financial statements have been prepared on following basis :

- (a) The financial statement of the Company and its subsidiary companies are combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements"
- (b) Minority interest's share of net loss of consolidated subsidiary company for the year has been identified and adjusted against the income of the Company in order to arrive at the net income attributable to shareholders of the company.
- (c) Minority interest's share of net assets of the consolidated subsidiary company has been identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- (e) In view of the losses suffered by the Subsidiary companies, minority's share of loss of Rs. 5/- has been absorbed by the majority. If the subsidiary company reports profits in future, all such profits will be allocated to the majority interest until the minority's share of losses previously absorbed by the majority is recovered.

- B.** Investments other than in subsidiaries, if any, have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

C. Other significant accounting policies

(i) Basis of Accounting:

The financial statements are prepared under 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 211(3C).

(ii) Use of Estimates:

The preparation of financial statements in conformity with generally Accepted Accounting Principles 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.

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Ltd.)

NOTE NO: 27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

(iii) Fixed Assets and Depreciation:

Fixed assets including structural changes/major improvements are stated at cost of acquisition including incidental expenses related to acquisition and installation less accumulated depreciation.

The intangible asset being Goodwill represents the amount of premium paid on acquisition of the shares of the subsidiary company Grant Infrastructure Pvt. Ltd.

Depreciation is provided on the straight-line method at the rates and method specified in Schedule XIV to the Companies Act, 1956.

(iv) Inventories:

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence, if any. The cost of inventories is arrived at based on first-in-first-out basis.

Work In Progress is carried at cost. This includes all expenditures incurred for the projects during the year under review but not completed.

(v) Revenue recognition:

a. Property constructed represents costs of premises remaining with the Company on completion of a property development project, the income of which is recognized on completion of the sale of such premises.

b. Revenue of new construction development project will be recognized on the basis of possession of unit given to the purchaser on execution of conveyance deed/agreement to sale.

c. Revenue from sale of textiles (stock-in trade) is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and are recorded net of sales tax and other levies.

d. Interest Income is recognized on a time proportion basis in case of the Holding Company. There is no interest income in case of Subsidiary Companies.

(vi) 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 13.3.1995 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.

(vii) Borrowing cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets is shown under the head "Work-in-Progress" as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of Profit & Loss.

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Ltd.)

NOTE NO: 27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

(viii) 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.

(ix) Provision for Current & Deferred Tax:

The provision for current year taxation has been made as per the provisions of Income tax Act, 1961. In view of unabsorbed brought forward business loss or depreciation as per income-tax records of the Company, it has not accounted for the Deferred Tax Liability or Deferred Tax Asset as per AS-22.

(x) 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 antidilutive.

(xi) Cash Flow Statements:

The Consolidated Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" notified under the Companies Act, 1956 and presents the cash flow by operating, investing and financing activities of the companies. Cash and Cash equivalents presented in the cash Flow Statements consist of cash on hand, balances and demand deposit with banks.

(xii) Contingent Liabilities:

Contingent liabilities as defined in Accounting Standard 29 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.

(xiii) 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 profit and loss account in the year in which it is identified as impaired.

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Ltd.)

NOTE NO: 27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2013 (contd.)

B-1 OTHER NOTES:

1. (i) 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.
2. During the year, the Company has acquired 3,14,999 Equity Shares of Rs. 10/- each at a premium of Rs. 23/- of M/s. Grant Infrastructure Pvt. Ltd. and thereby the said company became the subsidiary company. In past, the Company has paid advance for acquiring the land as well as has incurred the project construction expenses with the consent of the said company Grant Infrastructure Pvt. Ltd. On becoming Grant Infrastructure Pvt. Ltd., the subsidiary company, the project construction expenses of Rs. 3.19 Crores standing in the books of account of the Company has been transferred to the said subsidiary company Grant Infrastructure Pvt. Ltd.

Above treatment of transfer of construction work in progress to Grant Infrastructure Pvt. Ltd. has been shown in Note 12 forming part of Balance Sheet.

3. 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.19,12,006/- (Previous period Rs.21,01,006/-) made in earlier years has been adjusted against liability provided/paid in pursuance of the Order.
4. 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, and the Income Tax Department has preferred an appeal before the ITAT. Which is pending before the ITAT.

In the financial year 2007-08 relevant to A.Y. 2008-09, the Assessing Officer has levied the tax on book profit u/s 115JB of the Income Tax Act, 1961. Against the said order of the Assessing Officer, the Company has filed an appeal before CIT (A), the CIT(A) has decided the appeal in favour of the company.

5. 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 Honourable 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 shall have to first handover possession thereof to the Mill Management and thereafter, and within sixty days period, the Mill Management

will pay the amount to the concerned employee as per the consent terms. The Honourable High Court further held that the closure declared by the Mill Management is legal and valid.

Consequent to Honourable 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 1/4/1997 to 31/3/2007. 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.3,32,71,288/- as on 31/03/2013 (Rs.3,52,73,959/- as on 31/03/2012).

6. (A) **Contingent Liabilities not provided for:**

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

-The Income Tax assessments of the Company have been completed upto Assessment Year 2009-10. The demand of Rs.4,08,07,057/- for Assessment Year 2007-08 has been reduced to Rs. Nil as a result of Appellate Order of CIT(A) in favour of the Company. Against the said Appellate Order, the Income Tax Department has preferred second appeal before Tribunal which is pending to be decided. Similarly, the demand of Rs.277620/- for Asst.Year 2008-09 has been reduced to Nil as a result of appellate order of CIT(A) in favour of the company.

