



# PIL ITALICA LIFESTYLE LIMITED

(Formerly known as Peacock Industries Limited)

(An ISO 9001:2008 Certified Company)

CIN : L25207RJ1992PLC006576

UPR/SD/2016/115-116

29.06.2016  
COURIER

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|--|---|
| <b>The Manager-Listing Department</b><br>National Stock Exchange of India Limited,<br>'Exchange Plaza', C-1, Block -G<br>Bandra Kurla Complex, Bandra -East<br>Mumbai-400051 | <b>Listing Department</b><br>BSE Limited<br>Phiroze Jeejeebhoy Towers<br>25 <sup>th</sup> Floor, Dalal Street<br>Mumbai- 400001 |
|--|---|

**Name of Company : PIL ITALICA LIFESTYLE LIMITED**

**Sub : Submission of Notice and Annual Report for AGM-2015-16**

**Re : Scrip Code No. : PILITA/ 500327**

Dear Sir,

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice along with Annual Report of 24<sup>th</sup> Annual General Meeting of the Company for the financial year 2015-16.

Kindly take the same on your records and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For PIL ITALICA LIFESTYLE LIMITED

*Aditi*  
Aditi Parmar  
(Company Secretary)



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

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

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# PIL ITALICA LIFESTYLE LIMITED

(formerly known as Peacock Industries Limited)

(CIN : L25207RJ1992PLC006576)

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

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

Website : www.italicafurniture.com

E-mail : info@italicafurniture.com

## NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited) will be held at the registered office of the Company at Kodiyat Road, Village - Sisarma, District Udaipur -313031 on Saturday, 23<sup>rd</sup> July, 2016 at 9.30 A.M. to transact the following business:

### ORDINARY BUSINESS :

- (1) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31,2016, alongwith the Reports of the Directors' and Auditors' thereon.
- (2) To appoint a Director in place of Mr. Narendra Bhanawat (DIN : 00146824), who retires by rotation and being eligible offers himself for reappointment.
- (3) To appoint auditors and fix their remuneration and in this regard, to consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution: "RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. Ajay Paliwal & Co., Chartered Accountant, Udaipur (ICAI FRN : 012345C) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five (5) years commencing from the conclusion of the 24<sup>th</sup> annual general meeting till the conclusion of the 29<sup>th</sup> Annual General Meeting of the Company to be held in the financial year 2021-22, subject to ratification of their appointment by the members of the Company at every annual general meeting, at a remuneration including applicable service tax as may be mutually agreed between the Auditors and Board of Directors of the Company."

### SPECIAL BUSINESS :

- (4) To reappoint Mr. Narendra Bhanawat as a Whole Time Director of the Company and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: "RESOLVED THAT in pursuance of the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Narendra Bhanawat (DIN: 00146824 ), as a Whole Time Director of the Company for a period of 3 (three ) years with effect from 29.05.2016, on the terms and conditions of remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said re-appointment and/or the remuneration , subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto.

RESOLVED FURTHER THAT the remuneration to be paid payable to Mr. Narendra Bhanawat, Whole Time Director of the Company from 29.05.2016 to 23.07.2016 (i.e. date of annual general meeting) be and is hereby ratified.

RESOLVED FURTHER THAT in pursuance of the provisions of section 197(3) and other applicable provisions, if any of the Companies Act, 2013, and the rules made there under Mr. Narendra Bhanawat, Whole Time Director of the Company, will be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Wholetime Director, in accordance with the provisions of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions."

- (5) To regularize the appointment of Mr. Ram Swaroop Sodani as Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an Ordinary Resolution: "RESOLVED THAT pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 ( including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ram Swaroop Sodani (DIN:07303930), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company with effect from 03.10.2015.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of members be and is hereby accorded to appoint Mr. Ram Swaroop Sodani (DIN:07303930), as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 03.10.2015 to 02.10.2020."

- (6) To sub divide equity shares of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED THAT pursuant to Section 61 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to all such approvals, consents, permissions and sanctions, if any, as may be required from the concerned

authorities, and which may be agreed by Board of Directors of the company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof which the Board by this resolution have been or may hereafter at any time be delegated), the consent of members be and is hereby accorded for sub division of one equity share of the company having face value of Rs. 4/- (Rupees Four) each into 4 (four) equity shares having face value of Re.1/- (Rupee one) each fully paid up and consequent upon the sub division, the authorized share capital is Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 25,00,00,000 (Twenty Five Crore) Equity Shares of Re. 1/- (Rupee One ) each with effect from the Record Date to be determined by the Board of Directors for the said purpose and that such new equity shares will rank pari passu in all respect with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** consequential amendments be made in the capital clause of the Memorandum of Association of the Company after the said sub division becomes operative.

**RESOLVED FURTHER THAT** the company shall issue new share certificate(s) in lieu of existing share certificate(s) to physical shareholders and the existing certificates shall become null and void on and from the Record Date subject to the provisions of Companies (Share Capital & Debentures) Rules, 2014 and in case of shares held in dematerialized form, the Number of sub divided equity shares be credited to their respective beneficiary accounts of members with the Depository Participants, in lieu of the existing credits representing equity shares of the company before sub division.

**RESOLVED FURTHER THAT** the new shares so issued will be listed on stock exchange at which the shares are already listed/ proposed to be listed by the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution.

(7) To alter memorandum of association of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, including amendments thereto or re-enactment thereof, the existing Clause V of the Memorandum of Association of the Company be and is hereby amended by deletion of existing Clause V and substitution thereof by the following clause:

**CLAUSE V:**

"The Authorised Share Capital of the Company consists of Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 25,00,00,000 (Twenty Five Crore) Equity Shares of Re.1/- (Rupee One ) each."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may consider necessary, desirable and expedient for giving effect to the above stated resolutions."

Registered Office :  
Kodiyat Road,  
Village: Sisarma  
Udaipur - 313031  
Dated : 09.06.2016

By Order of the Board of Directors

Aditi Parmar  
Company Secretary

**Note :**

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

1. A MEMBER OF THE COMPANY (Copy of Proxy form is attached). The instrument appointing the proxy must be deposited at the Company's Registered Office of the company, duly completed and signed, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as proxy on behalf of the members not exceeding 50 (fifty) and holding in the aggregate not more than 10(ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the company may appoint single person as proxy and such other person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 20-07-2016 to 23-07-2016 (both days inclusive).
3. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business under Item Nos. 4 to 7 of the accompanying Notice are annexed hereto.
4. A statement giving the details of the Director seeking reappointment under Item No.2 of the accompanying Notice, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, is annexed hereto.
5. Members/proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
6. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
7. Any query related to accounts should be notified to the Company at least 7 days before the date of the Annual General Meeting.
8. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Securities and Exchange Board of India has mandated compulsory trading of the Company's equity shares in demat form for all the investors. The International Securities Identification number (ISIN) code is INE 600A01027.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. Electronic copy of the Notice of the 24<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 24<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. **Voting Through Electronic Means**  
Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, 2014 as amended and the provisions of the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). For the aforesaid purpose the Company has appointed Mr. Ashok Modi on behalf of M/s A. Modi, & Co. Chartered Accountants as the

Scrutinizer for conducting the e-voting process in a fair and transparent manner. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

#### INSTRUCTIONS FOR E-VOTING

##### I. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the

option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (ix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - (x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  - (xii) Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- II. The voting period begins on 17-07-2016 (09.00 a.m.) and ends on 22-07-2016 (05.00 p.m.) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16 July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. This communication is an integral part of Notice dated 09.06.2016 for the Annual General Meeting scheduled to be held on Saturday, 23<sup>rd</sup> July, 2016. The Notice of the Annual General Meeting and this communication are also available on the website of the Company at [www.italicafurniture.com](http://www.italicafurniture.com).
  - III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice :

**Item no.4**

The present term of appointment of Mr. Narendra Bhanawat as Wholetime Director expired on 28.05.2016. The Board of Directors of the Company at their Board meeting held on 27.05.2016 as recommended by the Nomination and Remuneration Committee re-appointed Mr. Narendra Bhanawat as Wholetime Director for a period of three (3) years commencing from 29.05.2016 to 28.05.2019, subject to the approval of the shareholders in the ensuing annual general meeting.

Mr. Narendra Bhanawat is looking after the day to day business activities of the Company. The continuity of the present management will help the Company in attaining its object in better and harmonious way. The proposed remuneration is within the limits and other terms of Clause (A) Section II of Schedule V to the Companies Act, 2013 as amended.

The terms and conditions of the re-appointment of Wholetime Director are embodied in the agreement made between the Company and the Wholetime Director. The broad particulars of the remuneration proposed to be paid to the said Wholetime Director during his term of office are as under:

| Name and Designation                        | Tenure                   | Salary per month (Rs.)   | Perquisites and Allowances per month (Rs.)   |
|---|--------------------------|--|--|
| Mr. Narendra Bhanawat – Whole Time Director | 29.05.2016 to 28.05.2019 | Rs.13,550/- per month in the scale of Rs.11925-325-16800-350-22,050. | Perks and Allowances:90% of the basic salary.<br>Conveyance Allowance: Rs 1300/- per month.<br>Uniform Allowance:Rs. 650/- per month.<br>Provident fund contribution: as per the rules of the Company. |

The annual increment which will be effective from 1st April every year will be decided by the Board and will be merit based taken into account the Company's performance.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder (including any statutory modification or re-enactment thereof for the time being in force). However, the Company's contribution towards Provident Fund, Superannuation or Annuity fund, to the extent these singly or together are not taxable under the Income Tax Act, 1961 and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, perquisites and allowances.

Mr. Narendra Bhanawat's appointment is subject to liable to retire by rotation.

In the event of loss or absence or inadequacy of profits in any financial year of the Company, Mr. Narendra Bhanawat, Whole Time Director shall be paid the salary and perquisites as specified herein above.

The agreement may be terminated at any time by either party giving a three months notice in writing.

The draft agreement between the Company and Mr. Narendra Bhanawat is available for inspection by the members of the Company upto the date of the meeting at its registered office between 10:30 A.M to 1:30P.M. on any working days except Saturdays and holidays. This may be treated as an abstract of the draft agreement between the Company and Mr. Narendra Bhanawat pursuant to section 190 of the Companies Act, 2013.

The proposed remuneration is within the limits of the Schedule V as amended to the Companies Act, 2013.

The proposed resolution is recommended for passing.

The terms and conditions set out for the re-appointment and payment of remuneration specified herein may be altered and varied from time to time by the Board of Directors ("the Board" ) which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board of the Company), as it may, at its discretion deem fit. The Board is also entitled to revise the salary, perquisites and allowances, payable to the said Wholetime Director of the Company at any time, such that the overall yearly remuneration payable to the said Wholetime Director shall not exceed the limits specified under Section 197 read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof from the time being in force) or any amendment made thereto.

**Statement as required under Section II of the Schedule V of the Companies Act, 2013 :**

| I. GENERAL INFORMATION   |   |
|--|---|
| 1. Nature of Industry  | Plastic moulded furniture and other articles  |
| 2. Date or expected date of commencement of commercial production  | 12.03.1993  |
| 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not applicable in view of the point 2 hereinabove   |
| 4. Financial performance based on given indicators   | There are no financial indicators.  |
| 5. Export performance and net foreign exchange collaborations  | 3.96 Lacs   |
| 6 Foreign investments or collaborators, if any   | NIL   |
| II. INFORMATION ABOUT THE APPOINTEE  |   |
| 1. Back ground details   | Mr. Narendra Bhanawat aged 49 years is a young and dynamic person with 27 years of vast and rich experience of the plastic industry in general administration, production, marketing etc. in particular. He has been working on the Board of the Company and holds the position of Wholetime Director since 2008. He holds the bachelor's degree in commerce. He has been managing day to day affairs of the Company subject to the superintendence, control and directions of the Board of Directors of the Company. |
| 2. Past remuneration   | a) Salary Rs.11,925/- per month in the scale of Rs. 11,925-325- 16,800.<br><br>b) Perquisites<br>(i) Perks and Allowances : 90% of the basic salary,<br>(ii) Conveyance Allowance: Rs 1300/- per month<br>(iii) Uniform Allowance : Rs. 500/- per month   |

|  |  |
|--|--|
|  | (iv) Provident fund contribution: as per the rules of the Company  |
| 3. Recognition or awards   | NIL  |
| 4. Job profile and his suitability   | Looking to his job profile as mentioned in point no. 1 above and needs of the Company to look after its production, marketing and general administration work, Mr. Narendra Bhanawat appears to be suitable.   |
| 5. Remuneration proposed   | a) Salary : Rs.13,550/-per month in the scale of Rs. 11,925-325-16,800-350-22,050.<br>(b) Perquisites :<br>(i) Perks and Allowances : 90% of the basic salary.<br>(ii) Conveyance Allowance: Rs1300/- per month<br>(iii) Uniform Allowance : Rs. 650/- per month<br>(iv) Provident fund contribution : as per the rules of the Company.  |
| 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)- | The proposed remuneration of Mr. Narendra Bhanawat has been benchmarked with the remuneration being drawn by similar positions in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses.  |
| 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any   | Mr. Narendra Bhanawat holds no equity shares in the capital of the Company as on the date of this notice nor have any relationship with other managerial personnel.  |
| <b>III. OTHER INFORMATION</b>  |  |
| 1. Reasons of loss or inadequate profits   | Consequent upon the erosion of the entire net worth, the Company was declared as sick industrial company and rehabilitation scheme was sanctioned by the BIFR on 15.07.2013. The scheme is under implementation. Due to low operation, non-availability of adequate working capital and high operational costs in particular and other factors in general are the very reasons for loss or inadequate profits. |
| 2. Steps taken or proposed to be taken for improvement   | To revive the Company, it is taking steps in accordance with the rehabilitation scheme such as infusion of further capital, reduction of the share capital which is not represented by the assets, new capital expenditure etc.  |

|   |   |                     |                                |
|---|---|---------------------|--------------------------------|
| 3. Expected increase in productivity and profits in measurable terms                  | In the next three years the following performance is expected           |                     |                                |
|   | Year  | Sales (Rs in laacs) | Profit after tax (Rs in laacs) |
|   | 2016-17   | 5500                | 200                            |
|   | 2017-18   | 6300                | 310                            |
|   | 2018-19   | 7200                | 460                            |
| IV. Disclosures: In heading 'Corporate Governance - In the Board of Directors' report | The same will be provided in the Annual Report as per the requirements. |                     |                                |

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Narendra Bhanawat and his relatives to the extent of their holding in the share capital of the Company is concerned or interested, financially or otherwise, in the proposed resolution.

#### Item No. 5

Mr. Ram Swaroop Sodani (DIN:07303930) was appointed as Additional Director of the Company in the Board meeting held on 03.10.2015, and in terms of Section 161 of the Companies Act, 2013, he will hold office upto the date of the ensuing annual general meeting of the company and also according to the provisions of Section 149 of the Companies Act, 2013, he was appointed as an Independent Director of the company, subject to the approval of shareholders in the ensuing annual general meeting.

The Company has received a notice in writing from the member of the Company alongwith the deposit of requisite amount under section 160 of the Act proposing the candidature for the office of the Director of the Company.

Mr. Ram Swaroop Sodani was not disqualified from being appointed as a Director in terms of section 164 of the Act and he has given his consent to act as a Director. The Company has received a declaration from Mr. Ram Swaroop Sodani that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. Mr. Ram Swaroop Sodani possesses appropriate skills, experience and knowledge, inter alia, in the field of Accounts, Audit, Finance and Taxation.

Board recommends approval of Mr. Ram Swaroop Sodani as an Independent Director with effect from 03.10.2015 to 02.10.2020, subject to the approval of shareholders in the ensuing annual general meeting.

Copy of the letter of appointment of Mr. Ram Swaroop Sodani as Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the company during business hours on all working days (except Saturdays) upto the date of annual general meeting.

The Board of Directors accordingly recommends above resolution as set out at Item No.05 of the accompanying notice for approval of members of the Company.

None of the Directors/key Managerial Personnel or their relatives except Mr. Ram Swaroop Sodani and his relatives to the extent of their shareholdings in the company, if any is interested or concerned in any way financially or otherwise in this resolution.

#### Item No. 6 & 7

The equity shares of the Company are listed on National Stock exchange of India Limited (NSE) and BSE Limited (BSE). With a view to have large participation of the investors in the scrip of the company, the Board of Directors at their meeting held on 09.06.2016 approved the sub division of equity shares of the company having face value of Rs. 4/- (Rupees Four only) each into 4 (four) equity shares having face value of Re.1/- (Rupee one) each fully paid up, subject to the approval of members. The Record date for the purpose of sub division

of equity shares will be fixed by the Board of Directors after seeking approval from members. On the date of record date, the existing shares of the company of face value Rs. 4/- each shall stand sub divided into 4 equity shares of face value Re. 1/- each.

In view of the provisions of companies act 2013 and rules framed thereunder, the sub division of shares and alteration of memorandum of association of the company requires approval of members and others permissions, sanctions, if any.

Consequent upon the sub division of shares, Clause V of the Memorandum of Association will be altered to reflect the new Authorised share capital of the company i.e. Rs. 25,00,00, 000/- (Rupees Twenty Five Crores Only) comprising of 25,00,00,000 (Twenty Five Crore) Equity Shares of Re. 1/- (Rupee one) each.

**The capital structure before and after the proposed sub division of each equity share shall be as under:**

| Particulars                            | Before proposed sub-division |                     |                 | After proposed sub-division |                     |                 |
|--|------------------------------|---------------------|-----------------|-----------------------------|---------------------|-----------------|
|  | No. of shares                | Face Value (in Rs.) | Amount (in Rs.) | No. of shares               | Face Value (in Rs.) | Amount (in Rs.) |
| Authorised Share Capital               | 6,25,00,000                  | 4                   | 25,00,00,000    | 25,00,00,000                | 1                   | 25,00,00,000    |
| Issued, Subscribed and Paid up capital | 5,25,00,000                  | 4                   | 21,00,00,000    | 21,00,00,000                | 1                   | 21,00,00,000    |

The Board of Directors accordingly recommends the ordinary and special resolution as set out in item no. 6 & 7 of the accompanying notice for approval of Members of the company.

The draft MOA is available for inspection by the members at the registered office of the company during business hours on all working days (except Saturdays) upto the date of annual general meeting.

None of the directors and key managerial personnel of the company and their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

Registered Office :  
Kodiyat Road,  
Village: Sisarma  
Udaipur - 313031  
Dated : 09.06.2016

By Order of the Board of Directors  
  
Aditi Parmar  
Company Secretary

**Details of Directors seeking appointment/re-appointment at the Annual General Meeting in pursuance of the SEBI (LODR) Regulations, 2015**

|  |   |   |
|--|---|---|
| Name                                     | Ram Swaroop Sodani  | Narendra Bhanawat   |
| Date of Birth                            | 03.03.1958  | 29.06.1967  |
| Date of Appointment                      | 03.10.2015  | 12.02.2002  |
| Qualifications                           | M. Com  | B. Com  |
| Brief Resume                             | Mr. Ram Swaroop Sodani aged about 58 years is Post Graduate in Commerce. He is Income Tax, Sales Tax Practitioner since 1983. | Mr. Narendra Bhanawat aged about 49 years is a Commerce Graduate. He is director in the Company since 2002. |
| Expertise in functional areas            | Accounts, Audit, Finance and Taxation   | Accounts and Finance  |
| Directorships held with other companies  | None  | Space Age Polymers Pvt. Ltd.  |
| Committee Memberships in other companies | None  | None  |
| Details of shares held in company        | NIL (as on the date of this Notice)   | NIL (as on the date of this Notice)   |

# PIL ITALICA LIFESTYLE LIMITED

(formerly known as Peacock Industries Limited) (CIN: L25207RJ1992PLC006576)

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

Tel: +91 0294 2432271/72 Fax : 91 0294 2430411 • Website: [www.italicafurniture.com](http://www.italicafurniture.com) • e-mail: [info@italicafurniture.com](mailto:info@italicafurniture.com)

## FORM NO. MGT 11 PROXY FORM

((Pursuant to Section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies Management and Administration ) Rules, 2014)  
24<sup>th</sup> Annual General Meeting, 23.07.2016 at 9.30 a.m.

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

I/We, being the member (s) of PIL ITALICA LIFESTYLE LIMITED holding ..... equity shares of the above named company, hereby appoint

(1) Name ..... Address .....  
E-mail Id ..... Signature ..... or failing him;

(2) Name ..... Address .....  
E-mail Id ..... Signature ..... or failing him;

(3) Name ..... Address .....  
E-mail Id ..... Signature ..... or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 23.07.2016 at 9.30 a.m at the Registered Office: Kodyat Road, Village : Sisarma, Distt: Udaipur - 313 031 or at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl.No.                   | Resolution   | Optional* |         |
|--------------------------|--|-----------|---------|
|                          |  | For       | Against |
| <b>ORDINARY BUSINESS</b> |  |           |         |
| 01                       | Adoption of Financial Statements and other documents for the year ended 31 <sup>st</sup> March,2016. |           |         |
| 02                       | Appointment of Mr. Narendra Bhanawat, Director liable to retire by rotation                          |           |         |
| 03                       | Appointment of Auditors and fix their remuneration   |           |         |
| <b>SPECIAL BUSINESS</b>  |  |           |         |
| 04                       | Re-appointment of Mr. Narendra Bhanawat as a Whole Time Director                                     |           |         |
| 05                       | Appointment of Mr. Ram Swaroop Sodani as Independent Director  |           |         |
| 06                       | Sub Division of equity shares  |           |         |
| 07                       | Alteration of Clause V of Memorandum of Association of the Company                                   |           |         |

Signed this ..... day of .....2016

Signature of Shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
stamp  
Re.1/-

### Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 24<sup>th</sup> Annual General Meeting.
3. \*It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



# PIL ITALICA LIFESTYLE LIMITED

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

Tel. +91 0294 2432271/72 Fax : 91 0294 2430411 • Website: [www.italicafurniture.com](http://www.italicafurniture.com) • e-mail: [info@italicafurniture.com](mailto:info@italicafurniture.com)

## ATTENDANCE SLIP

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

1. Name of the Attending Member \_\_\_\_\_  
(in Block Letters)
2. Regd. Folio Number \_\_\_\_\_
3. DP Id.\* \_\_\_\_\_
4. Client Id.\* \_\_\_\_\_
5. Name of the Proxy (in Block Letters) \_\_\_\_\_  
(To be filled in if the proxy attends instead of member)
6. No. of shares held : \_\_\_\_\_

I hereby record my presence at the Annual General Meeting at Kodyat Road, Village-Sisarma, Udaipur-313031 on Saturday, 23<sup>rd</sup> day of July, 2016 at 9.30 a.m.

\* Applicable for Investors holding shares in electronic form

.....  
Signature of the Shareholders/Proxy

### NOTES :

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

## PIL ITALICA LIFESTYLE LIMITED

(formerly known as Peacock Industries Limited) (CIN: L25207RJ1992PLC006576)

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### Registration of email address for future communication

Name of Shareholder \_\_\_\_\_ Email Id : \_\_\_\_\_

Address : \_\_\_\_\_

Client id/ Folio No. ( in case of physical holding ) \_\_\_\_\_

DP ID : \_\_\_\_\_

Signature \_\_\_\_\_



# **PIL ITALICA LIFESTYLE LIMITED**

(formerly known as Peacock Industries Limited)

**ANNUAL REPORT**

**2015-2016**

#### **BOARD OF DIRECTORS**

Daud Ali Managing Director  
Narendra Bhanawat Whole Time Director and  
Chief Financial Officer.  
Magan Lal Sharma Director  
Mukesh Kumar Kothari Director  
Mrs. Namrata Babel Director  
Mr. Ram Swaroop Sodani Director (w.e.f. 03.10.2015)

#### **COMMITTEE OF THE BOARD**

##### **AUDIT COMMITTEE**

Magan Lal Sharma - Chairman  
Mukesh Kumar Kothari  
Mrs. Namrata Babel  
Mr. Ram Swaroop Sodani

##### **NOMINATION AND REMUNERATION COMMITTEE**

Magan Lal Sharma - Chairman  
Mukesh Kumar Kothari  
Mrs. Namrata Babel  
Mr. Ram Swaroop Sodani

##### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Magan Lal Sharma - Chairman  
Mukesh Kumar Kothari  
Mrs. Namrata Babel  
Mr. Ram Swaroop Sodani

##### **AUDITORS**

Sampati Lal Bohara & Co.  
Chartered Accountants

##### **COMPANY SECRETARY**

Aditi Parmar

##### **BANKERS**

ICICI Bank Limited  
YES Bank Limited  
IDBI Bank

##### **REGISTERED OFFICE & WORKS**

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

##### **INVESTOR QUERIES**

email:-investor@italicafurniture.com

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| Auditors' Report                                 | 17              |
| Balance Sheet                                    | 20              |
| Profit & Loss Account                            | 21              |
| Cash Flow Statement                              | 22              |
| Accounting Policies and Notes<br>to the accounts | 23              |

#### **Important Communication to Members**

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

## DIRECTORS' REPORT

### To The Members of PIL ITALICA LIFESTYLE LIMITED

(formerly known as Peacock Industries Limited)

The Directors of your Company have pleasure in presenting their Twenty Fourth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2016.

#### 1. FINANCIAL RESULTS

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

(Rs. in lacs.)

| Particulars   | 2015-2016 | 2014-2015 |
|---|-----------|-----------|
| Turnover  | 4250.35   | 3964.03   |
| Other Income  | 134.85    | 175.22    |
| Profit/(Loss-) before Tax Interest and Depreciation and exceptional items | 110.36    | 58.98     |
| Interest  | 29.02     | 39.61     |
| Depreciation  | 41.37     | 36.41     |
| Profit/(Loss) before Tax and exceptional items                            | 39.97     | (17.04)   |
| Less: Provision for Income Tax  | 0         | 0         |
| Exceptional Items   | 0         | 213.37    |
| Profit/(Loss) after Tax and exceptional items                             | 39.97     | 196.33    |
| Surplus carried from Previous year  | (2803.91) | (2996.08) |
| Depreciation of Transactions to Schedule II of the Companies Act, 2013    | 0         | (4.16)    |
| Balance carried to Balance Sheet  | (2763.94) | (2803.91) |

#### 2. DIVIDEND

Based on Company's performance, the Directors are unable to recommend dividend due to inadequate profits.

#### 3. STATE OF COMPANY'S AFFAIRS

The Company is engaged in the manufacturing of plastic moulded furniture and is one of the top most leading manufacturers in Rajasthan. The Company operates in only single segment i.e. plastic moulded furniture. During the financial year 2015-16, your Company recorded a turnover of Rs. 4250.35 Lacs in comparison to previous year i.e. Rs. 3964.03 Lacs registering a growth of 7.22 % over the previous year and earned a cash profit of Rs. 81.34 Lacs. Profit after Tax (PAT) for the year was Rs.39.97 Lacs with a downfall of 79.64 % in comparison to the previous years profit i.e. Rs. 196.33 (in Lacs).

The Management is taking every possible step to stream line its operations and to put the Company on growth. Its endeavours are manifesting the results despite of non-availability of adequate working capital, competitive environment etc.

#### 4. SHARE CAPITAL

During the year under review, there has been no change in the Equity share capital of the Company. The Issued, subscribed and paid up Equity Share Capital of the Company as at March 31, 2016 was Rs. 21 Crores divided into 5,25,00,000 shares of Rs. 4/- each. The equity shares of your company are listed on BSE Limited and National Stock Exchange of India Limited.

#### 5. MATERIAL CHANGES AND COMMITMENTS

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

#### 6. CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of business.

#### 7. CHANGE OF NAME

The name of company is changed from Peacock Industries Limited to PIL ITALICA LIFESTYLE LIMITED.

Consequently scrip ID in National Stock Exchange of India Limited changed from PILIND to PILITA and scrip code under BSE Limited remained same i.e. 500327. The changes in stock exchanges with respect to name and symbol was effective from 03rd September, 2015.

#### 8. EXECUTION OF NEW LISTING AGREEMENT

Your company executed fresh Listing Agreement on 21.01.2016 with the BSE Limited and National Stock Exchange of India Limited in accordance with the revised provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/06/2015 dated October 13, 2015 as per the revised format prescribed by the SEBI.

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

##### CONSERVATION OF ENERGY

The Company lays great emphasis in the savings cost of energy consumption. Therefore, reduction in the per unit consumption of energy is on going exercise in the Company. Effective measures have been taken to minimize the lossess of energy as far as possible.

##### TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company does not have a separate Research and Development activity. The Company has not imported any technology.

##### FOREIGN EXCHANGE EARNINGS AND OUT GO

During the year under review, the earnings in foreign exchange earnings was Rs. 3,96,107/- (previous yr Rs. 9,21,900/-) calculated at F.O.B. value. The Company is making continuous efforts to explore new foreign markets and to enlarge its market of exports.

#### 10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 sub-section (3) clause (c) of the Companies Act, 2013, it is stated that:

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

#### 11. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### a) DIRECTORS :

Mr. Ram Swaroop Sodani (DIN:07303930), was appointed as an Additional Director with effect from 03.10.2015 and he ceases to be a director at the commencement of the ensuing annual general meeting. The company has received a notice in writing under section 160 proposing his candidature for the office of director as an Independent Director alongwith the requisite deposit.

In terms of the Articles of Association of the Company, Mr. Narendra Bhanawat (DIN:00146824), Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the

Members of the Company at the ensuing Annual General Meeting

In terms of section 149 of the Companies Act, 2013, Mr. Ram Swaroop Sodani was also appointed as Independent Director on 03.10.2015 for a period of 5 (five) years and his appointment is subject to the approval of shareholders in the ensuing annual general meeting.

The Company has received necessary declaration from each Independent Director of the Company under Section 149(6) of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of independence as provided therein.

#### **b) KEY MANAGERIAL PERSONNEL:**

During the year under review, there is no change in the Key Managerial Personnel of the Company.

#### **12. POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND OTHER DETAILS**

The Company has in place the Nomination and Remuneration Committee. The Company has formulated the Nomination and Remuneration Policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of director. The details of this policy are available on the Company's website i.e. [www.italicafurniture.com](http://www.italicafurniture.com).

#### **13. DEPOSITS**

The Company has not accepted any deposits and no non-compliance occurred with respect to repaying of deposits during the year.

#### **14. NUMBER OF MEETINGS OF THE BOARD**

Number of meetings of the Board during the year were Ten(10) held on 04.04.2015, 30.05.2015, 25.06.2015, 30.07.2015, 22.08.2015, 03.10.2015, 24.10.2015, 21.01.2016, 15.02.2016 and 31.03.2016.

#### **15. RISK MANAGEMENT**

The Company has laid down the procedures to inform to the Board about the Risk assessment and risk minimization procedures. Your Company believes that managing risks helps in maximizing returns. The risk management plan is reviewed periodically by the Board and the Audit Committee. Some of the risks that the Company is exposed to are: Financial Risks, Raw Material Price Risks, Regulatory Risks, Human Resources Risks, Strategic Risks.

#### **16. INTERNAL FINANCIAL CONTROL**

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

#### **17. STATUTORY AUDITORS AND AUDIT REPORT**

In terms of Section 139 of the Companies Act, 2013 read with the Rules made thereunder, a company can appoint or re-appoint an audit firm as an Auditor of the Company for a maximum of two terms of five consecutive years. As per Companies (Audit and Auditors) Rules, 2014, M/s Sampatlal Bohra & Co., Chartered Accountants, Udaipur, (ICAI FRN:03324C) have already acted as Statutory Auditors of the company and has completed their tenure of ten years and further transitional period of three years and they cannot be reappointed as auditors in the ensuing annual general meeting. Therefore, in terms of the provisions of Section 139 of the Companies Act, 2013 read with the Rules made thereunder, M/s Ajay Paliwal & Co., Chartered Accountants, Udaipur (ICAI FRN : 012345C) will be appointed as the Statutory Auditors of the Company. They have confirmed their eligibility and willingness to accept the office.

The Board recommends their appointment for a period of five (5) years commencing from the conclusion of the 24th annual general meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the financial year 2021-22, subject to ratification of their appointment by the members of the Company at

every annual general meeting at a remuneration including applicable service tax as may be mutually agreed between the Auditors and Board of Directors of the Company."

#### **AUDIT REPORT**

The statutory auditors (M/s Sampatlal Bohra & Co.) have submitted Auditors Report which does not contain any qualification, reservation or adverse remark.

#### **18. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

The Board appointed M/s P.Talesara & Associates, firm of Practising Company Secretaries, Udaipur as Secretarial Auditor to carry out secretarial audit for the financial year 2015-16. The Secretarial Audit Report is attached to this report vide Annexure - 1 forming part of Directors report.

#### **19. EXTRACT OF ANNUAL RETURN**

Extract of the Annual Return in form MGT-9 as required under sub section(3) of Section 92 of the Companies Act, 2013, is attached as Annexure 2 and forms an integral part of this Report.

#### **20. PARTICULARS OF LOANS GIVEN, INVESTMENT MADE AND GUARANTEES GIVEN AND SECURITIES PROVIDED COVERED UNDER SECTION 186 OF THE COMPANIES ACT, 2013 :**

Your company has not given any loan, made investments, given guarantee or provided any security in terms of section 186 of the companies act, 2013 during the year under review.

#### **21. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Details regarding internal control system and their adequacy is included in Management Discussion and Analysis Report enclosed as Annexure- 4 forming part of Director's Report.

#### **22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, your company has not entered into any contract or arrangement or transaction with related parties covered under section 188(1) of the Companies Act, 2013. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the company's website: [www.italicafurniture.com](http://www.italicafurniture.com).

#### **23. ANNUAL PERFORMANCE EVALUATION**

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

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

#### **24. DISCLOSURE ON THE REMUNERATION OF MANAGERIAL PERSONNEL**

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under rule 5(2) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014.

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- 1) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. No remuneration by way of sitting fees and commission paid to Non Executive Directors during the year and hence not comparable. Ratio of remuneration of Executive Directors to median remuneration of employees :

Mr. Daud Ali : 13.58:1 and Mr. Narendra Bhanawat : 1.07:1

- 2) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2015-16 :-

| Executive Directors, Chief Financial Officer and Company Secretary | % increase/decrease in remuneration 2015-16 |
|--|---|
| Daud Ali   | Nil   |
| Narendra Bhanawat  | 298.81%                                     |
| Aditi Parmar   | 3.17 %                                      |

- 3) In the financial year, there was an increase of 13.29 % in the median remuneration of employees.
- 4) There are 46 permanent employees on the rolls of Company as on 31 March, 2016.
- 5) The explanation on the relationship between average increase in remuneration and Company performance :-  
On an average, employees received an annual increase of 7% every year. The individual increments varied based on individual performances.

- 6) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:-

|  |         |
|--|---------|
| Aggregate remuneration of key managerial personnel (KMP) in FY16 (in lacs) | 24.56   |
| Revenue (in lacs)  | 4250.35 |
| Remuneration of KMP's (as % of revenue)                                    | 0.58    |
| Profit After Tax (PAT) (in lacs)   | 39.97   |
| Remuneration of KMP (as % of PAT)  | 61.44   |

- 7) Variation in the market capitalisation of the Company, price earnings ratio as at the closing, date of the current financial year and previous financial year:

| Particulars           | March 31, 2016 | March 31, 2015 | % change |
|-----------------------|----------------|----------------|----------|
| Market capitalization | 471975000      | 721975000      | 34.61    |
| PE Ratio              | 112.37         | 36.18          | 210.58   |

Calculation of Market Capitalization and price to earnings are based on closing stock price on Bombay Stock Exchange as on relevant dates.

- 8) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in the year: The company came out with the IPO in the year 1992. The amount of Rs.590 lacs invested in the said IPO would be worth Rs. 530 Lacs as on March 31<sup>st</sup>, 2016 indicating a downfall of 10.16 %.
- 9) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification :-  
The annual average increase was around 10% However, there is increase in 10.62% in comparison to the fiscal year 2015-16.  
Justification: Increase in the salaries of Key Managerial Personnel is decided on the individual's performance, market inflation and many other factors, therefore comparison of one against the other is not feasible.
- 10) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

|                                | Daud Ali<br>Managing<br>Director<br>(in lacs) | Narendra<br>Bhanawat<br>WTD and CFO<br>(in lacs) | Aditi Parmar<br>Company<br>Secretary<br>(in lacs) |
|--------------------------------|---|--|---|
| Remuneration in FY16           | 20.16   | 2.89   | 1.51  |
| Revenue (lacs)                 | 4250.35                                       |  |   |
| Remuneration as % of revenue   | 0.47  | 0.07   | 0.03  |
| Profit before Tax (PAT) (lacs) | 39.97   |  |   |
| Remuneration (as % of PAT)     | 50.43   | 7.23   | 3.78  |

- 11) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year - None

- 12) The company affirms remuneration is as per the remuneration policy of the Company to all the directors, key managerial personnel and other employees.

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

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

26. **DEPOSITORY SYSTEM**

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

27. **ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established vigil mechanism policy to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct without any fear. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company www. Italicafurniture.com.

28. **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

29. **CORPORATE GOVERNANCE REPORT**

Corporate governance report is forms an integral part of this report and is enclosed after directors report.

30. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report is enclosed as Annexure-3 forming part of Directors Report

31. **STATUTORY ORDERS**

No significant and material orders were passed by Courts, Tribunals and other Regulatory Authorities affecting the going concern status of the Company's operations.

32. **ACKNOWLEDGEMENT**

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

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

For and On behalf of the Board of Directors

Sd/-  
**DAUD ALI**  
Managing Director

Sd/-  
**NARENDRA BHANAWAT**  
Whole Time Director and  
Chief Financial Officer

Place: Udaipur (Raj.)

Date: 27.05.2016

DIN : 185336

DIN : 146824

Annexure 1  
Form No. MR-3  
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleNo.9 of the Companies Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
PIL ITALICA LIFESTYLE LIMITED  
(Formerly known as Peacock Industries Limited).  
CIN : L25207RJ1992PLC006576  
Regd. Office - Kodiyat Road, Village Sisarma,  
Udaipur, Rajasthan-313001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited) for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the company during the audit period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed hereunder; (Not applicable to the company during the audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period);

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ( Not applicable to the company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ( Not applicable to the company during the audit period);
- (vi) Other Laws as applicable specifically to the company :
  - A. Water (Prevention & Control of pollution ) Act 1974 and Air (Prevention & control of pollution ) Act 1981 as certified by the Management.
  - B. Labour Laws as certified by Internal Auditors in their report for the Period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016.
  - C. Sick Industrial Companies (Special Provisions) Act 1985 as per Note No.33 to Annual Audited Accounts for the year ended 31<sup>st</sup> March 2016.