7. **Earnings per share (EPS):**

	Current Year	Previous Year
(Loss) / Profit after tax available to equity shareholders (*)	24,44,629	(3,696,267)
Weighted average number of equity shares for Basic EPS	3,112,875	3,112,875
Weighted average number of equity shares for Diluted EPS (considering Share Application Money)	3,112,875	3,112,875
Basic EPS – (*)	Rs. 0.76	Rs. (1.20)
Diluted EPS – (*)	Rs. 0.76	Rs. (1.20)
Face value per share	Rs. 10.00	Rs. 10.00

(*) Subject to adjustments in respect of qualifications contained in the Auditors' report.

SIGNATURES TO SCHEDULES 1 TO 27

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

Dhiren Shah
Partner
(Member No. 035824)

Place : Ahmedabad
Date : 13.06.2013

For and on behalf of the Board of Directors

Sd/-
Managing Director Sd/-
Director

Place : Ahmedabad
Date : 13.06.2013

ADVANCE LIFESTYLES LIMITED
(Formerly known as The Ahmedabad Advance Mills Limited)
Consolidated Cash Flow Statement for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items but after tax		23,85,913		-37,41,831
Adjustments for:				
Depreciation and amortization	1,96,980		1,91,297	
Finance costs	9,79,93,149		10,52,50,413	
Interest income	-7,22,31,901		-89,48,839	
Profit on sale of investment	-33,09,669			
Liabilities / provisions no longer required written back	1,01,204		-2,62,649	
		2,27,49,763		9,62,30,222
Operating profit / (loss) before working capital changes		2,51,35,676		9,24,88,391
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	76,49,65,966		-1,36,05,08,607	
Trade receivables	1,06,40,624		-1,07,30,828)	
Long-term loans and advances	-16,46,352		-2,38,10,614	
Short-term loans and advances	-4,94,62,178		2,03,55,913	
Other Current Assets	-4,11,407		2,36,922	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	-1,23,15,901		1,39,35,909	
Minority Intest	20		-10	
Other current liabilities	-15,52,792		1,00,54,605	
Short Term Provisions	-27,09,772		-55,75,598	
Other Long-term liabilities	-19,15,81,971		18,79,06,789	
Long-term provisions	0		0	
		51,50,16,237		-1,16,81,35,519
		54,01,51,913		-1,07,56,47,128
Cash flow from extraordinary items		0		0
Cash generated from operations		54,01,51,913		-1,07,56,47,128
Net income tax (paid) / refunds		-33,78,558)		1,07,57,937
Net cash flow from / (used in) operating activities (A)		53,67,73,355		-1,06,48,89,191
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-73,03,777		-1,33,277	
Profit on sale of investment	33,09,669		0	
Reduction in loss of erstwhile Subsidiary	62,371			
Interest received				
- Others	7,22,31,901		89,48,839	
Net cash flow from / (used in) investing activities (B)		6,83,00,164		88,15,562
C. Cash flow from financing activities				
Proceeds from long-term borrowings (Net)	-51,04,59,871		1,16,04,92,251	
Security Premium A/c. balance of subsidiary	75,00,000			
Net increase / (decrease) in working capital borrowings	0		0	
Finance cost	-9,79,93,149		-10,52,50,413	
Net cash flow from / (used in) financing activities (C)		-60,09,53,020		1,05,52,41,838
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		41,20,499		-8,31,791
Cash and cash equivalents at the beginning of the year		4,07,499		12,39,290
Cash and cash equivalents at the end of the year		45,27,998		4,07,499
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		45,27,997		4,07,499
Cash and cash equivalents at the end of the year*				
*Comprises:				
(a) Cash on hand		82,683		86,505
(b) Balance with banks				
(i) In current accounts		10,20,538		3,05,877
(ii) In deposit accounts		15,117		15,117
(c) Cheques on Hand		34,09,659		
		45,27,997		4,07,499

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.

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

For and on behalf of the Board of Directors

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

Place : AHMEDABAD
Date : 13-06-2013

Sd/-
Managing Director

Sd/-
Director

Place : AHMEDABAD
Date : 13-06-2013

ADVANCE LIFESTYLES LIMITED

F.F. 21-22, Advance Plaza, Shahibaug, Ahmedabad-380004

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the meeting hall.

I hereby record my presence at the Twenty Forth Annual General Meeting of the Members of **Advance Lifestyles Limited** will be held at 11.00 a.m. on Monday, the 22nd July, 2013 at the Registered Office of the Company at **Ground Floor, Advance Business Park, Opp Swaminarayan Temple**, Shahibaug Road, Outside Delhi Gate, Ahmedabad – 380004.

.....
Full Name of the Shareholder (In Block Letters)

.....
Signature of the Shareholder

Folio:

.....
Full Name of Proxy (In Block Letters)

.....
Signature of Proxy

ADVANCE LIFESTYLES LIMITED

F.F. 21-22, Advance Plaza, Shahibaug, Ahmedabad-380004

PROXY FORM

I/ We of in the District of being a member/ members of the above named company hereby appoint of in in the District of as my/ our proxy to vote for me/ us on my/ our behalf at the 24th Annual General Meeting of the Company, to be held at 11.00 a.m. on Monday, the 22nd July, 2013 and/or at any adjournment thereof.

Signed this day of 2013

.....
Signature of the Shareholder

Notes:

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself. The proxy need not be a member of the Company.
2. The proxy form duly completed should be deposited at the Registered Office of the Company at least 48 hours before the meeting.