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

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

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All Decisions at board meeting and Committee meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company

- (i) has not made any allotment of securities.
- (ii) is under implementation of revival scheme, prepared by IDBI (the operating agency) as sanctioned by BIFR vide order dated 15.07.2013

Place : Udaipur (Raj.)  
Date : 27.05.2016

For P. Talesara & Associates  
Company Secretaries  
Sd/-  
(Pawan Talesara)  
Proprietor  
FCS No.: 8096, C P No.: 2674

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2016

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

## I. REGISTRATION AND OTHER DETAILS:

- i) CIN - L25207RJ1992PLC006576  
 ii) Registration Date : 16.03.1992  
 iii) Name of the Company : PIL ITALICA LIFESTYLE LIMITED  
 iv) Type of the Company : Public Company  
 Category : Company Limited by shares  
 Sub Category of Company : Indian Non Government Company  
 v) Address of the registered office and contact details: Kodyat Road, Village: Sisama, Udaipur- 313031,0294-2432271/72  
 vi) Whether listed company Yes / No : YES  
 vii) Name, Address and Contact details of registrar and transfer agent, if any : Activities in relation to electronic share transfer facility is maintained by Company's Registrar and Share Transfer Agent viz Link Intime India Pvt. Ltd. And activities in relation to physical share transfer facility are maintained by the Company Inhouse

## Address for Correspondence :

| For Demat Shares   | For Physical Shares  |
|--|--|
| Link Intime India Private Limited<br>C-13, Pannalal Silk Mills Compound,<br>LBS Marg, Bhandup (W)<br>Mumbai -400 078, India.<br>Phone : 022-25963838 | PIL ITALICA LIFESTYLE LIMITED<br>(formerly known as Peacock<br>Industries Limited)<br>Kodyat Road, Village: Sisama<br>Udaipur (Rajasthan) 313031,<br>0294-2432271/72 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and description of main products/services | NIC Code of the Product/ service (NIC 2008) | % to total turnover of the company |
|---------|--|---|------------------------------------|
| 1.      | Manufacture of furniture primarily of plastic  | 31004                                       | 100 %                              |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| Sl. No. | Name of Company                   | Address of Company                              | CIN/GLN               | Holding/ subsidiary /associate | % of shares held | Applicable Section |
|---------|-----------------------------------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1       | Dawood Investment Private Limited | 201, Oasis Park, 40, Ambawarh, Udaipur- 313 004 | U65993RJ1991PTCC00094 | Holding.                       | 67.93%           | 2(45)              |



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

| Sr. No. | Category of shareholder   | No. of shares at the beginning of year (1.4.2015) |          |          |                   | No. of shares at the end of year (31.3.2016) |          |          |                   | % Change during the year |
|---------|---|---|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
|         |   | Demat   | Physical | Total    | % of Total shares | Demat  | Physical | Total    | % of Total shares |                          |
| (A)     | Promoter and Promoter Group   |   |          |          |                   |  |          |          |                   |                          |
| (1)     | Indian  |   |          |          |                   |  |          |          |                   |                          |
| (a)     | Individuals/Hindu Undivided Family  | 79050   | 0        | 79050    | 0.15              | 79050  | 0        | 79050    | 0.15              | 0                        |
| (b)     | Central Government/State Government(s)  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (c)     | Bodies Corporate  | 35864300  | 0        | 35864300 | 67.93             | 35864300                                     | 0        | 35864300 | 67.93             | 0                        |
| (d)     | Financial Institutions/Banks  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (e)     | Any Other (Total)   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | Sub-Total (A)(1)  | 35743350  | 0        | 35743350 | 68.08             | 35743350                                     | 0        | 35743350 | 68.08             | 0                        |
| (2)     | Foreign   |   |          |          |                   |  |          |          |                   |                          |
| (a)     | Individuals (Non-Resident Individuals/ Foreign Individuals)                                 | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (b)     | Bodies Corporate  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (c)     | Institutions  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (d)     | Qualified Foreign Investor  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (e)     | Any Other (Total)   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | Sub-Total (A)(2)  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)                        | 35743350  | 0        | 35743350 | 68.08             | 35743350                                     | 0        | 35743350 | 68.08             | 0                        |
| (B)     | Public shareholding   |   |          |          |                   |  |          |          |                   |                          |
| (1)     | Institutions  |   |          |          |                   |  |          |          |                   |                          |
| (a)     | Mutual Funds/UTI  | 0   | 13500    | 13500    | 0.025             | 0  | 13500    | 13500    | 0.025             | 0                        |
| (b)     | Financial Institutions/ Banks   | 690812  | 3500     | 694312   | 1.32              | 690812                                       | 3500     | 694312   | 1.32              | 0                        |
| (c)     | Central Government/ State Government (s)  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (d)     | Venture Capital Funds   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (e)     | Insurance Companies   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (f)     | Foreign Institutional Investors   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (g)     | Foreign Venture Capital Investors   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (h)     | Qualified Foreign Investor  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (i)     | Any Other (Total)   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | Sub-Total (B)(1)  | 690812  | 17000    | 707812   | 1.34              | 690812                                       | 17000    | 707812   | 1.34              | 0                        |
| (2)     | Non-institutions  |   |          |          |                   |  |          |          |                   |                          |
| (a)     | Bodies Corporate  | 4808712   | 11200    | 4819912  | 9.18              | 5333436                                      | 5600     | 5339036  | 10.16             | 0.98                     |
| (b)     | Individuals -<br>i. Individual Shareholders Holding Nominal Share Capital Up To Rs. 1 Lakh. | 6395485   | 249000   | 6644485  | 12.65             | 6011036                                      | 250700   | 6261736  | 11.93             | (0.72)                   |

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

| Sr. No. | Category of shareholder   | No. of shares at the beginning of year (1.4.2015) |          |          |                   | No. of shares at the end of year (31.3.2016) |          |          |                   | % Change during the year |
|---------|---|---|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
|         |   | Demat   | Physical | Total    | % of Total shares | Demat  | Physical | Total    | % of Total shares |                          |
|         | Individuals -<br>ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs.1 Lakh | 4465021   | 0        | 4465021  | 8.5               | 4332251                                      | 0        | 4332251  | 8.25              | (0.25)                   |
| (c)     | Any Other (Specify)   |   |          |          |                   |  |          |          |                   |                          |
| (1)     | Non Resident Indian (repeat)  | 58320   | 38900    | 97220    | 0.19              | 55515  | 38600    | 94115    | 0.18              | (0.01)                   |
| (2)     | Overseas Bodies Corp  | 1500  | 20700    | 22200    | 0.04              | 1500   | 20200    | 21700    | 0.04              | 0                        |
|         | Sub-Total (B)(2)  | 15729038  | 319600   | 16048838 | 30.56             | 15733738                                     | 315100   | 16048838 | 30.56             | 0                        |
|         | Total Public Shareholding (B)= (B)(1)+(B)(2)  | 16419850  | 336800   | 16756650 | 31.91             | 16424550                                     | 332100   | 16756650 | 31.91             | 0                        |
|         | TOTAL (A)+(B)   | 52163200  | 336800   | 52500000 | 100               | 52167900                                     | 332100   | 52500000 | 100               | 0                        |
| (C)     | Shares held by Custodians and against which Depository Receipts have been issued                  |   |          |          |                   |  |          |          |                   |                          |
| C1      | Promoter and Promoter Group   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| C2      | Public  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | GRAND TOTAL (A)+(B)+(C)   | 52163200  | 336800   | 52500000 | 100               | 52167900                                     | 332100   | 52500000 | 100               | 0                        |

**(ii) Shareholding of Promoters**

| Sl No. | Shareholder's Name                | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the year |                                  |  | % change during the year |
|--------|-----------------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|--------------------------|
|        |                                   | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                          |
| 1      | Daud Ali                          | 79050                                     | 0.15                             | 0  | 79050                                | 0.15                             | 0  | 0                        |
| 2      | Dawood Investment Private Limited | 35664300                                  | 67.93                            | 0  | 35664300                             | 67.93                            | 0  | 0                        |
|        | Total                             | 35743350                                  | 68.08                            | 0  | 35743350                             | 68.08                            | 0  | 0                        |

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

| Sl No. | Particular  | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1.     | At the beginning of the year                                | 35664300                                  | 67.93                            | -                                       | -                                |
| 2.     | Date wise Increase/Decrease in shareholding during the year | no change during the year                 |                                  |   |                                  |
| 3.     | At the end of the year                                      | -   | -                                | 35664300                                | 67.93                            |

There was no change during the year in the holdings of our promoter company i.e. Dawood Investment Private Limited.

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

| For each of top 10 shareholders** | Shareholding at the beginning of the year(1.4.2015) |                                      | Increase/Decrease in the holding during the year |                                      | Shareholding at the end of the year (31.3.2016) |                                      |
|-----------------------------------|---|--------------------------------------|--|--------------------------------------|---|--------------------------------------|
|                                   | No of shares  | % of the total shares of the Company | No of shares                                     | % of the total shares of the Company | No of shares                                    | % of the total shares of the Company |
| PARK CONTINENTAL PVT. LTD         | 3486248   | 6.64                                 | 530968   | 1.011                                | 4017216   | 7.65                                 |
| ALI ASGAR KAGZI                   | 1250000   | 2.38                                 | 0  | 0                                    | 1250000   | 2.38                                 |
| HUSSAIN KAGZI                     | 1250000   | 2.38                                 | 0  | 0                                    | 1250000   | 2.38                                 |
| RTG SHARE BROKING LIMITED         | 20  | 0.003                                | 390363   | 0.74                                 | 390383  | 0.74                                 |
| HDFC BANK LIMITED                 | 343112  | 0.65                                 | 0  | 0                                    | 343112  | 0.65                                 |
| BANK OF INDIA                     | 342700  | 0.65                                 | 0  | 0                                    | 342700  | 0.65                                 |
| CHETAN KHERAJ DEDHIA              | 184204  | 0.35                                 | 0  | 0                                    | 184204  | 0.35                                 |
| SURESH RAJKUMAR SETHI             | 0   | 0                                    | 180982   | 0.34                                 | 180982  | 0.34                                 |
| NIRANJAN DUNGARSHI LAPASHIYA      | 132839  | 0.25                                 | 31462  | 0.06                                 | 164301  | 0.31                                 |
| CHETAN KHERAJ DEDHIA (HUF)        | 134399  | 0.26                                 | (12317)  | 0.023                                | 122082  | 0.23                                 |

\*\*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated.

**(v) Shareholding of Directors and Key Managerial Personnel:**

| For each of Director & KMP   | Shareholding at the beginning of the year (01.4.2015) |                                      | Cumulative shareholding during the year (as on 31.3.2016) |                                      |
|--|---|--------------------------------------|---|--------------------------------------|
|  | No of shares  | % of the total shares of the Company | No of shares  | % of the total shares of the Company |
| At the beginning of the year (1.04.2014) Mr. Daud Ali  | 79050   | 0.15                                 | -   | -                                    |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g.allotment/ transfer/bonus/sweat equity etc.) | No change during the year                             |                                      |   |                                      |
| At the end of the year   | -   | -                                    | 79050   | 0.15                                 |

No Key Managerial Personnel EXCEPT Mr. Daud Ali holds shares in the company.

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment -**

|   | Secured loans excluding deposits (Rs. In '000's) | Unsecured loans (Rs. In '000's) | Deposits (Rs. In '000's) | Total indebtedness (Rs. In '000's) |
|---|--|---------------------------------|--------------------------|------------------------------------|
| <b>Indebtedness at the beginning of the financial year (01.04.2015)</b> |  |                                 |                          |                                    |
| i) Principal Amount   | 19000  | 0                               | 0                        | 19000                              |
| ii) Interest due but not paid   | 0  | 0                               | 0                        | 0                                  |
| iii) Interest accrued but not due                                       | 12585  | 0                               | 0                        | 12585                              |
| <b>Total (i+ii+iii)</b>   | <b>31585</b>                                     | <b>0</b>                        | <b>0</b>                 | <b>31585</b>                       |
| <b>Change in Indebtedness during the financial year</b>                 |  |                                 |                          |                                    |
| - Addition  | 1163   | 0                               | 0                        | 1163                               |
| - Reduction   | (10000)  | 0                               | 0                        | (10000)                            |
| <b>Net Change</b>   | <b>(8837)</b>                                    | <b>0</b>                        | <b>0</b>                 | <b>(8837)</b>                      |
| <b>Indebtedness at the end of the financial year (31.03.2016)</b>       |  |                                 |                          |                                    |
| i) Principal Amount   | 9000   | 0                               | 0                        | 9000                               |
| ii) Interest due but not paid   | 0  | 0                               | 0                        | 0                                  |
| iii) Interest accrued but not due                                       | 13748  | 0                               | 0                        | 13748                              |
| <b>Total (i+ii+iii)</b>   | <b>22748</b>                                     | <b>0</b>                        | <b>0</b>                 | <b>22748</b>                       |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| S.No. | Particulars of remuneration   | Name of MD/WTD/MANAGER  |   | Total Amount (Rs.) |
|-------|---|---|---|--------------------|
|       |   | Daud Ali (MD)   | Narendra Bhanawat (Whole Time Director and CFO) |                    |
| 1     | Gross salary  |   |   |                    |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2016000   | 160272  | 2176272            |
|       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -   | 128790  | 128790             |
|       | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -   | -   | -                  |
| 2     | Stock Option  | -   | -   | -                  |
| 3     | Sweat Equity  | -   | -   | -                  |
| 4     | Commission - as % of profit- others, specify  | -   | -   | -                  |
| 5     | Others please specify   | -   | -   | -                  |
|       | <b>Total (A)</b>  | <b>2016000</b>  | <b>289062</b>                                   | <b>2305062</b>     |
|       | Ceiling as per the Act Section 197 of Companies Act'2013                            | Where the effective capital is Negative or less than 5 crores - maximum remuneratio payable will be Rs. 30 Lacs |   |                    |

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

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

| S.No. | Particulars of remuneration   | Key Managerial Personnel |          |                  |
|-------|---|--------------------------|----------|------------------|
|       |   | Company Secretary        | CFO      | Total Amount (') |
| 1     | Gross salary  |                          |          |                  |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 151200                   | -        | 151200           |
|       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -        | -                |
|       | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -        | -                |
| 2     | Stock Option  | -                        | -        | -                |
| 3     | Sweat Equity  | -                        | -        | -                |
| 4     | Commission - as % of profit- others, specify  | -                        | -        | -                |
| 5     | Others please specify   | -                        | -        | -                |
|       | <b>Total (A)</b>  | <b>151200</b>            | <b>-</b> | <b>151200</b>    |

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES - NIL

### ANNEXURE 3

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to SEBI (LODR) Regulations, 2015, your Directors have the pleasure in presenting the Management Discussion and Analysis Report for the year ended 31-03-2016.

#### A. INDUSTRIAL STRUCTURE AND DEVELOPMENT

The Company is leading producer of plastic moulded furniture and other injection moulded articles and is one of the top most leading manufacturer in UDAIPUR, Rajasthan. Your Company has a total capacity of 9452.000 m.t. per annum.

Total production during the period from 01.04.2015 to 31.03.2016 is 4047.32 m.t. against the production of 3489.41 m.t. in the preceding year registering a growth of 15.99 %. Due to to severe competition and excess availability of products in the market, prices of moulded furnitures have fallen down. The Company is taking all necessary steps to maximize the profitability of the Company.

#### B. OPPORTUNITIES AND THREATS

Plastic moulded furniture is replacing wooden and iron furniture day by day due to its low cost hence demand and scope of plastic moulded furniture is also increasing drastically. The capacity utilization is presently lower due to shortage of working capital, high growth of market competitors and changing demands of consumers. Company is trying to meet the requirements of market by manufacturing new varieties and changes in the existing furniture and has also achieved a level of growth to some extent.

#### C. SEGMENT-WISE PERFORMANCE

The company operates in only single segment unit i.e. Plastic Moulded Furniture that includes chairs, tables, sunlounger, Patlas, trollies etc. The production of chairs, other articles and house hold articles for the period ended on 31.03.2016 is 4047.32 m.t.

#### D. OUTLOOK

The outlook for the Company appears bright on a long term basis. The Company is hopeful that its performance in the years to come would be encouraging, as the Company is planning to launch new models of chairs and other articles. Your Company will endeavour to maintain, and enhance its position in the furniture market.

#### E. RISKS AND CONCERNS

The Company is exposed to a number of risks. Some key risks have been mentioned below:

- i) Raw material prices are market driven and power cost are major issues requiring immediate attentions. Higher labour cost and distance from consumption centers put pressure on the Company financials.
- ii) The company faces a threat from competitors that effects the market share of the Company.

#### F. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

#### G. FINANCIAL PERFORMANCES

During the Year, Your company achieved a turnover of Rs. 4250.35 Lacs in comparison to previous year i.e. Rs. 3984.03 lacs registering a growth of 7.22 % over the previous year and earned a cash profit of Rs. 81.34 Lacs. The company also exported its goods to Mauritius and earned foreign exchange of Rs. 3,96,107/- (previous yr Rs. 9,21,900/-) calculated on the basis of F.O.B. value.

#### H. SAFETY

Adequate safety measures and safe working practices have been implemented to ensure safety of workforce, plant and Machinery as well as of the environment.

#### I. HUMAN RESOURCES

The Industrial relation situation was cordial and harmonious and continues to be so at present. The Company has conducted computer training programme primarily to enhance the skill of the workforce. Your Company has the strength of 46 staffs and 64 workers (including managing and whole time directors). Our technical and well qualified staff efficiently use their skills in internal as well as external opportunities for capturing new market trends and high growth of your organization.

For and On behalf of the Board of Directors

|  |  |
|--|--|
| Sd/-<br><b>DAUD ALI</b><br>(Managing Director) | Sd/-<br><b>NARENDRA BHANAWAT</b><br>(Whole Time Director and<br>Chief Financial Officer) |
|--|--|

Udaipur, 27.05.2016      DIN : 185336

DIN : 146824

#### Cautionary Statement :

*The Statement in the "Management Discussion and Analysis Report" Section describes the Company's objectives, projections, estimates, expectations and predictions which may be "forward looking statements" within the meaning of the applicable securities laws and regulations and actual results might differ materially from those expressed or implied depending on the economic and climatic conditions, Government policies and other incidental factors.*

## CORPORATE GOVERNANCE REPORT

### I. COMPANY'S PHILOSOPHY

Corporate Governance is all about commitment to values and ethical business conduct. The Company believes in setting the highest standards in good and ethical corporate governance practices. The Company's philosophy on Corporate Governance emanates from its commitment for the highest level of transparency and accountability towards its shareholders, customers, employees, Banks and the Government while maintaining steady focus for creation of wealth for shareholders on sustainable basis.

A Report on compliance with the principles of Corporate Governance as prescribed under SEBI (LODR) Regulations is given below:

### II. BOARD OF DIRECTORS

a) Composition: The Board consists of 6 Directors out of which two are Executive Directors, three are Independent Directors and One is Non-Executive Director. There is no fixed Chairman on the Board. Details of Directors and their attendance in meetings are referred below:

| Name of Director         | Category                  | No. of the other directorship held | Membership in committee or other company held | No. of Board Meeting held & Attended | Attendance in last AGM held Yes/No |
|--------------------------|---------------------------|------------------------------------|---|--------------------------------------|------------------------------------|
| Mr. Daud Ali             | Promoter                  | 04                                 | 00  | 10                                   | Yes                                |
| Mr. Narendra Bhanawat    | Executive                 | 01                                 | 00  | 10                                   | Yes                                |
| Mr. Magan Lal Sharma     | Independent Non Executive | 00                                 | 00  | 10                                   | Yes                                |
| Mr. Mukesh Kumar Kothari | Non Executive             | 00                                 | 00  | 10                                   | Yes                                |
| Dr. Namrata Babel        | Independent Non Executive | 00                                 | 00  | 10                                   | Yes                                |
| Mr. Ram Swaroop Sodani*  | Independent Non Executive | 00                                 | 00  | 04                                   | No                                 |

\*Appointed w.e.f. 03.10.2015

b) Ten Board meetings held during the year held on 04.04.2015, 30.05.2015, 25.06.2015, 30.07.2015, 22.08.2015, 03.10.2015, 24.10.2015, 21.01.2016, 15.02.2016 and 31.03.2016.

c) The necessary quorum was present for all meetings. None of the Directors on Board hold directorships beyond the prescribed limit as mentioned under Companies Act, 2013.

d) The board periodically report the compliance reports of all laws applicable to the company.

e) Your company complies with the provisions of Code of Fair disclosure and the same is placed on the website of the company.

f) All the necessary disclosures as applicable to the Company is placed on the website of the company at the link: [www.italicafurniture.com](http://www.italicafurniture.com)

### III. COMMITTEES OF THE BOARD

The Board of Directors has the following Committees Audit Committee, Remuneration and Nomination Committee and Stakeholders' Relationship Committee.

#### A. AUDIT COMMITTEE

1. Composition: Audit Committee of the Board of directors is entrusted with the Responsibility to supervise the company's Internal Controls and Financial reporting process. The Composition, quorum, powers, role and

scope are in accordance with section 177 of the Companies Act, 2013 and the Regulations of SEBI Listing Regulations. All members of the Audit Committee are financially literate and being in expertise in the fields of Accounts, Audit, Finance, Marketing and Taxation.

| Name of Director         | Category/ Position                  | No. of Meetings held | No. of Audit Committee Meetings attended |
|--------------------------|-------------------------------------|----------------------|--|
| Mr. Magan Lal Sharma     | Independent Non Executive/ Chairman | 06                   | 06                                       |
| Mr. Mukesh Kumar Kothari | Non Executive/ Member               | 06                   | 06                                       |
| Dr. Namrata Babel        | Independent Non Executive/ Member   | 06                   | 06                                       |
| Mr. Ram Swaroop Sodani*  | Independent Non Executive/ Member   | 06                   | 03                                       |

\*Appointed w.e.f. 03.10.2015

2. Meetings of Audit committee : During the period under review, The Committee met Six times during the year and the gap between two meetings did not exceed four months. Dates of the said meetings are as follows: 04.04.2015, 30.05.2015, 30.07.2015, 24.10.2015, 21.01.2016 and 15.02.2016. Necessary quorum was present in all the meetings. The previous AGM held on 30<sup>th</sup> July,2015 and was attended by Mr. Magan Lal Sharma, Chairman of Audit Committee.

#### 3. Terms of Reference :

The committee has powers as envisaged under SEBI (LODR) Regulations 2015 and as specified by the Board of Directors of the Company and includes the following terms of references.

The audit committee reviews the financial statements, performance of auditor and their independence, evaluation of internal financial controls and risk management systems; adequacy of the internal control systems and carrying out any other function as mentioned in the terms of reference of the audit committee.

#### B. NOMINATION AND REMUNERATION COMMITTEE

##### 1. Composition

The Composition of Nomination and Remuneration Committee are in accordance with the provisions of section 178 of the Companies act, 2013 and SEBI (LODR) Regulations, 2015. The table below provide Attendance of the Nomination and Remuneration Committee members.

| Name of Director         | Category/ Position                  | No. of Meetings held | No. of Audit Committee Meetings attended |
|--------------------------|-------------------------------------|----------------------|--|
| Mr. Magan Lal Sharma     | Independent Non Executive/ Chairman | 04                   | 04                                       |
| Mr. Mukesh Kumar Kothari | Non Executive/ Member               | 04                   | 04                                       |
| Dr. Namrata Babel        | Independent Non Executive/ Member   | 04                   | 04                                       |
| Mr. Ram Swaroop Sodani*  | Independent Non Executive/ Member   | 04                   | 00                                       |

\*Appointed w.e.f. 03.10.2015.

- The Nomination and Remuneration Committee met Four times during the financial Year 2015-16. The necessary quorum was present for all Meetings. The meetings were held on 04.04.2015, 30.05.2015, 25.06.2015 and 03.10.2015. The Chairman of the Committee was present in the last annual general meeting held on 30.07.2015.
- None of the Directors and Key Managerial Personnel holds equity shares of the Company except Mr. Daud Ali holding 79050 equity shares of the Company as on 31<sup>st</sup> March, 2016. Company does not have any employee stock option scheme.
- Directors Remuneration—no sitting fees is paid to non executive directors and remuneration paid to executive directors is as under :

| Name of Director   | Salary & other benefits | Comm-ission | Notice Period/ Severance Fees*                              |
|--|-------------------------|-------------|---|
| Mr. Daud Ali<br>(Managing Director)  | 2016000                 | Nil         | Notice period-3 months<br>Severance fees is not applicable. |
| Mr. Narendra Bhanawat<br>(Whole time Director and Chief Financial Officer) | 289062                  | Nil         |   |

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website viz. [www.italicafurniture.com](http://www.italicafurniture.com).

#### 5. Terms of Reference

The Board has clearly defined terms of reference for Nomination and Remuneration Committee which are as follows:

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

Further, the Remuneration Committee while deciding the remuneration package of the senior management members takes into account financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.

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

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE :

##### 1. Composition

Stakeholders Relationship Committee of the Board of directors is entrusted with the Responsibility to Committee to look into redressal of complaints of investors such as transfer and transmission of shares, issue of duplicate share certificates, non-receipt of annual report, notices etc. in accordance with section 178 of the Companies Act, 2013 and and Regulation 20 of SEBI Listing Regulations, 2015. The table below provide Attendance of the Nomination and Remuneration Committee members.

| Name                               | Position | Category                     | No. of Meetings held | No. of Meetings attended |
|------------------------------------|----------|------------------------------|----------------------|--------------------------|
| Mr. Magan Lal Sharma<br>(Chairman) | Chairman | Independent<br>Non Executive | 05                   | 05                       |
| Mr. Mukesh Kumar<br>Kothari        | Member   | Non Executive                | 05                   | 05                       |
| Dr. Namrata Babel                  | Member   | Independent<br>Non Executive | 05                   | 05                       |
| Mr. Ram Swaroop<br>Sodan*          | Member   | Independent<br>Non Executive | 05                   | 02                       |

\*Appointed w.e.f. 03.10.2015

- Meetings of Stakeholders Relationship committee held: The committee met Five times during the year under review. The meetings were held on 30.05.2015, 30.07.2015, 03.10.2015, 15.02.2016 and 31.03.2016.
- During the year, No complaints remained unresolved and there was no non-compliance of any provision of law by the Company, nor any penalty was imposed on the Company by Stock Exchange (s), SEBI or any other authority on any matter related to capital markets during the last three years
- Details of investor complaints received during the year

| Opening balance | Received during the year | Resolved during the year | Closing balance |
|-----------------|--------------------------|--------------------------|-----------------|
| Nil             | 5                        | 5                        | Nil             |

#### IV. General Body Meetings

##### a) Details of last three annual general meetings held

| Year    | Date       | Time       | Venue             | No. Special Resolutions Passed |
|---------|------------|------------|-------------------|--------------------------------|
| 2012-13 | 29.6.2013  | 10.00 A.M. | Kodiyat Road,     | 00                             |
| 2013-14 | 07.08.2014 | 09.00 A.M. | Village. Sisarma, | 03                             |
| 2014-15 | 30.07.2015 | 09.00 A.M. | Udaipur - 313031  | 02                             |

- No Extra Ordinary General Meeting was held during the year under review.
- No resolutions was passed by way of Postal Ballot during the year under review.

V. **SUBSIDIARY COMPANIES** : The Company does not have any material subsidiary as defined under Listing Regulation. However, the Company has formulated the Material Subsidiary Policy and uploaded on the website of the Company viz. [www.italicafurniture.com](http://www.italicafurniture.com).

#### VI. DISCLOSURES

- Related Party Transactions: the Board has approved a policy for related party transactions which has been uploaded on the Company's website at following link: <http://www.italicafurniture.com/corporate-governance.aspx>.
- Details of non compliance by the Company/penalties imposed etc. with regard to the capital market, Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years 2013-14, 2014-15 and 2015-16 respectively: NIL
- Company has adopted a whistleblower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior.
- Code of conduct** : The members of the Board and Senior management personnel have affirmed with the company's code and declaration submitted by the Managing Director is enclosed.

5. CEO/CFO Certification: Certificate from the CEO/CFO of the Company is enclosed at the end of this report.

## VII. MEANS OF COMMUNICATION

The quarterly/Half yearly/Annually / un-audited/Audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board and published in the leading newspapers.

## VIII. GENERAL SHAREHOLDER INFORMATION :

### 1. ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2015-16

|  |   |
|--|---|
| Day, Date and Time   | Saturday, 23.07.2016 at 09.30 a.m.  |
| Venue: (Registered Office of the Company)  | PIL ITALICA LIFESTYLE LIMITED<br>Kodyat Road, Village: Sisarma,<br>Udaipur (Raj) - 313 031                                |
| Financial year   | April 1, 2015 to March 31, 2016   |
| ● Board Meeting for consideration of accounts for the year ended March 31, 2016.   | May 27, 2016  |
| ● Board Meeting for consideration of unaudited results for the first three quarters of the current financial year viz. April 01, 2015 to March 31, 2016. | Within 45 days from the end of the relevant quarter as stipulated under the listing agreement with the Stock Exchanges.   |
| ● Audited results, if any, for the current year ending March 31, 2016.   | Within 60 days from the end financial of the last quarter as stipulated under the Listing Agreement with Stock Exchanges. |
| Dividend payment data  | Nil   |
| Date of Book Closure/ record date  | 20.07.2016 to 23.07.2016 (both days inclusive)  |

### 2. Listing on Stock Exchanges, Stock Codes and Symbol:

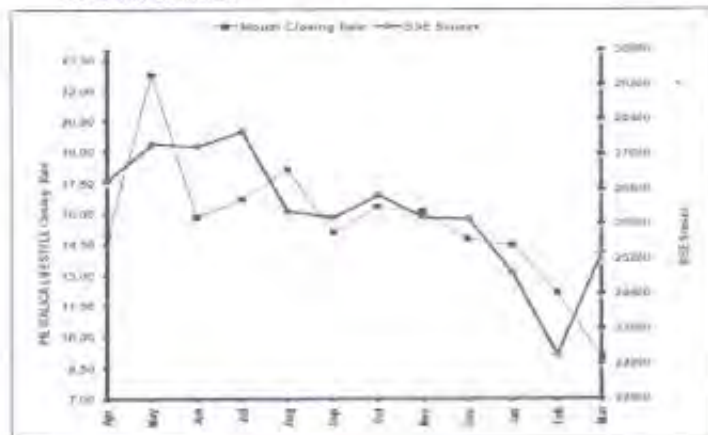
|  |  |
|--|--|
| The Stock Exchange, Mumbai(BSE)<br>BSE Limited<br>Phiroze Jeejeebhoy Towers<br>25th Floor, Dalal Street<br>Mumbai- 400001<br>Stock Code No: 500327 | National Stock Exchange of India Ltd.<br>(NSE) National Stock Exchange of India Limited.<br>Exchange Plaza, C-1, Block-G<br>Bandra Kurla Complex, Bandra -East<br>MUMBAI - 400 051<br>Symbol: PILITA |
|--|--|

Listing Fees as applicable has been paid.

### 3. Market Price Data :

| Month          | BSE  |       | NSE   |       |
|----------------|------|-------|-------|-------|
|                | High | Low   | High  | Low   |
| April 2015     | 17   | 13.5  | 17.3  | 13.4  |
| May 2015       | 25   | 14.7  | 24.95 | 14    |
| June 2015      | 23.2 | 15.5  | 23.85 | 15.55 |
| July 2015      | 19.3 | 15.6  | 19.9  | 15.3  |
| August 2015    | 23.5 | 15.4  | 21.9  | 15.1  |
| September 2015 | 18.5 | 13.6  | 18.5  | 13.5  |
| October 2015   | 18.7 | 14.8  | 18.4  | 14.4  |
| November 2015  | 17.4 | 14    | 17.5  | 13.9  |
| December 2015  | 17.5 | 14.1  | 17.4  | 14    |
| Jan 2016       | 20.3 | 13.3  | 20.2  | 13    |
| Feb 2016       | 15.5 | 12.11 | 15.75 | 11.8  |
| March 2016     | 14.7 | 7.99  | 14.7  | 8.4   |

## 4. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES AS BSE SENSEX:



### 5. REGISTRAR & TRANSFER AGENT :

All the physical share transfer work is done in-house at the Share Department at the registered office of the Company at Udaipur and for Demat work the Company has appointed a registrar i.e. Link Intime India Pvt. Ltd.

### ADDRESS FOR CORRESPONDENCE :

| For Demat Shares  | For Physical Shares   |
|---|---|
| Link Intime India Pvt. Ltd.,<br>C-13, Pannaal Silk Mills Compound,<br>LBS Marg, Bhandup (West)<br>MUMBAI - 400 078<br>E-mail: accounts@linkintime.co.in<br>Tel No.: 022-25963838<br>Fax No.: 022-25946969 | PIL ITALICA LIFESTYLE LIMITED<br>Kodyat Road, Village: Sisarma,<br>Udaipur (Rajasthan) 313001<br>investor@italicafurniture.com<br>Tel No.: 0294-2432271-72<br>Fax No.: 0294-2430411 |

### 6. SHARE TRANSFER SYSTEM :

99.36% of the equity shares are converted in electronic form. Transfer of shares are done into demat or held in physical forms can be lodged with the above mentioned addresses. Transfer of shares normally processed within a period of 15-20 days from the date of receipt, subject to the documents being valid and complete in all respect. Authorised officials approve transfers and the same is noted at subsequent board meetings.

### 7. SHAREHOLDING AS ON 31-03-2016

#### (a) Distribution of Shareholding as of 31-03-2016

| Shareholding of Shares | No. of Shareholders | % of total shares | Share Allotted | % of total Shares |
|------------------------|---------------------|-------------------|----------------|-------------------|
| Upto - 500             | 5680                | 70.66             | 1263304        | 2.41              |
| 501 - 1000             | 1123                | 13.98             | 1009196        | 1.92              |
| 1001 - 2000            | 544                 | 6.77              | 898656         | 1.71              |
| 2001 - 3000            | 225                 | 2.80              | 600850         | 1.14              |
| 3001 - 4000            | 84                  | 1.04              | 303990         | 0.58              |
| 4001 - 5000            | 111                 | 1.38              | 536712         | 1.02              |
| 5001 - 10000           | 152                 | 1.89              | 1135988        | 2.17              |
| 10001-ABOVE            | 119                 | 1.48              | 48751304       | 89.05             |
| Total                  | 8038                | 100               | 52500000       | 100               |



**(b) Categories of equity Shareholders**

| Category                     | No. of Shares   | % of Shareholding |
|------------------------------|-----------------|-------------------|
| Promoters                    |                 |                   |
| Indian Promoters             | 35743350        | 68.08             |
| NRI Promoters                | 0               | 0                 |
| Indian Public                | 10593987        | 20.18             |
| NRI                          | 94115           | 0.18              |
| Overseas Corporate Bodies    | 21700           | 0.04              |
| Bodies Corporate             | 5339036         | 10.17             |
| Financial Institutions/Banks | 694312          | 1.32              |
| Mutual Funds                 | 13500           | 0.03              |
| <b>Total</b>                 | <b>52500000</b> | <b>100</b>        |

**8. Dematerialisation of Shares and Liquidity :**

Company's shares are compulsorily traded in dematerialised form. Equity shares of the company representing 99.36% are dematerialized as on 31<sup>st</sup> March, 2016. Under the depository system, the international securities identification no. (ISIN) allotted to company's shares is INE600A01027.

**9. LOCATION OF PLANT** : Kodyat Road, Village: Sisarma, Udaipur -313031

**10. ADDRESS FOR COMMUNICATION**

**PIL ITALICA LIFESTYLE LIMITED,**  
Kodyat Road, Village : Sisarma, Dist-Udaipur (Raj.) 313 031  
Phone No. : 0294-2432271-72 Fax No. : 0294-2430411  
Designated E-Mail Id For Investors Services:investor@italicafurniture.com  
Website : [www.italicafurniture.com](http://www.italicafurniture.com)

**IX. NON MANDATORY REQUIREMENTS**

The status of compliance with discretionary recommendations of the Regulation 27 of the SEBI Regulations with Stock Exchanges inter-alia is provided below:-

1. Separate posts of chairperson and chief executive officer
2. Reporting of internal auditor directly to audit committee

**DECLARATION ON COMPANY'S CODE OF CONDUCT**

I, Daud Ali, Managing Director of PIL ITALICA LIFESTYLE LIMITED, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have complied with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors as provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March 2016.

For PIL ITALICA LIFESTYLE LIMITED

Sd/-

(Daud Ali)

Managing Director (DIN: 185336)

Place : Udaipur  
Date : 27<sup>th</sup> May, 2016

**AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of corporate governance by PIL ITALICA LIFESTYLE LIMITED, (formerly known as Peacock Industries Limited) ('the Company'), for the year ended on March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance Note on Certificate of Corporate

Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

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

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

For SAMPATILAL BOHARA & COMPANY  
Chartered Accountants(FRN 03324C)

Sd/-

(SUDHIR MEHTA)

Partner

Membership No. 400920

Place : Udaipur  
Date : 27<sup>th</sup> May, 2016

**CEO/CFO CERTIFICATION**

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

To,

The Board of Directors

PIL ITALICA LIFESTYLE LIMITED

Udaipur

- a) We have reviewed financial statements and the cash flow statement of PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited) for the year ended 31st March, 2016 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d) We have indicated to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

For PIL ITALICA LIFESTYLE LIMITED

Sd/-

DAUD ALI

Managing Director  
DIN : 185336

Sd/-

NARENDRA BHANAWAT

Whole Time Director  
and Chief Financial Officer  
DIN : 146824

Place : Udaipur  
Date : 27.5.2016

## INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited)

### Report on the Financial Statements

(1) We have audited the accompanying financial statements of **PIL ITALICA LIFESTYLE LIMITED** (Formerly known as Peacock Industries Limited) ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

(2) The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

(3) Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

(6) 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

(8) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016;
- 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

(9) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (herein after referred to as the order), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

(10) As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure -A.
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us :
  - i.) The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer to Note 30 to the financial statements;
  - ii.) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii.) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

FOR SAMPATI LAL BOHRA & CO.  
Chartered Accountants FRN003324C

Sd/-

(SUDHIR MEHTA)

PARTNER

Membership No. 400920

Place -UDAIPUR  
Date - 27.05.2016

**Annexure B to the Independent Auditors Report**

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of **PIL ITALICA LIFESTYLE LIMITED** (formerly known as Peacock Industries Limited) on the financial statements for the year ended March 31, 2016.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- 2) (a) As explained to us that the inventory has been physically verified during the year by management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;
- (c) In our opinion the company is maintaining proper records of inventory, no material discrepancies were noticed on physical verification of the inventory.
- 3) The Company has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4) The Company has not given any loans or guarantees / made any investments within the meaning of section 185 and 186 of The Companies Act, 2013.
- 5) The Company has not accepted any deposits, the directions issued by the Reserve Bank Of India and the provisions of section 73 to 76 or any other relevant provisions of the companies Act and rules framed there under are not applicable.
- 6) The Central government has not prescribed the maintenance of the cost records under section 148 (1) of the Act for any of the products of the company.
- 7) (a) The undisputed statutory dues generally have been regularly deposited with appropriate authorities and we are informed that no amount were outstanding as at 31st March, 2016 towards undisputed statutory dues in respect of income tax, sales tax, wealth tax, custom Duty, excise duty, cess for a period of more than six months from the date they become payable.
- (b) We are informed that the followings were outstanding as at 31 st March 2016 towards disputed statutory dues:-

| PARTICULARS                              | (Rs. in lacs) |  |
|--|---------------|--|
|  | AMOUNT        | REMARKS  |
| Excise Duty<br>(net of predeposit)       | 98.22         | Pending at<br>Commissionerate,<br>Jaipur –II Rajasthan |
| Penalty by<br>Enforcement<br>Directorate | 200.00        | Pending at Rajasthan<br>High Court, Jaipur             |

- 8) In our opinion and according to the information's and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank.
- 9) The Company has not taken term loans during the year.
- 10) Based upon the audit procedures performed and information and explanations given by the management, We report that no fraud by the company or on the company by its officers/

employees has been noticed or reported during the course of our audit.

- 11) The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- 12) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3 (xii) of the order are not applicable to the Company.
- 13) The Company has entered in to transactions with related parties in compliance with the provisions of section 177 and 188 of the Act, the details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related party disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 15) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**FOR SAMPATI LAL BOHRA & CO.**  
Chartered Accountants FRN003324C  
Sd/-  
(SUDHIR MEHTA )  
PARTNER  
Membership No. 400920

Place : UDAIPUR  
Date : 27.05.2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of PIL ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) on the financial statements for the year ended March 31, 2016.

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

1. We have audited the internal financial controls over financial reporting of PIL ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR SAMPATI LAL BOHRA & CO.,  
Chartered Accountants FRN003324C

Sd/-  
(SUDHIR MEHTA )

PARTNER  
Membership No. 400920

Place : UDAIPUR  
Date : 27.05.2016

## BALANCE SHEET AS AT 31st MARCH, 2016

| Particulars  | Note No. | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------|----------------------------------|----------------------------------|
| <b>A EQUITY AND LIABILITIES</b>                    |          |                                  |                                  |
| <b>1 Shareholders' funds</b>                       |          |                                  |                                  |
| (a) Share capital                                  | 1        | 210000000                        | 210000000                        |
| (b) Reserves and surplus                           | 2        | (220281429)                      | (224278701)                      |
| (c) Money received against share warrants          |          |                                  |                                  |
| <b>2 Share application money pending allotment</b> |          |                                  |                                  |
| <b>3 Non-current liabilities</b>                   |          |                                  |                                  |
| (a) Long-term borrowings                           | 3        |                                  | 9000000                          |
| (b) Deferred tax liabilities (net)                 |          |                                  |                                  |
| (c) Other long-term liabilities                    | 4        | 17861808                         | 25156521                         |
| (d) Long-term provisions                           |          |                                  |                                  |
| <b>4 Current liabilities</b>                       |          |                                  |                                  |
| (a) Short-term borrowings                          | 5        | 22405923                         | 2082289                          |
| (b) Trade payables                                 | 6        | 9900957                          | 6563537                          |
| (c) Other current liabilities                      | 7        | 100959690                        | 97587864                         |
| (d) Short-term provisions                          | 8        | 888848                           | 725884                           |
| <b>TOTAL</b>                                       |          | <b>141735795</b>                 | <b>126837194</b>                 |
| <b>B ASSETS</b>                                    |          |                                  |                                  |
| <b>1 Non-current assets</b>                        |          |                                  |                                  |
| (a) Fixed assets                                   |          |                                  |                                  |
| (i) Tangible assets                                | 9        | 41901002                         | 40908288                         |
| (ii) Intangible assets                             | 10       | 82942                            | 719818                           |
| (iii) Capital work-in-progress                     |          |                                  |                                  |
| (iv) Intangible assets under development           |          |                                  |                                  |
| (v) Fixed assets held for sale                     |          |                                  |                                  |
| (b) Non-current investments                        |          |                                  |                                  |
| (c) Deferred tax assets (net)                      |          |                                  |                                  |
| (d) Long-term loans and advances                   | 11       | 3538491                          | 3054418                          |
| (e) Other non-current assets                       |          |                                  |                                  |
| <b>2 Current assets</b>                            |          |                                  |                                  |
| (a) Current investments                            |          |                                  |                                  |
| (b) Inventories                                    | 12       | 54580754                         | 52012647                         |
| (c) Trade receivables                              | 13       | 24024888                         | 14815154                         |
| (d) Cash and cash equivalents                      | 14       | 5328195                          | 2623534                          |
| (e) Short-term loans and advances                  | 15       | 12279923                         | 12703335                         |
| (f) Other current assets                           |          |                                  |                                  |
| <b>TOTAL</b>                                       |          | <b>141735795</b>                 | <b>126837194</b>                 |

## Significant accounting policies

Notes on financial statement - note no. 1 to 34

In terms of our report attached.

For Sampati Lal Bohara &amp; Co.

Chartered Accountants

FRN:003324C

Sd/-

(Sudhir Mehta)

Partner

Membership No.400920

For and on behalf of the Board of Directors

Sd/-

DAUD ALI  
MANAGING DIRECTOR  
DIN 185336

Sd/-

ADITI PARMAR  
COMPANY SECRETARY

Sd/-

NARENDRA BHANAWAT  
DIRECTOR AND CHIEF  
FINANCIAL OFFICER  
DIN 146824

Place : Udaipur

Date : 27.05.2016

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016**

| Particulars   | Note No. | For the year ended<br>31 March, 2016<br>(Rs.) | For the year ended<br>31 March, 2015<br>(Rs.) |
|---|----------|---|---|
| <b>A CONTINUING OPERATIONS</b>  |          |   |   |
| 1 Revenue from operations   | 16       | 425034793                                     | 396403478                                     |
| 2 Other income  | 17       | 13465237                                      | 17522495                                      |
| 3 <b>Total revenue (1+2)</b>  |          | <u>438500030</u>                              | <u>413925973</u>                              |
| 4 <b>Expenses</b>   |          |   |   |
| (a) Cost of materials consumed  | 18       | 330448001                                     | 325868082                                     |
| (b) Purchases of stock-in-trade   | 19       | 94098   | 1342830                                       |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20       | (1132419)                                     | (1871080)                                     |
| (d) Employee benefits expense   | 21       | 22942989                                      | 21484428                                      |
| (e) Finance costs   | 22       | 2901917                                       | 3961054                                       |
| (f) Depreciation and amortisation expense   | 9,10     | 4137615                                       | 3641455                                       |
| (g) Other expenses  | 23       | 75110557                                      | 61203297                                      |
| <b>Total expenses</b>   |          | <u>434502758</u>                              | <u>415630056</u>                              |
| 5 Profit(Loss) before Tax   |          | 3997272                                       | (1704093)                                     |
| 6 Exceptional items   |          | -   | 21336785                                      |
| 7 Tax expenses  |          | -   | -   |
| 8 Profit/Loss After Tax   |          | 3997272                                       | 19935592                                      |
| 9 Earning Per Share Basic and diluted - before Extra Ordinary Items               |          | 0.08  | 0.38  |
| 10. Earning Per Share Basic and diluted - after Extra Ordinary Items              |          | 0.08  | 0.38  |

Notes on financial statement - note no. 1 to 34

In terms of our report attached,

For Sampati Lal Bohara & Co.

Chartered Accountants

FRN:003324C

Sd/-

(Sudhir Mehta)

Partner

Membership No.400920

For and on behalf of the Board of Directors

Sd/-

DAUD ALI  
MANAGING DIRECTOR  
DIN 185336

Sd/-

ADITI PARMAR  
COMPANY SECRETARY

Sd/-

NARENDRA BHANAWAT  
DIRECTOR AND CHIEF  
FINANCIAL OFFICER  
DIN 146824

Place : Udaipur

Date : 27.05.2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

| PARTICULARS  | For the year ended |                 | For the year ended |                  |
|--|--------------------|-----------------|--------------------|------------------|
|  | 31.03.2016         | 31.03.2016      | 31.03.2015         | 31.03.2015       |
| <b>A Cash Flow From Operating Activities</b>                           |                    |                 |                    |                  |
| Net Profit / (Loss) before extraordinary items and tax                 |                    | 3997272         |                    | -1704093         |
| <i>Adjustments for:</i>  |                    |                 |                    |                  |
| Depreciation and amortisation  | 4137615            |                 | 3641455            |                  |
| Finance costs  | 2901917            |                 | 3961054            |                  |
| Interest income  | -265550            |                 | -158302            |                  |
|  |                    | <u>6773982</u>  |                    | <u>7444207</u>   |
| Operating profit / (loss) before working capital changes               |                    | 10771254        |                    | 5740114          |
| <i>Changes in working capital:</i>                                     |                    |                 |                    |                  |
| <i>Adjustments for (increase) / decrease in operating assets:</i>      |                    |                 |                    |                  |
| Inventories  | -2568107           |                 | -6155504           |                  |
| Trade receivables  | -8209334           |                 | 1233178            |                  |
| Short-term loans and advances  | 423412             |                 | -3142520           |                  |
| Long-term loans and advances   | -484073            |                 | -252000            |                  |
| Other current assets   | 0                  |                 | 0                  |                  |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> |                    |                 |                    |                  |
| Trade payables   | 3337420            |                 | -6327064           |                  |
| Other current liabilities  | 4371826            |                 | 24553189           |                  |
| Other long-term liabilities  | -7294715           |                 | -1961963           |                  |
| Short-term provisions  | 163164             |                 | 90389              |                  |
| Long-term provisions   | 0                  | -11260407       | 0                  | -41068673        |
| Cash flow from extraordinary items ##                                  |                    | 0               |                    | 21336785         |
| Cash generated from operations   |                    | -489153         |                    | -13991774        |
| <b>Net cash flow from / (used in) operating activities (A)</b>         |                    | <u>-489153</u>  |                    | <u>-13991774</u> |
| <b>B. Cash flow from investing activities</b>                          |                    |                 |                    |                  |
| Capital expenditure on fixed assets                                    |                    | -4493453        |                    | -11127981        |
| Non Current Investment   |                    | 0               |                    | 0                |
| <b>Net cash flow from / (used in) investing activities (B)</b>         |                    | <u>-4493453</u> |                    | <u>-11127981</u> |
| <b>C. Cash flow from financing activities</b>                          |                    |                 |                    |                  |
| Repayment of long-term borrowings                                      | -10000000          |                 | -10000000          |                  |
| Increase in Short term borrowings                                      | 20323634           |                 | 0                  |                  |
| Finance cost   | -2901917           |                 | -3961054           |                  |
| Interest Income  | 265550             |                 | 158302             |                  |
| Money Received against warrants  | 0                  |                 | -15750000          |                  |
| Increase in Share Capital  | 0                  |                 | 55000000           |                  |
| <b>Net cash flow from / (used in) financing activities (C)</b>         |                    | <u>7687267</u>  |                    | <u>25447248</u>  |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>  |                    | <u>2704661</u>  |                    | <u>327493</u>    |
| Cash and cash equivalents at the beginning of the year                 |                    | 2623534         |                    | 2296041          |
| <b>Cash and cash equivalents at the end of the year</b>                |                    | <u>5328195</u>  |                    | <u>2623534</u>   |
| *Comprises:  |                    |                 |                    |                  |
| (a) Cash in hand   |                    | 207668          |                    | 307208           |
| (B) Balances with banks  |                    |                 |                    |                  |
| (i) In current accounts  |                    | <u>5120527</u>  |                    | <u>2316328</u>   |
|  |                    | <u>5328195</u>  |                    | <u>2623534</u>   |

Significant accounting policies

Notes on financial statement - note no. 1 to 34

## Extraordinary item comprises waiver of Rs. 213.37 lacs by creditors as per revival plan sanctioned by hon'ble BIFR.

in terms of our report attached.

For Sampati Lal Bohara &amp; Co.

Chartered Accountants FRN:003324C

For and on behalf of the Board of Directors

Sd/-

(Sudhir Mehta)

Partner

Membership No.400920

Place : Udaipur

Date : 27.5.2016

Sd/-

 DAUD ALI  
 Managing Director  
 DIN 185336

Sd/-

 NARENDRA BHANAWAT  
 Director and Chief Financial Officer  
 DIN 146824

Sd/-

 ADITI PARMAR  
 Company Secretary

## 1. Corporate Information

PIL ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) (The Company) is a public limited company domiciled India and incorporated under the provisions of Companies Act, 1956. The Company is engaged in the manufacturing of Plastic Molded furniture and other articles.

### 1.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

## 2. Significant accounting policies

### a) Use of Estimates

The Preparation of Financial Statements require estimates and assumption to be made that affect the reported amount of assets and liabilities on the date to the financial statement and the reported amount of revenues and expense during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

### b) Tangible fixed assets

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

### c) Intangible Assets

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

### d) Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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

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

### e) Investment

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

### f) Excise duty / Service Tax

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

### g) Provision for current and deferred Tax :

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

### h) Inventories

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

### i) Employee Retirement Benefits

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

### j) Foreign Exchange Transaction

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

### k) Sales

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

### l) Expenses

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



## Notes forming part of the financial statements

| Particulars   | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|---|----------------------------------|----------------------------------|
| <b>Note 1 Share capital</b>   |                                  |                                  |
| (a) Authorised<br>6,25,00,000 (Pr.Yr.6,25,00,000) Equity<br>Shares of Rs. 4.00 each   | 250000000                        | 250000000                        |
| (b) Issued, Subscribed and fully paid up<br>Opening Balance- 52500000 (p.y 38750000)<br>Equity Shares @ Rs.4/- (P.Y. 4/-) each  | 210000000                        | 155000000                        |
| Total   | 210000000                        | 155000000                        |
| Add- Nil (p.y.13750000 Equity shares<br>@ Rs. 4/- each issued during the year<br>Closing balance-<br>52500000 (Pr. Yr.52500000) Equity shares of<br>Rs. 4/- (Pr. Yr. 4/-) each with voting rights | -                                | 55000000                         |
| Total   | 210000000                        | 210000000                        |

**Note No. 1.1 Reconciliation of number of shares**

|                               |          |          |
|-------------------------------|----------|----------|
| At the beginning of the year  | 52500000 | 38750000 |
| Add -issued during the period | -        | 13750000 |
| At the end of the year        | 52500000 | 52500000 |

Note no. 1.2-35664300 Equity Shares (Pr. Yr. 35664300) are held by Dawood Investments Private Limited the holding company.

**Note No. 1.3 Names of Share Holders holding more than 5% Shares in the company**

|                                       | 2015-2016                     | 2015-2016 | 2014-2015                     | 2014-2015 |
|---------------------------------------|-------------------------------|-----------|-------------------------------|-----------|
| PARTICULARS                           | Number<br>of equity<br>Shares | %         | Number<br>of equity<br>Shares | %         |
| Dawood Investments<br>Private Limited | 35664300                      | 67.93     | 35664300                      | 67.93     |
| Park Continental Limited              | 4017216                       | 7.65      | 3486248                       | 6.64      |

**Note No. 1.4-No Bonus Shares allotted during the period of five years immediately preceding the year.**

Note No. 1.5-Other Disclosures - The Company has one class of equity shares having a par value @ Rs.4 per share held. Each equity share holder is entitled to dividends as and when declared by the company. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amount in proportion to their share holding.

**Note 2 Reserves and surplus.**

| Particulars  | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| (a) Securities premium account<br>As per last balance sheet  | 53600000                         | 53600000                         |
| (b) General reserve<br>As per last balance sheet   | 2513123                          | 2513123                          |
|  | <b>56113123</b>                  | <b>56113123</b>                  |
| (c) Surplus/(Deficit) in Statement of<br>Profit and Loss Opening balance<br>Less-Depreciation on transition to<br>schedule II of the companies<br>Act,2013 | (280391824)                      | (299608332)                      |
| Add: Profit / (Loss) for the year  | 3997272                          | 19632692                         |
| Closing balance  | (276394552)                      | (280391824)                      |
| Total  | <b>(220281429)</b>               | <b>(224278701)</b>               |

**Note 3 Long term borrowings**

| Particulars  | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| Term Loan From other parties Secured<br>(Stressed Assets Stabilisation Fund) | -                                | 9000000                          |
| Total  | -                                | <b>9000000</b>                   |

**Note 3.1 Maturity profile, rate of interest and security of term loan from others :-**

Term loan is from Stressed Assets Stabilisation Fund and rate of interest is 8% The term loan is repayable in 24 qtrly instalment, 23 instalment of Rs.25.00 lac each and 24th qtrly. Instalment is of Rs. 15.00 lacs. Last instalment is payable on 01.04.2017.

The Company has not defaulted in repayment. The term loan is secured by way of equitable mortgage by deposit of title deeds of immovable property and also guaranteed by directors of company.

As at March 31, 2016 Rs. 90.00 lac is payable to SASF, this amount is payable in 16-17, hence shown under current liabilities.

**Note 4 Other long-term liabilities**

| Particulars                                   | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|---|----------------------------------|----------------------------------|
| Interest accrued but not due on<br>borrowings | 13748145                         | 12585754                         |
| Deferred payment liabilities<br>(sales Tax)   |                                  |                                  |
| Unsecured                                     | 4113661                          | 12570767                         |
| Total   | <b>17861806</b>                  | <b>25156521</b>                  |

Note no.4.1- Interest accrued but not due (Rs.137.48 lacs-SASF) on borrowing is repayable in 8 equal qtrly instalment from 01-04-2017 to 31-03-2019.

Note 4.2 Maturity profile and rate of interest of deferred sales tax liability- The deferred sales tax liability is interest free and is repayable in qtrly instalment. Last instalment is payable on 31.03.2018.

**Note 5 Short Term Borrowings**

| Particulars                                    | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| Loan repayable on demand from<br>other parties |                                  |                                  |
| Unsecured                                      | 22405923                         | 2082289                          |
| Total  | <b>22405923</b>                  | <b>2082289</b>                   |

**Note 6 Trade payables**

|                        |                |                |
|------------------------|----------------|----------------|
| Trade payables:        |                |                |
| Other than Acceptances | 9900957        | 6563537        |
| Total                  | <b>9900957</b> | <b>6563537</b> |

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

**Note 7 Other current liabilities**

| Particulars   | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|---|----------------------------------|----------------------------------|
| (a) Current maturities of long term<br>debt - refer note no.3 | 9000000                          | 10000000                         |
| (b) Creditors against expenses                                | 1974348                          | 3948961                          |
| (c) Statutory remittances                                     | 20128063                         | 21185549                         |
| (d) Other Payables  | 69857259                         | 62453354                         |
| Total   | <b>100959690</b>                 | <b>97587864</b>                  |

**Note 8 Short-term provisions**

| Particulars  | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| (a) Provision for employee benefits;<br>Provision for leave encashment | 888848                           | 725684                           |
| Total  | <b>888848</b>                    | <b>725684</b>                    |

**Note 9 Fixed assets - Tangible Assets**

| Tangible assets            | GROSS                          |                                |                                 |                  | DEPRECIATION                   |                 |  |                  | NET BLOCK                      |                                |
|----------------------------|--------------------------------|--------------------------------|---------------------------------|------------------|--------------------------------|-----------------|--|------------------|--------------------------------|--------------------------------|
|                            | Balance as at 01.04.2015 (Rs.) | Addition During the year (Rs.) | Deduction During the year (Rs.) | TOTAL 31.03.2016 | Balance as at 01.04.2015 (Rs.) | Additions (Rs.) | Deduction Adjustment During the year (Rs.) | TOTAL            | Balance as at 31.03.2016 (Rs.) | Balance as at 31.03.2015 (Rs.) |
| (a) Land Freehold          | 1142737                        | -                              | -                               | 1142737          | -                              | -               | -  | -                | 1142737                        | 1142737                        |
| (b) Buildings              | 65027105                       | 589297                         | -                               | 65616402         | 39793642                       | 2070888         | -  | 41864530         | 23751872                       | 25233463                       |
| (c) Plant and Equipment    | 593748844                      | 2380545                        | -                               | 696129390        | 680490171                      | 571880          | -  | 681062051        | 15067333                       | 13258673                       |
| (d) Furniture and Fixtures | 2193768                        | -                              | -                               | 2193768          | 2167503                        | 4148            | -  | 2171651          | 22117                          | 26265                          |
| (e) Vehicles               | 974548                         | 924428                         | -                               | 1798976          | 874548                         | 41294           | -  | 915842           | 883134                         | -                              |
| (f) Office equipment       | 8072584                        | 581182                         | -                               | 8653766          | 6625434                        | 794523          | -  | 7619957          | 1033809                        | 1247150                        |
| <b>TOTAL</b>               | <b>771059586</b>               | <b>4475493</b>                 | <b>-</b>                        | <b>775535039</b> | <b>730151298</b>               | <b>3482739</b>  | <b>-</b>                                   | <b>733634037</b> | <b>41901002</b>                | <b>40908288</b>                |
| Previous Year              | 759931605                      | 11127981                       | -                               | 771059586        | 726745483                      | 3404815         | -  | 730151298        | 40908288                       | 33185122                       |

**Note 10 Fixed assets - Intangible Assets**

| Tangible assets   | GROSS                          |                                |                                 |                  | DEPRECIATION                      |                 |  |                | NET BLOCK                         |                                   |
|-------------------|--------------------------------|--------------------------------|---------------------------------|------------------|-----------------------------------|-----------------|--|----------------|-----------------------------------|-----------------------------------|
|                   | Balance as at 01.04.2015 (Rs.) | Addition During the year (Rs.) | Deduction During the year (Rs.) | TOTAL 31.03.2016 | Balance as at 1 April, 2015 (Rs.) | Additions (Rs.) | Deduction Adjustment During the year (Rs.) | TOTAL          | Balance as at 31 March 2016 (Rs.) | Balance as at 31 March 2015 (Rs.) |
| Computer Software | 1400000                        | 18000                          | -                               | 1418000          | 680182                            | 654676          | -  | 1335058        | 82942                             | 719818                            |
| <b>TOTAL</b>      | <b>1400000</b>                 | <b>18000</b>                   | <b>-</b>                        | <b>1418000</b>   | <b>680182</b>                     | <b>654676</b>   | <b>-</b>                                   | <b>1335058</b> | <b>82942</b>                      | <b>719818</b>                     |
| Previous Year     | 1400000                        | -                              | -                               | 1400000          | 27358                             | 652824          | -  | 680182         | 719818                            | 1372642                           |

**Note 11 Long-term loans and advances**

| Particulars                | As at 31 March, 2016 (Rs.) | As at 31 March, 2015 (Rs.) |
|----------------------------|----------------------------|----------------------------|
| Security deposits          |                            |                            |
| Unsecured, considered good | 3538491                    | 3054418                    |
| <b>Total</b>               | <b>3538491</b>             | <b>3054418</b>             |

**Note 12 Inventories**

(At lower of cost and net realisable value)

|                       |                 |                 |
|-----------------------|-----------------|-----------------|
| (a) Raw materials     | 14534057        | 12971930        |
| (b) Work-in-progress  | 1545000         | 2172400         |
| (c) Finished goods    | 30759518        | 28999699        |
| (e) Stores and spares | 5141851         | 5115531         |
| (g) Packing Material  | 2600328         | 2753087         |
| <b>Total</b>          | <b>54580754</b> | <b>52012647</b> |

**Note 13 Trade receivables**

|   |                 |                 |
|---|-----------------|-----------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment |                 |                 |
| Unsecured, considered good  | 33757315        | 33757315        |
| Less: Provision for doubtful trade receivables  | 33757315        | 33757315        |
| Other Trade receivables   | -               | -               |
| Unsecured, considered good  | 24024488        | 14815154        |
| <b>Total</b>  | <b>24024488</b> | <b>14815154</b> |

**Note 14 Cash and Cash equivalents**

|                         |                |                |
|-------------------------|----------------|----------------|
| (a) Cash on hand        | 207668         | 307206         |
| (b) Balances with banks |                |                |
| (i) In current accounts | 5120527        | 2316328        |
| <b>Total</b>            | <b>5328195</b> | <b>2623534</b> |

**Note 15 Short-term loans and advances (Unsecured but considered good)**

|  |                 |                 |
|--|-----------------|-----------------|
| (a) Loans and advances to employees      | 824518          | 429830          |
| (b) Prepaid expenses                     | 354475          | 458491          |
| (c) Balances with government authorities |                 |                 |
| (i) CENVAT credit receivable             | 393758          | 976285          |
| (ii) Service Tax credit receivable       | 123948          | 42383           |
| (d) Others                               | 10583224        | 10796346        |
| <b>Total</b>                             | <b>12279923</b> | <b>12703335</b> |

**Note 16 Revenue from operations**

| Particulars                           | As at 31 March, 2016 (Rs.) | As at 31 March, 2015 (Rs.) |
|---------------------------------------|----------------------------|----------------------------|
| (a) Sale of products                  | 478441070                  | 445378716                  |
| Less:                                 |                            |                            |
| (b) Excise duty                       | 53406277                   | 48975238                   |
| <b>Total</b>                          | <b>425034793</b>           | <b>396403478</b>           |
| Sale of products comprises            |                            |                            |
| Manufactured goods                    |                            |                            |
| (i) PLASTIC MOULDED FURNITURE         | 478611695                  | 443810132                  |
| Traded goods                          |                            |                            |
| (ii) RAW MATERIAL                     | 129376                     | 1568584                    |
| <b>Total-Other operating revenues</b> | <b>478741070</b>           | <b>445378716</b>           |

**Note 17 Other income**

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
| (a) Interest income                 | 265550          | 158302          |
| (b) Bad Debts written off recovered | -               | 9982339         |
| (c) Subsidy                         | 13146259        | 6238522         |
| (d) Waiver (Sales Tax Amenity)      | -               | 1143332         |
| (e) Export Incentive                | 53428           | -               |
| <b>Total</b>                        | <b>13465237</b> | <b>17522495</b> |

**Note 18 Cost of material Consumed**

| Particulars  | For the year ended 31.3.2016 | % of Consumption 2015-2016 | For the year ended 31.3.2015 | % of Consumption 2014-2015 |
|--------------|------------------------------|----------------------------|------------------------------|----------------------------|
| Imported     | -                            | -                          | -                            | -                          |
| Indigenous   | 330448001                    | 100                        | 325868082                    | 100                        |
| <b>Total</b> | <b>330448001</b>             | <b>100</b>                 | <b>325868082</b>             | <b>100</b>                 |

**Note 18.1 Particulars of material consumed**

| Particulars                  | As at 31 March, 2016 (Rs.) | As at 31 March, 2015 (Rs.) |
|------------------------------|----------------------------|----------------------------|
| (a) PPHP, PPCP and filler PP | 316824897                  | 314731775                  |
| (b) Others                   | 13623104                   | 11136307                   |
| <b>Total</b>                 | <b>330448001</b>           | <b>325868082</b>           |

**Note 19 Purchase of traded goods**

| Particulars  | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--------------|----------------------------------|----------------------------------|
| Raw Material | 94098                            | 1342830                          |
| <b>Total</b> | <b>94098</b>                     | <b>1342830</b>                   |

**Note 20 Changes in inventories of finished goods, work-in-progress**

| Inventories at the end of the year:       |                  |                  |
|---|------------------|------------------|
| Finished goods                            | 30759518         | 28999699         |
| Work-in-progress                          | 1545000          | 2172400          |
|   | <b>32304518</b>  | <b>31172099</b>  |
| Inventories at the beginning of the year: |                  |                  |
| Finished goods                            | 28999699         | 28083915         |
| Work-in-progress                          | 2172400          | 1217104          |
|   | <b>31172099</b>  | <b>29301019</b>  |
| <b>Net (increase)/decrease</b>            | <b>(1132419)</b> | <b>(1871080)</b> |

**Note 21 Employee benefits expense**

|  |                 |                 |
|--|-----------------|-----------------|
| Salaries and wages                         | 21209542        | 19714324        |
| Contributions to provident and other funds | 1345745         | 1252510         |
| Staff welfare expenses                     | 387802          | 517594          |
| <b>Total</b>                               | <b>22942989</b> | <b>21484428</b> |

**Note 21.1** As per accounting standard 15 "Employee benefits", the disclosure as defined in the accounting Standard are given below:-

**Defined Contribution plan**

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

| Particulars                               | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
|---|-------------------------------------|-------------------------------------|
| Employers Contribution to provident fund- | 627314                              | 624691                              |
| Employers Contribution to pension fund-   | 718431                              | 627819                              |
| <b>Total</b>                              | <b>1345745</b>                      | <b>1252510</b>                      |

**Defined Benefit plan**

The Company has taken gratuity policy from Life Insurance Corporation of India and expenses recognised is as under :-

|          |        |        |
|----------|--------|--------|
| Net Cost | 495176 | 430048 |
|----------|--------|--------|

**Note 22 Finance costs**

| Particulars          | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
|----------------------|-------------------------------------|-------------------------------------|
| Interest expense on: |                                     |                                     |
| (i) Borrowings       | 1162391                             | 1992547                             |
| (ii) Others          | 1739526                             | 1968507                             |
| <b>Total</b>         | <b>2901917</b>                      | <b>3961054</b>                      |

**Note 23 Other expenses**

|   |                 |                 |
|---|-----------------|-----------------|
| Consumption of stores and spare parts           | 3937162         | 1695533         |
| Consumption of packing materials                | 7688287         | 6483650         |
| Increase/(decrease) of excise duty on inventory | 646045          | 267157          |
| Power and fuel                                  | 19286551        | 16525961        |
| Other Manufacturing Expenses                    | 12700961        | 14532788        |
| Other Miscellaneous expenses                    | 678482          | 257391          |
| Bank Charges and commission                     | 22900           | 4632            |
| Advertisement and publicity expenses            | 2865337         | 2548498         |
| Repairs and maintenance - Buildings             | 211814          | 449422          |
| Repairs and maintenance - Others                | 170290          | 150493          |
| Insurance                                       | 621509          | 774791          |
| Communication                                   | 439823          | 532405          |
| Travelling and conveyance                       | 2420992         | 2324210         |
| Printing and stationery                         | 197582          | 149045          |
| Freight and forwarding                          | 2734491         | 2536359         |
| Sales Expenses                                  | 19246089        | 10720584        |
| Commission on sales                             | 53525           | 187535          |
| Legal and Professional                          | 1148617         | 922843          |
| Payments to auditors                            | 40000           | 40000           |
| <b>Total</b>                                    | <b>75110557</b> | <b>61203297</b> |

Notes on Financial Statement for the year ended 31 st March 2015

**Note No. 23 a****VALUE OF STORES AND SPARE PARTS CONSUMED (Amount in Rs.)**

|              | 2015-2016      | %            | 2014-2015      | %            |
|--------------|----------------|--------------|----------------|--------------|
| Imported     | -              | -            | -              | -            |
| Indigenous   | 3937162        | 100 %        | 1695533        | 100 %        |
| <b>Total</b> | <b>3937162</b> | <b>100 %</b> | <b>1695533</b> | <b>100 %</b> |

**Note No. 23 b VALUE OF IMPORTS ON CIF BASIS - NIL****Note no. 23 c PAYMENT TO AUDITORS**

|               | 2015-2016    | 2014-2015    |
|---------------|--------------|--------------|
| Audit Fees    | 30000        | 30000        |
| Tax Audit     | 5000         | 5000         |
| Taxation      | 3000         | 3000         |
| Certification | 2000         | 2000         |
| <b>Total</b>  | <b>40000</b> | <b>40000</b> |

**Note No. 23 d EXPENDITURE IN FOREIGN CURRENCY- NIL****Note No. 24 - DEPRECIATION**

Depreciation on tangible assets has been provided under Straight Line Method over the useful life of the assets estimated by the management which is in line with the terms prescribed in Schedule II to The Companies Act, 2013. Depreciation for assets purchased/sold during the period is proportionately charged.

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

| Assets description      | Revise Use ful life as per management |
|-------------------------|---------------------------------------|
| Factory Building        | 30 years                              |
| Plant and Machinery     | 25 Years                              |
| Furnitures and fixtures | 10 years                              |
| Office Equipments       | 5 years                               |
| Computer Software       | 3 years                               |
| Vehicles                | 8 years                               |

**Note No. 25 EARNING PER SHARE -**

|  | 2015-2016 | 2014-2015 |
|--|-----------|-----------|
| 1. Net Profit After tax as per statement of profit and loss account -before extra ordinary items | 3997272   | 19632692  |
| 2. Net Profit After tax as per statement of profit And loss account- after extra ordinary items  | 3997272   | 19632692  |
| 3. Weighted average number of equity shares used As denominator for calculating EPS              | 52500000  | 50856164  |
| 4. Basic and diluted earning per share (Rs.) Before extra ordinary items                         | 0.08      | 0.38      |
| 5. Basic and diluted earning per share (Rs.) After extra ordinary items                          | 0.08      | 0.38      |
| 6. Face value per equity Share (Rs.)   | 4         | 4         |

**Note No. 26 EARNINGS IN FOREIGN EXCHANGE - 6219.40 US\$****Note no. 27 SEGMENTAL REPORTING -**

In view of Accounting Standard 17 segmental reporting issued by the Institute of Chartered Accountants of India, the operation of the company is considered as Single segment hence segment report is considered not applicable.

**Note No. 28 RELATED PARTY DISCLOSURE**

As per Accounting standard 18, the disclosures of transactions with related Party are given below - (Amount in Rs.)

(i) Holding Company

01) Dawood Investment Private limited

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

(Amount in Rs.)

| Name of related party             | Nature of relation       | 2015-2016 | 2014-2015 | Nature of transaction    |
|-----------------------------------|--------------------------|-----------|-----------|--------------------------|
| Dawood Investment Private Limited | Holding Company          | 0         | 31750000  | Received against warrant |
| Mr. Daud Ali                      | key managerial personnel | 2016000   | 2016000   | remuneration             |
| Mr. Narendra Bhanawat             | key managerial personnel | 289062    | 72480     | remuneration             |

Closing Balances- NIL

No amount in respect of the related parties have been written off/ back are provided for during the year.

Related party relationship has been identified by the Management and relied upon by the auditors.

**Note No.29.**

As required by Accounting Standard No.-22 "Accounting for Taxes on Income" issued Institute of Chartered Accountants of India, The Company has not recognised deferred tax as the company has heavy unabsorbed depreciation and carry forward of losses under tax law and here is no convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.

**Note No. 30 CONTINGENT LIABILITIES:-**

|  | (Rs. in lakhs)        |                        |
|--|-----------------------|------------------------|
|  | As at 31st March,2015 | As at 31 st March,2014 |
| (a) Guarantee issued by the banks in respect of import of Capital Goods under EPCG | 49.75                 | 49.75                  |
| (b) Excise Duty (Net of predeposit)  | 98.22                 | 98.22                  |
| (c) Penalty imposed by the Enforcement Directorate                                 | 200.00                | 200.00                 |
| (d) Stressed Assets Stabilisation Fund.  | 3130.53               | 3130.53                |

**Note No. 31**

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

**Note No. 32**

The Stressed Assets Stabilisation Fund assignee of Industrial Development Bank Of India under the negotiated settlement in respect of its dues agreed to accept the payment of Rs.640 00 lacs and interest thereon over a period of 8 years. In case of any default in repayment, the original amount of dues i.e. Rs 3770.53 lacs will restore. In view of this the difference between the original amount and settled amount i.e. Rs 3130.53 lacs has been shown as contingent liability

**Note No.33**

The company was declared a Sick industrial company by the Board for industrial and Financial Reconstruction (BIFR) vide its order dated 21.12.1998 under the provisions of the Sick Industrial companies (Special Provisions) Act, 1985. The BIFR has sanctioned revival scheme, prepared by the operating agency viz IDBI, vide its order dated 15.07.2013, presently revival scheme is under implementation.

**Note No.34-**

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

For Sampati Lal Bohara & Co.

For and on behalf of the Board of Directors

Chartered Accountants

FRN 003324C

Sd/-

(Sudhir Mehta)

Partner

Membership No.400920

Sd/-

DAUD ALI

MANAGING DIRECTOR

DIN 185336

Sd/-

NARENDRA BHANAWAT

DIRECTOR AND CHIEF

FINANCIAL OFFICER

DIN 00146624

Sd/-

ADITI PARMAR

COMPANY SECRETARY

Place : Udaipur

Date : 27.05.2016



# **PIL ITALICA LIFESTYLE LIMITED**

(formerly known as Peacock Industries Limited)

**ANNUAL REPORT**

**2015-2016**

#### **BOARD OF DIRECTORS**

Daud Ali Managing Director  
Narendra Bhanawat Whole Time Director and  
Chief Financial Officer.  
Magan Lal Sharma Director  
Mukesh Kumar Kothari Director  
Mrs. Namrata Babel Director  
Mr. Ram Swaroop Sodani Director (w.e.f. 03.10.2015)

#### **COMMITTEE OF THE BOARD**

##### **AUDIT COMMITTEE**

Magan Lal Sharma - Chairman  
Mukesh Kumar Kothari  
Mrs. Namrata Babel  
Mr. Ram Swaroop Sodani

##### **NOMINATION AND REMUNERATION COMMITTEE**

Magan Lal Sharma - Chairman  
Mukesh Kumar Kothari  
Mrs. Namrata Babel  
Mr. Ram Swaroop Sodani

##### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Magan Lal Sharma - Chairman  
Mukesh Kumar Kothari  
Mrs. Namrata Babel  
Mr. Ram Swaroop Sodani

##### **AUDITORS**

Sampati Lal Bohara & Co.  
Chartered Accountants

##### **COMPANY SECRETARY**

Aditi Parmar

##### **BANKERS**

ICICI Bank Limited  
YES Bank Limited  
IDBI Bank

##### **REGISTERED OFFICE & WORKS**

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

##### **INVESTOR QUERIES**

email:-investor@italicafurniture.com

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#### **Important Communication to Members**

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

## DIRECTORS' REPORT

### To The Members of PIL ITALICA LIFESTYLE LIMITED

(formerly known as Peacock Industries Limited)

The Directors of your Company have pleasure in presenting their Twenty Fourth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2016.

#### 1. FINANCIAL RESULTS

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

(Rs. in lacs.)

| Particulars   | 2015-2016 | 2014-2015 |
|---|-----------|-----------|
| Turnover  | 4250.35   | 3964.03   |
| Other Income  | 134.85    | 175.22    |
| Profit/(Loss-) before Tax interest and Depreciation and exceptional items | 110.36    | 58.98     |
| Interest  | 29.02     | 39.61     |
| Depreciation  | 41.37     | 36.41     |
| Profit/(Loss) before Tax and exceptional items                            | 39.97     | (17.04)   |
| Less: Provision for Income Tax  | 0         | 0         |
| Exceptional Items   | 0         | 213.37    |
| Profit/(Loss) after Tax and exceptional items                             | 39.97     | 196.33    |
| Surplus carried from Previous year  | (2803.91) | (2996.08) |
| Depreciation of Transactions to Schedule II of the Companies Act, 2013    | 0         | (4.16)    |
| Balance carried to Balance Sheet  | (2763.94) | (2803.91) |

#### 2. DIVIDEND

Based on Company's performance, the Directors are unable to recommend dividend due to inadequate profits.

#### 3. STATE OF COMPANY'S AFFAIRS

The Company is engaged in the manufacturing of plastic moulded furniture and is one of the top most leading manufacturers in Rajasthan. The Company operates in only single segment i.e. plastic moulded furniture. During the financial year 2015-16, your Company recorded a turnover of Rs. 4250.35 Lacs in comparison to previous year i.e. Rs. 3964.03 Lacs registering a growth of 7.22 % over the previous year and earned a cash profit of Rs. 81.34 Lacs. Profit after Tax (PAT) for the year was Rs.39.97 Lacs with a downfall of 79.64 % in comparison to the previous years profit i.e. Rs. 196.33 (in Lacs).

The Management is taking every possible step to stream line its operations and to put the Company on growth. Its endeavours are manifesting the results despite of non-availability of adequate working capital, competitive environment etc.

#### 4. SHARE CAPITAL

During the year under review, there has been no change in the Equity share capital of the Company. The Issued, subscribed and paid up Equity Share Capital of the Company as at March 31, 2016 was Rs. 21 Crores divided into 5,25,00,000 shares of Rs. 4/- each. The equity shares of your company are listed on BSE Limited and National Stock Exchange of India Limited.

#### 5. MATERIAL CHANGES AND COMMITMENTS

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

#### 6. CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of business.

#### 7. CHANGE OF NAME

The name of company is changed from Peacock Industries Limited to PIL ITALICA LIFESTYLE LIMITED.

Consequently scrip ID in National Stock Exchange of India Limited changed from PILIND to PILITA and scrip code under BSE Limited remained same i.e. 500327. The changes in stock exchanges with respect to name and symbol was effective from 03rd September, 2015.

#### 8. EXECUTION OF NEW LISTING AGREEMENT

Your company executed fresh Listing Agreement on 21.01.2016 with the BSE Limited and National Stock Exchange of India Limited in accordance with the revised provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/06/2015 dated October 13, 2015 as per the revised format prescribed by the SEBI.

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

##### CONSERVATION OF ENERGY

The Company lays great emphasis in the savings cost of energy consumption. Therefore, reduction in the per unit consumption of energy is on going exercise in the Company. Effective measures have been taken to minimize the lossess of energy as far as possible.

##### TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company does not have a separate Research and Development activity. The Company has not imported any technology.

##### FOREIGN EXCHANGE EARNINGS AND OUT GO

During the year under review, the earnings in foreign exchange earnings was Rs. 3,96,107/- (previous yr Rs. 9,21,900/-) calculated at F.O.B. value. The Company is making continuous efforts to explore new foreign markets and to enlarge its market of exports.

#### 10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 sub-section (3) clause (c) of the Companies Act, 2013, it is stated that:

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

#### 11. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### a) DIRECTORS :

Mr. Ram Swaroop Sodani (DIN:07303930), was appointed as an Additional Director with effect from 03.10.2015 and he ceases to be a director at the commencement of the ensuing annual general meeting. The company has received a notice in writing under section 160 proposing his candidature for the office of director as an Independent Director alongwith the requisite deposit.

In terms of the Articles of Association of the Company, Mr. Narendra Bhanawat (DIN:00146824), Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the

Members of the Company at the ensuing Annual General Meeting

In terms of section 149 of the Companies Act, 2013, Mr. Ram Swaroop Sodani was also appointed as Independent Director on 03.10.2015 for a period of 5 (five) years and his appointment is subject to the approval of shareholders in the ensuing annual general meeting.

The Company has received necessary declaration from each Independent Director of the Company under Section 149(6) of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of independence as provided therein.

#### **b) KEY MANAGERIAL PERSONNEL:**

During the year under review, there is no change in the Key Managerial Personnel of the Company.

#### **12. POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND OTHER DETAILS**

The Company has in place the Nomination and Remuneration Committee. The Company has formulated the Nomination and Remuneration Policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of director. The details of this policy are available on the Company's website i.e. [www.italicafurniture.com](http://www.italicafurniture.com).

#### **13. DEPOSITS**

The Company has not accepted any deposits and no non-compliance occurred with respect to repaying of deposits during the year.

#### **14. NUMBER OF MEETINGS OF THE BOARD**

Number of meetings of the Board during the year were Ten(10) held on 04.04.2015, 30.05.2015, 25.06.2015, 30.07.2015, 22.08.2015, 03.10.2015, 24.10.2015, 21.01.2016, 15.02.2016 and 31.03.2016.

#### **15. RISK MANAGEMENT**

The Company has laid down the procedures to inform to the Board about the Risk assessment and risk minimization procedures. Your Company believes that managing risks helps in maximizing returns. The risk management plan is reviewed periodically by the Board and the Audit Committee. Some of the risks that the Company is exposed to are: Financial Risks, Raw Material Price Risks, Regulatory Risks, Human Resources Risks, Strategic Risks.

#### **16. INTERNAL FINANCIAL CONTROL**

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

#### **17. STATUTORY AUDITORS AND AUDIT REPORT**

In terms of Section 139 of the Companies Act, 2013 read with the Rules made thereunder, a company can appoint or re-appoint an audit firm as an Auditor of the Company for a maximum of two terms of five consecutive years. As per Companies (Audit and Auditors) Rules, 2014, M/s Sampatlal Bohra & Co., Chartered Accountants, Udaipur, (ICAI FRN:03324C) have already acted as Statutory Auditors of the company and has completed their tenure of ten years and further transitional period of three years and they cannot be reappointed as auditors in the ensuing annual general meeting. Therefore, in terms of the provisions of Section 139 of the Companies Act, 2013 read with the Rules made thereunder, M/s Ajay Paliwal & Co., Chartered Accountants, Udaipur (ICAI FRN : 012345C) will be appointed as the Statutory Auditors of the Company. They have confirmed their eligibility and willingness to accept the office.

The Board recommends their appointment for a period of five (5) years commencing from the conclusion of the 24th annual general meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the financial year 2021-22, subject to ratification of their appointment by the members of the Company at

every annual general meeting at a remuneration including applicable service tax as may be mutually agreed between the Auditors and Board of Directors of the Company."

#### **AUDIT REPORT**

The statutory auditors (M/s Sampatlal Bohra & Co.) have submitted Auditors Report which does not contain any qualification, reservation or adverse remark.

#### **18. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

The Board appointed M/s P.Talesara & Associates, firm of Practising Company Secretaries, Udaipur as Secretarial Auditor to carry out secretarial audit for the financial year 2015-16. The Secretarial Audit Report is attached to this report vide Annexure - 1 forming part of Directors report.

#### **19. EXTRACT OF ANNUAL RETURN**

Extract of the Annual Return in form MGT-9 as required under sub section(3) of Section 92 of the Companies Act, 2013, is attached as Annexure 2 and forms an integral part of this Report.

#### **20. PARTICULARS OF LOANS GIVEN, INVESTMENT MADE AND GUARANTEES GIVEN AND SECURITIES PROVIDED COVERED UNDER SECTION 186 OF THE COMPANIES ACT, 2013 :**

Your company has not given any loan, made investments, given guarantee or provided any security in terms of section 186 of the companies act, 2013 during the year under review.

#### **21. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Details regarding internal control system and their adequacy is included in Management Discussion and Analysis Report enclosed as Annexure- 4 forming part of Director's Report.

#### **22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, your company has not entered into any contract or arrangement or transaction with related parties covered under section 188(1) of the Companies Act, 2013. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the company's website: [www.italicafurniture.com](http://www.italicafurniture.com).

#### **23. ANNUAL PERFORMANCE EVALUATION**

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

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

#### **24. DISCLOSURE ON THE REMUNERATION OF MANAGERIAL PERSONNEL**

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under rule 5(2) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014.

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- 1) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. No remuneration by way of sitting fees and commission paid to Non Executive Directors during the year and hence not comparable. Ratio of remuneration of Executive Directors to median remuneration of employees :

Mr. Daud Ali : 13.58:1 and Mr. Narendra Bhanawat : 1.07:1



- 2) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2015-16 :-

| Executive Directors, Chief Financial Officer and Company Secretary | % increase/decrease in remuneration 2015-16 |
|--|---|
| Daud Ali   | Nil   |
| Narendra Bhanawat  | 298.81%                                     |
| Aditi Parmar   | 3.17 %                                      |

- 3) In the financial year, there was an increase of 13.29 % in the median remuneration of employees.
- 4) There are 46 permanent employees on the rolls of Company as on 31 March, 2016.
- 5) The explanation on the relationship between average increase in remuneration and Company performance :-  
On an average, employees received an annual increase of 7% every year. The individual increments varied based on individual performances.

- 6) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:-

|  |         |
|--|---------|
| Aggregate remuneration of key managerial personnel (KMP) in FY16 (in lacs) | 24.56   |
| Revenue (in lacs)  | 4250.35 |
| Remuneration of KMP's (as % of revenue)                                    | 0.58    |
| Profit After Tax (PAT) (in lacs)   | 39.97   |
| Remuneration of KMP (as % of PAT)  | 61.44   |

- 7) Variation in the market capitalisation of the Company, price earnings ratio as at the closing, date of the current financial year and previous financial year:

| Particulars           | March 31, 2016 | March 31, 2015 | % change |
|-----------------------|----------------|----------------|----------|
| Market capitalization | 471975000      | 721975000      | 34.61    |
| PE Ratio              | 112.37         | 36.18          | 210.58   |

Calculation of Market Capitalization and price to earnings are based on closing stock price on Bombay Stock Exchange as on relevant dates.

- 8) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in the year: The company came out with the IPO in the year 1992. The amount of Rs.590 lacs invested in the said IPO would be worth Rs. 530 Lacs as on March 31<sup>st</sup>, 2016 indicating a downfall of 10.16 %.
- 9) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification :-  
The annual average increase was around 10% However, there is increase in 10.62% in comparison to the fiscal year 2015-16.  
Justification: Increase in the salaries of Key Managerial Personnel is decided on the individual's performance, market inflation and many other factors, therefore comparison of one against the other is not feasible.
- 10) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

|                                | Daud Ali<br>Managing<br>Director<br>(in lacs) | Narendra<br>Bhanawat<br>WTD and CFO<br>(in lacs) | Aditi Parmar<br>Company<br>Secretary<br>(in lacs) |
|--------------------------------|---|--|---|
| Remuneration in FY16           | 20.16   | 2.89   | 1.51  |
| Revenue (lacs)                 | 4250.35                                       |  |   |
| Remuneration as % of revenue   | 0.47  | 0.07   | 0.03  |
| Profit before Tax (PAT) (lacs) | 39.97   |  |   |
| Remuneration (as % of PAT)     | 50.43   | 7.23   | 3.78  |

- 11) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year - None

- 12) The company affirms remuneration is as per the remuneration policy of the Company to all the directors, key managerial personnel and other employees.

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

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

26. **DEPOSITORY SYSTEM**

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

27. **ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established vigil mechanism policy to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct without any fear. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company www. Italicafurniture.com.

28. **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

29. **CORPORATE GOVERNANCE REPORT**

Corporate governance report is forms an integral part of this report and is enclosed after directors report.

30. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report is enclosed as Annexure-3 forming part of Directors Report

31. **STATUTORY ORDERS**

No significant and material orders were passed by Courts, Tribunals and other Regulatory Authorities affecting the going concern status of the Company's operations.

32. **ACKNOWLEDGEMENT**

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

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

For and On behalf of the Board of Directors

Sd/-  
**DAUD ALI**  
Managing Director

Sd/-  
**NARENDRA BHANAWAT**  
Whole Time Director and  
Chief Financial Officer

Place: Udaipur (Raj.)

Date: 27.05.2016

DIN : 185336

DIN : 146824

Annexure 1  
Form No. MR-3  
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

To,  
The Members,  
PIL ITALICA LIFESTYLE LIMITED  
(Formerly known as Peacock Industries Limited).  
CIN : L25207RJ1992PLC006576  
Regd. Office - Kodiyat Road, Village Sisarma,  
Udaipur, Rajasthan-313001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited) for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the company during the audit period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed hereunder; (Not applicable to the company during the audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period);

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ( Not applicable to the company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ( Not applicable to the company during the audit period);
- (vi) Other Laws as applicable specifically to the company :
  - A. Water (Prevention & Control of pollution ) Act 1974 and Air (Prevention & control of pollution ) Act 1981 as certified by the Management.
  - B. Labour Laws as certified by Internal Auditors in their report for the Period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016.
  - C. Sick Industrial Companies (Special Provisions) Act 1985 as per Note No.33 to Annual Audited Accounts for the year ended 31<sup>st</sup> March 2016.

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

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

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All Decisions at board meeting and Committee meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company

- (i) has not made any allotment of securities.
- (ii) is under implementation of revival scheme, prepared by IDBI (the operating agency) as sanctioned by BIFR vide order dated 15.07.2013

Place : Udaipur (Raj.)  
Date : 27.05.2016

For P. Talesara & Associates  
Company Secretaries  
Sd/-  
(Pawan Talesara)  
Proprietor  
FCS No.: 8096, C P No.: 2674

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2016

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

## I. REGISTRATION AND OTHER DETAILS:

- i) CIN - L25207RJ1992PLC006576  
 ii) Registration Date : 16.03.1992  
 iii) Name of the Company : PIL ITALICA LIFESTYLE LIMITED  
 iv) Type of the Company : Public Company  
 Category : Company Limited by shares  
 Sub Category of Company : Indian Non Government Company  
 v) Address of the registered office and contact details: Kodyat Road, Village: Sisama, Udaipur- 313031,0294-2432271/72  
 vi) Whether listed company Yes / No : YES  
 vii) Name, Address and Contact details of registrar and transfer agent, if any : Activities in relation to electronic share transfer facility is maintained by Company's Registrar and Share Transfer Agent viz Link Intime India Pvt. Ltd. And activities in relation to physical share transfer facility are maintained by the Company Inhouse

## Address for Correspondence :

| For Demat Shares   | For Physical Shares  |
|--|--|
| Link Intime India Private Limited<br>C-13, Pannalal Silk Mills Compound,<br>LBS Marg, Bhandup (W)<br>Mumbai -400 078, India.<br>Phone : 022-25963838 | PIL ITALICA LIFESTYLE LIMITED<br>(formerly known as Peacock<br>Industries Limited)<br>Kodyat Road, Village: Sisama<br>Udaipur (Rajasthan) 313031,<br>0294-2432271/72 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and description of main products/services | NIC Code of the Product/ service (NIC 2008) | % to total turnover of the company |
|---------|--|---|------------------------------------|
| 1.      | Manufacture of furniture primarily of plastic  | 31004                                       | 100 %                              |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| Sl. No. | Name of Company                   | Address of Company                              | CIN/GLN               | Holding/ subsidiary /associate | % of shares held | Applicable Section |
|---------|-----------------------------------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1       | Dawood Investment Private Limited | 201, Oasis Park, 40, Ambawarh, Udaipur- 313 004 | U65993RJ1991PTCC00094 | Holding.                       | 67.93%           | 2(45)              |

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

| Sr. No. | Category of shareholder   | No. of shares at the beginning of year (1.4.2015) |          |          |                   | No. of shares at the end of year (31.3.2016) |          |          |                   | % Change during the year |
|---------|---|---|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
|         |   | Demat   | Physical | Total    | % of Total shares | Demat  | Physical | Total    | % of Total shares |                          |
| (A)     | Promoter and Promoter Group   |   |          |          |                   |  |          |          |                   |                          |
| (1)     | Indian  |   |          |          |                   |  |          |          |                   |                          |
| (a)     | Individuals/Hindu Undivided Family  | 79050   | 0        | 79050    | 0.15              | 79050  | 0        | 79050    | 0.15              | 0                        |
| (b)     | Central Government/State Government(s)  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (c)     | Bodies Corporate  | 35864300  | 0        | 35864300 | 67.93             | 35864300                                     | 0        | 35864300 | 67.93             | 0                        |
| (d)     | Financial Institutions/Banks  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (e)     | Any Other (Total)   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | Sub-Total (A)(1)  | 35743350  | 0        | 35743350 | 68.08             | 35743350                                     | 0        | 35743350 | 68.08             | 0                        |
| (2)     | Foreign   |   |          |          |                   |  |          |          |                   |                          |
| (a)     | Individuals (Non-Resident Individuals/ Foreign Individuals)                                 | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (b)     | Bodies Corporate  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (c)     | Institutions  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (d)     | Qualified Foreign Investor  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (e)     | Any Other (Total)   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | Sub-Total (A)(2)  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)                        | 35743350  | 0        | 35743350 | 68.08             | 35743350                                     | 0        | 35743350 | 68.08             | 0                        |
| (B)     | Public shareholding   |   |          |          |                   |  |          |          |                   |                          |
| (1)     | Institutions  |   |          |          |                   |  |          |          |                   |                          |
| (a)     | Mutual Funds/UTI  | 0   | 13500    | 13500    | 0.025             | 0  | 13500    | 13500    | 0.025             | 0                        |
| (b)     | Financial Institutions/ Banks   | 690812  | 3500     | 694312   | 1.32              | 690812                                       | 3500     | 694312   | 1.32              | 0                        |
| (c)     | Central Government/ State Government (s)  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (d)     | Venture Capital Funds   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (e)     | Insurance Companies   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (f)     | Foreign Institutional Investors   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (g)     | Foreign Venture Capital Investors   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (h)     | Qualified Foreign Investor  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| (i)     | Any Other (Total)   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | Sub-Total (B)(1)  | 690812  | 17000    | 707812   | 1.34              | 690812                                       | 17000    | 707812   | 1.34              | 0                        |
| (2)     | Non-institutions  |   |          |          |                   |  |          |          |                   |                          |
| (a)     | Bodies Corporate  | 4808712   | 11200    | 4819912  | 9.18              | 5333436                                      | 5600     | 5339036  | 10.16             | 0.98                     |
| (b)     | Individuals -<br>i. Individual Shareholders Holding Nominal Share Capital Up To Rs. 1 Lakh. | 6395485   | 249000   | 6644485  | 12.65             | 6011036                                      | 250700   | 6261736  | 11.93             | (0.72)                   |

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

| Sr. No. | Category of shareholder   | No. of shares at the beginning of year (1.4.2015) |          |          |                   | No. of shares at the end of year (31.3.2016) |          |          |                   | % Change during the year |
|---------|---|---|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
|         |   | Demat   | Physical | Total    | % of Total shares | Demat  | Physical | Total    | % of Total shares |                          |
|         | Individuals -<br>ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs.1 Lakh | 4465021   | 0        | 4465021  | 8.5               | 4332251                                      | 0        | 4332251  | 8.25              | (0.25)                   |
| (c)     | Any Other (Specify)   |   |          |          |                   |  |          |          |                   |                          |
| (1)     | Non Resident Indian (repeat)  | 58320   | 38900    | 97220    | 0.19              | 55515  | 38600    | 94115    | 0.18              | (0.01)                   |
| (2)     | Overseas Bodies Corp  | 1500  | 20700    | 22200    | 0.04              | 1500   | 20200    | 21700    | 0.04              | 0                        |
|         | Sub-Total (B)(2)  | 15729038  | 319600   | 16048838 | 30.56             | 15733738                                     | 315100   | 16048838 | 30.56             | 0                        |
|         | Total Public Shareholding (B)= (B)(1)+(B)(2)  | 16419850  | 336800   | 16756650 | 31.91             | 16424550                                     | 332100   | 16756650 | 31.91             | 0                        |
|         | TOTAL (A)+(B)   | 52163200  | 336800   | 52500000 | 100               | 52167900                                     | 332100   | 52500000 | 100               | 0                        |
| (C)     | Shares held by Custodians and against which Depository Receipts have been issued                  |   |          |          |                   |  |          |          |                   |                          |
| C1      | Promoter and Promoter Group   | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
| C2      | Public  | 0   | 0        | 0        | 0                 | 0  | 0        | 0        | 0                 | 0                        |
|         | GRAND TOTAL (A)+(B)+(C)   | 52163200  | 336800   | 52500000 | 100               | 52167900                                     | 332100   | 52500000 | 100               | 0                        |

**(ii) Shareholding of Promoters**

| Sl No. | Shareholder's Name                | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the year |                                  |  | % change during the year |
|--------|-----------------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|--------------------------|
|        |                                   | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                          |
| 1      | Daud Ali                          | 79050                                     | 0.15                             | 0  | 79050                                | 0.15                             | 0  | 0                        |
| 2      | Dawood Investment Private Limited | 35664300                                  | 67.93                            | 0  | 35664300                             | 67.93                            | 0  | 0                        |
|        | Total                             | 35743350                                  | 68.08                            | 0  | 35743350                             | 68.08                            | 0  | 0                        |

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

| Sl No. | Particular  | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1.     | At the beginning of the year                                | 35664300                                  | 67.93                            | -                                       | -                                |
| 2.     | Date wise Increase/Decrease in shareholding during the year | no change during the year                 |                                  |   |                                  |
| 3.     | At the end of the year                                      | -   | -                                | 35664300                                | 67.93                            |

There was no change during the year in the holdings of our promoter company i.e. Dawood Investment Private Limited.

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

| For each of top 10 shareholders** | Shareholding at the beginning of the year(1.4.2015) |                                      | Increase/Decrease in the holding during the year |                                      | Shareholding at the end of the year (31.3.2016) |                                      |
|-----------------------------------|---|--------------------------------------|--|--------------------------------------|---|--------------------------------------|
|                                   | No of shares  | % of the total shares of the Company | No of shares                                     | % of the total shares of the Company | No of shares                                    | % of the total shares of the Company |
| PARK CONTINENTAL PVT. LTD         | 3486248   | 6.64                                 | 530968   | 1.011                                | 4017216   | 7.65                                 |
| ALI ASGAR KAGZI                   | 1250000   | 2.38                                 | 0  | 0                                    | 1250000   | 2.38                                 |
| HUSSAIN KAGZI                     | 1250000   | 2.38                                 | 0  | 0                                    | 1250000   | 2.38                                 |
| RTG SHARE BROKING LIMITED         | 20  | 0.003                                | 390363   | 0.74                                 | 390383  | 0.74                                 |
| HDFC BANK LIMITED                 | 343112  | 0.65                                 | 0  | 0                                    | 343112  | 0.65                                 |
| BANK OF INDIA                     | 342700  | 0.65                                 | 0  | 0                                    | 342700  | 0.65                                 |
| CHETAN KHERAJ DEDHIA              | 184204  | 0.35                                 | 0  | 0                                    | 184204  | 0.35                                 |
| SURESH RAJKUMAR SETHI             | 0   | 0                                    | 180982   | 0.34                                 | 180982  | 0.34                                 |
| NIRANJAN DUNGARSHI LAPASHIYA      | 132839  | 0.25                                 | 31462  | 0.06                                 | 164301  | 0.31                                 |
| CHETAN KHERAJ DEDHIA (HUF)        | 134399  | 0.26                                 | (12317)  | 0.023                                | 122082  | 0.23                                 |

\*\*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated.

**(v) Shareholding of Directors and Key Managerial Personnel:**

| For each of Director & KMP   | Shareholding at the beginning of the year (01.4.2015) |                                      | Cumulative shareholding during the year (as on 31.3.2016) |                                      |
|--|---|--------------------------------------|---|--------------------------------------|
|  | No of shares  | % of the total shares of the Company | No of shares  | % of the total shares of the Company |
| At the beginning of the year (1.04.2014) Mr. Daud Ali  | 79050   | 0.15                                 | -   | -                                    |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g.allotment/ transfer/bonus/sweat equity etc.) | No change during the year                             |                                      |   |                                      |
| At the end of the year   | -   | -                                    | 79050   | 0.15                                 |

No Key Managerial Personnel EXCEPT Mr. Daud Ali holds shares in the company.

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment -**

|   | Secured loans excluding deposits (Rs. In '000's) | Unsecured loans (Rs. In '000's) | Deposits (Rs. In '000's) | Total indebtedness (Rs. In '000's) |
|---|--|---------------------------------|--------------------------|------------------------------------|
| <b>Indebtedness at the beginning of the financial year (01.04.2015)</b> |  |                                 |                          |                                    |
| i) Principal Amount   | 19000  | 0                               | 0                        | 19000                              |
| ii) Interest due but not paid   | 0  | 0                               | 0                        | 0                                  |
| iii) Interest accrued but not due                                       | 12585  | 0                               | 0                        | 12585                              |
| <b>Total (i+ii+iii)</b>   | <b>31585</b>                                     | <b>0</b>                        | <b>0</b>                 | <b>31585</b>                       |
| <b>Change in Indebtedness during the financial year</b>                 |  |                                 |                          |                                    |
| - Addition  | 1163   | 0                               | 0                        | 1163                               |
| - Reduction   | (10000)  | 0                               | 0                        | (10000)                            |
| <b>Net Change</b>   | <b>(8837)</b>                                    | <b>0</b>                        | <b>0</b>                 | <b>(8837)</b>                      |
| <b>Indebtedness at the end of the financial year (31.03.2016)</b>       |  |                                 |                          |                                    |
| i) Principal Amount   | 9000   | 0                               | 0                        | 9000                               |
| ii) Interest due but not paid   | 0  | 0                               | 0                        | 0                                  |
| iii) Interest accrued but not due                                       | 13748  | 0                               | 0                        | 13748                              |
| <b>Total (i+ii+iii)</b>   | <b>22748</b>                                     | <b>0</b>                        | <b>0</b>                 | <b>22748</b>                       |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| S.No. | Particulars of remuneration   | Name of MD/WTD/MANAGER  |   | Total Amount (Rs.) |
|-------|---|---|---|--------------------|
|       |   | Daud Ali (MD)   | Narendra Bhanawat (Whole Time Director and CFO) |                    |
| 1     | Gross salary  |   |   |                    |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2016000   | 160272  | 2176272            |
|       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -   | 128790  | 128790             |
|       | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -   | -   | -                  |
| 2     | Stock Option  | -   | -   | -                  |
| 3     | Sweat Equity  | -   | -   | -                  |
| 4     | Commission - as % of profit- others, specify  | -   | -   | -                  |
| 5     | Others please specify   | -   | -   | -                  |
|       | <b>Total (A)</b>  | <b>2016000</b>  | <b>289062</b>                                   | <b>2305062</b>     |
|       | Ceiling as per the Act Section 197 of Companies Act 2013                            | Where the effective capital is Negative or less than 5 crores - maximum remuneratio payable will be Rs. 30 Lacs |   |                    |

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

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

| S.No. | Particulars of remuneration   | Key Managerial Personnel |          |                  |
|-------|---|--------------------------|----------|------------------|
|       |   | Company Secretary        | CFO      | Total Amount (') |
| 1     | Gross salary  |                          |          |                  |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 151200                   | -        | 151200           |
|       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -        | -                |
|       | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -        | -                |
| 2     | Stock Option  | -                        | -        | -                |
| 3     | Sweat Equity  | -                        | -        | -                |
| 4     | Commission - as % of profit- others, specify  | -                        | -        | -                |
| 5     | Others please specify   | -                        | -        | -                |
|       | <b>Total (A)</b>  | <b>151200</b>            | <b>-</b> | <b>151200</b>    |

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES - NIL

### ANNEXURE 3

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to SEBI(LODR) Regulations,2015, your Directors have the pleasure in presenting the Management Discussion and Analysis Report for the year ended 31-03-2016.

#### A. INDUSTRIAL STRUCTURE AND DEVELOPMENT

The Company is leading producer of plastic moulded furniture and other injection moulded articles and is one of the top most leading manufacturer in UDAIPUR, Rajasthan. Your Company has a total capacity of 9452.000 m.t. per annum.

Total production during the period from 01.04.2015 to 31.03.2016 is 4047.32 m.t. against the production of 3489.41 m.t. in the preceding year registering a growth of 15.99 %. Due to to severe competition and excess availability of products in the market,prices of moulded furnitures have fallen down. The Company is taking all necessary steps to maximize the profitability of the Company.

#### B. OPPORTUNITIES AND THREATS

Plastic moulded furniture is replacing wooden and iron furniture day by day due to its low cost hence demand and scope of plastic moulded furniture is also increasing drastically. The capacity utilization is presently lower due to shortage of working capital,high growth of market competitors and changing demands of consumers. Company is trying to meet the requirements of market by manufacturing new varieties and changes in the existing furniture and has also achieved a level of growth to some extent.

#### C. SEGMENT-WISE PERFORMANCE

The company operates in only single segment unit i.e, Plastic Moulded Furniture that includes chairs, tables, sunlounger, Patlas, trollies etc.The production of chairs, other articles and house hold articles for the period ended on 31.03.2016 is 4047.32 m.t.

#### D. OUTLOOK

The outlook for the Company appears bright on a long term basis. The Company is hopeful that its performance in the years to come would be encouraging, as the Company is planning to launch new models of chairs and other asrticles. Your Company will endeavour to maintain, and enhance its position in the furniture market.

#### E. RISKS AND CONCERNS

The Company is exposed to a number of risks. Some key risks have been mentioned below:

- i) Raw material prices are market driven and power cost are major issues requiring immediate attentions. Higher labour cost and distance from consumption centers put pressure on the Company financials.
- ii) The company faces a threat from competitors that effects the market share of the Company.

#### F. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

#### G. FINANCIAL PERFORMANCES

During the Year, Your company achieved a turnover of Rs. 4250.35 Lacs in comparison tp previous year i.e Rs 3984.03 lacs registering a growth of 7.22 % over the previous year and earned a cash profit of Rs.61.34 Lacs.The company also exported its goods to Mauritius and earned foreign exchange of Rs. 3,96,107/- (previous yr Rs. 9,21,900/-) calculated on the basis of F.O.B. value.

#### H. SAFETY

Adequate safety measures and safe working practices have been implemented to ensure safety of workforce, plant and Machinery as well as of the environment.

#### I. HUMAN RESOURCES

The Industrial relation situation was cordial and harmonious and continues to be so at present. The Company has conducted computer training programme primarily to enhance the skill of the workforce. Your Company has the strength of 46 staffs and 64 workers(including managing and whole time directors).Our technical and well qualified staff efficiently use their skills in internal as well as external opportunities for capturing new market trends and high growth of your organization.

For and On behalf of the Board of Directors

|  |  |
|--|--|
| Sd/-<br><b>DAUD ALI</b><br>(Managing Director) | Sd/-<br><b>NARENDRA BHANAWAT</b><br>(Whole Time Director and<br>Chief Financial Officer) |
|--|--|

Udaipur, 27.05.2016      DIN : 185336

DIN : 146824

#### Cautionary Statement :

*The Statement in the "Management Discussion and Analysis Report" Section describes the Company's objectives, projections, estimates, expectations and predictions which may be "forward looking statements" within the meaning of the applicable securities laws and regulations and actual results might differ materially from those expressed or implied depending on the economic and climatic conditions, Government policies and other incidental factors.*



## CORPORATE GOVERNANCE REPORT

### I. COMPANY'S PHILOSOPHY

Corporate Governance is all about commitment to values and ethical business conduct. The Company believes in setting the highest standards in good and ethical corporate governance practices. The Company's philosophy on Corporate Governance emanates from its commitment for the highest level of transparency and accountability towards its shareholders, customers, employees, Banks and the Government while maintaining steady focus for creation of wealth for shareholders on sustainable basis.

A Report on compliance with the principles of Corporate Governance as prescribed under SEBI (LODR) Regulations is given below:

### II. BOARD OF DIRECTORS

a) Composition: The Board consists of 6 Directors out of which two are Executive Directors, three are Independent Directors and One is Non-Executive Director. There is no fixed Chairman on the Board. Details of Directors and their attendance in meetings are referred below:

| Name of Director         | Category                  | No. of the other directorship held | Membership in committee or other company held | No. of Board Meeting held & Attended | Attendance in last AGM held Yes/No |
|--------------------------|---------------------------|------------------------------------|---|--------------------------------------|------------------------------------|
| Mr. Daud Ali             | Promoter                  | 04                                 | 00  | 10                                   | Yes                                |
| Mr. Narendra Bhanawat    | Executive                 | 01                                 | 00  | 10                                   | Yes                                |
| Mr. Magan Lal Sharma     | Independent Non Executive | 00                                 | 00  | 10                                   | Yes                                |
| Mr. Mukesh Kumar Kothari | Non Executive             | 00                                 | 00  | 10                                   | Yes                                |
| Dr. Namrata Babel        | Independent Non Executive | 00                                 | 00  | 10                                   | Yes                                |
| Mr. Ram Swaroop Sodani*  | Independent Non Executive | 00                                 | 00  | 04                                   | No                                 |

\*Appointed w.e.f. 03.10.2015.

b) Ten Board meetings held during the year held on 04.04.2015, 30.05.2015, 25.06.2015, 30.07.2015, 22.08.2015, 03.10.2015, 24.10.2015, 21.01.2016, 15.02.2016 and 31.03.2016.

c) The necessary quorum was present for all meetings. None of the Directors on Board hold directorships beyond the prescribed limit as mentioned under Companies Act, 2013.

d) The board periodically report the compliance reports of all laws applicable to the company.

e) Your company complies with the provisions of Code of Fair disclosure and the same is placed on the website of the company.

f) All the necessary disclosures as applicable to the Company is placed on the website of the company at the link: [www.italicafurniture.com](http://www.italicafurniture.com)

### III. COMMITTEES OF THE BOARD

The Board of Directors has the following Committees Audit Committee, Remuneration and Nomination Committee and Stakeholders' Relationship Committee.

#### A. AUDIT COMMITTEE

1. Composition: Audit Committee of the Board of directors is entrusted with the Responsibility to supervise the company's Internal Controls and Financial reporting process. The Composition, quorum, powers, role and

scope are in accordance with section 177 of the Companies Act, 2013 and the Regulations of SEBI Listing Regulations. All members of the Audit Committee are financially literate and being in expertise in the fields of Accounts, Audit, Finance, Marketing and Taxation.

| Name of Director         | Category/ Position                  | No. of Meetings held | No. of Audit Committee Meetings attended |
|--------------------------|-------------------------------------|----------------------|--|
| Mr. Magan Lal Sharma     | Independent Non Executive/ Chairman | 06                   | 06                                       |
| Mr. Mukesh Kumar Kothari | Non Executive/ Member               | 06                   | 06                                       |
| Dr. Namrata Babel        | Independent Non Executive/ Member   | 06                   | 06                                       |
| Mr. Ram Swaroop Sodani*  | Independent Non Executive/ Member   | 06                   | 03                                       |

\*Appointed w.e.f. 03.10.2015.

2. Meetings of Audit committee : During the period under review, The Committee met Six times during the year and the gap between two meetings did not exceed four months. Dates of the said meetings are as follows: 04.04.2015, 30.05.2015, 30.07.2015, 24.10.2015, 21.01.2016 and 15.02.2016. Necessary quorum was present in all the meetings. The previous AGM held on 30<sup>th</sup> July,2015 and was attended by Mr. Magan Lal Sharma, Chairman of Audit Committee.

#### 3. Terms of Reference :

The committee has powers as envisaged under SEBI (LODR) Regulations 2015 and as specified by the Board of Directors of the Company and includes the following terms of references.

The audit committee reviews the financial statements, performance of auditor and their independence, evaluation of internal financial controls and risk management systems; adequacy of the internal control systems and carrying out any other function as mentioned in the terms of reference of the audit committee.

#### B. NOMINATION AND REMUNERATION COMMITTEE

##### 1. Composition

The Composition of Nomination and Remuneration Committee are in accordance with the provisions of section 178 of the Companies act, 2013 and SEBI (LODR) Regulations, 2015. The table below provide Attendance of the Nomination and Remuneration Committee members.

| Name of Director         | Category/ Position                  | No. of Meetings held | No. of Audit Committee Meetings attended |
|--------------------------|-------------------------------------|----------------------|--|
| Mr. Magan Lal Sharma     | Independent Non Executive/ Chairman | 04                   | 04                                       |
| Mr. Mukesh Kumar Kothari | Non Executive/ Member               | 04                   | 04                                       |
| Dr. Namrata Babel        | Independent Non Executive/ Member   | 04                   | 04                                       |
| Mr. Ram Swaroop Sodani*  | Independent Non Executive/ Member   | 04                   | 00                                       |

\*Appointed w.e.f. 03.10.2015.

- The Nomination and Remuneration Committee met Four times during the financial Year 2015-16. The necessary quorum was present for all Meetings. The meetings were held on 04.04.2015, 30.05.2015, 25.06.2015 and 03.10.2015. The Chairman of the Committee was present in the last annual general meeting held on 30.07.2015.
- None of the Directors and Key Managerial Personnel holds equity shares of the Company except Mr. Daud Ali holding 79050 equity shares of the Company as on 31<sup>st</sup> March, 2016. Company does not have any employee stock option scheme.
- Directors Remuneration—no sitting fees is paid to non executive directors and remuneration paid to executive directors is as under :

| Name of Director  | Salary & other benefits | Comm-<br>ission | Notice Period/<br>Severance<br>Fees*                           |
|---|-------------------------|-----------------|--|
| Mr. Daud Ali<br>(Managing Director)   | 2016000                 | Nil             | Notice period-3 months<br>Severance fees is not<br>applicable. |
| Mr. Narendra Bhanawat<br>(Whole time Director and<br>Chief Financial Officer) | 289062                  | Nil             |  |

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website viz. [www.italicafurniture.com](http://www.italicafurniture.com).

#### 5. Terms of Reference

The Board has clearly defined terms of reference for Nomination and Remuneration Committee which are as follows:

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

Further, the Remuneration Committee while deciding the remuneration package of the senior management members takes into account financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.

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

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE :

##### 1. Composition

Stakeholders Relationship Committee of the Board of directors is entrusted with the Responsibility to Committee to look into redressal of complaints of investors such as transfer and transmission of shares, issue of duplicate share certificates, non-receipt of annual report, notices etc. in accordance with section 178 of the Companies Act, 2013 and and Regulation 20 of SEBI Listing Regulations, 2015. The table below provide Attendance of the Nomination and Remuneration Committee members.

| Name                               | Position | Category                     | No. of Meetings held | No. of Meetings attended |
|------------------------------------|----------|------------------------------|----------------------|--------------------------|
| Mr. Magan Lal Sharma<br>(Chairman) | Chairman | Independent<br>Non Executive | 05                   | 05                       |
| Mr. Mukesh Kumar<br>Kothari        | Member   | Non Executive                | 05                   | 05                       |
| Dr. Namrata Babel                  | Member   | Independent<br>Non Executive | 05                   | 05                       |
| Mr. Ram Swaroop<br>Sodan*          | Member   | Independent<br>Non Executive | 05                   | 02                       |

\*Appointed w.e.f. 03.10.2015

- Meetings of Stakeholders Relationship committee held: The committee met Five times during the year under review. The meetings were held on 30.05.2015, 30.07.2015, 03.10.2015, 15.02.2016 and 31.03.2016.
- During the year, No complaints remained unresolved and there was no non-compliance of any provision of law by the Company, nor any penalty was imposed on the Company by Stock Exchange (s), SEBI or any other authority on any matter related to capital markets during the last three years
- Details of investor complaints received during the year

| Opening balance | Received during the year | Resolved during the year | Closing balance |
|-----------------|--------------------------|--------------------------|-----------------|
| Nil             | 5                        | 5                        | Nil             |

#### IV. General Body Meetings

##### a) Details of last three annual general meetings held

| Year    | Date       | Time       | Venue             | No. Special Resolutions Passed |
|---------|------------|------------|-------------------|--------------------------------|
| 2012-13 | 29.6.2013  | 10.00 A.M. | Kodiyat Road,     | 00                             |
| 2013-14 | 07.08.2014 | 09.00 A.M. | Village. Sisarma, | 03                             |
| 2014-15 | 30.07.2015 | 09.00 A.M. | Udaipur - 313031  | 02                             |

- No Extra Ordinary General Meeting was held during the year under review.
- No resolutions was passed by way of Postal Ballot during the year under review.

V. **SUBSIDIARY COMPANIES** : The Company does not have any material subsidiary as defined under Listing Regulation. However, the Company has formulated the Material Subsidiary Policy and uploaded on the website of the Company viz. [www.italicafurniture.com](http://www.italicafurniture.com).

#### VI. DISCLOSURES

- Related Party Transactions: the Board has approved a policy for related party transactions which has been uploaded on the Company's website at following link: <http://www.italicafurniture.com/corporate-governance.aspx>.
- Details of non compliance by the Company/penalties imposed etc. with regard to the capital market, Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years 2013-14, 2014-15 and 2015-16 respectively: NIL
- Company has adopted a whistleblower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior.
- Code of conduct** : The members of the Board and Senior management personnel have affirmed with the company's code and declaration submitted by the Managing Director is enclosed.

5. CEO/CFO Certification: Certificate from the CEO/CFO of the Company is enclosed at the end of this report.

## VII. MEANS OF COMMUNICATION

The quarterly/Half yearly/Annually / un-audited/Audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board and published in the leading newspapers.

## VIII. GENERAL SHAREHOLDER INFORMATION :

### 1. ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2015-16

|  |   |
|--|---|
| Day, Date and Time   | Saturday, 23.07.2016 at 09.30 a.m.  |
| Venue: (Registered Office of the Company)  | PIL ITALICA LIFESTYLE LIMITED<br>Kodyat Road, Village: Sisarma,<br>Udaipur (Raj) - 313 031                                |
| Financial year   | April 1, 2015 to March 31, 2016   |
| ● Board Meeting for consideration of accounts for the year ended March 31, 2016.   | May 27, 2016  |
| ● Board Meeting for consideration of unaudited results for the first three quarters of the current financial year viz. April 01, 2015 to March 31, 2016. | Within 45 days from the end of the relevant quarter as stipulated under the listing agreement with the Stock Exchanges.   |
| ● Audited results, if any, for the current year ending March 31, 2016.   | Within 60 days from the end financial of the last quarter as stipulated under the Listing Agreement with Stock Exchanges. |
| Dividend payment data  | Nil   |
| Date of Book Closure/ record date  | 20.07.2016 to 23.07.2016 (both days inclusive)  |

### 2. Listing on Stock Exchanges, Stock Codes and Symbol:

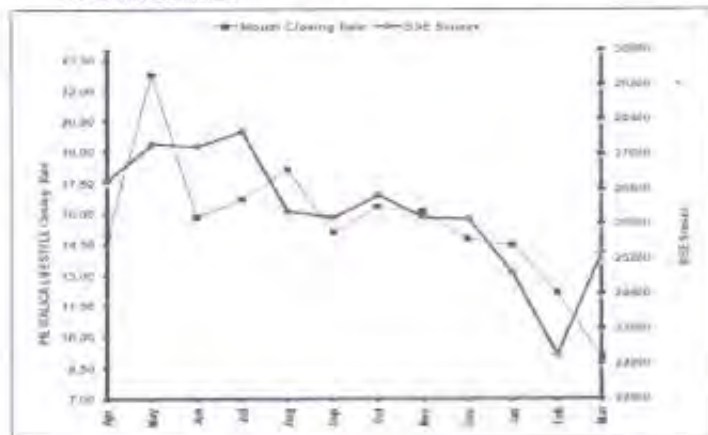
|  |  |
|--|--|
| The Stock Exchange, Mumbai(BSE)<br>BSE Limited<br>Phiroze Jeejeebhoy Towers<br>25th Floor, Dalal Street<br>Mumbai- 400001<br>Stock Code No: 500327 | National Stock Exchange of India Ltd.<br>(NSE) National Stock Exchange of India Limited.<br>Exchange Plaza, C-1, Block-G<br>Bandra Kurla Complex, Bandra -East<br>MUMBAI - 400 051<br>Symbol: PILITA |
|--|--|

Listing Fees as applicable has been paid.

### 3. Market Price Data :

| Month          | BSE  |       | NSE   |       |
|----------------|------|-------|-------|-------|
|                | High | Low   | High  | Low   |
| April 2015     | 17   | 13.5  | 17.3  | 13.4  |
| May 2015       | 25   | 14.7  | 24.95 | 14    |
| June 2015      | 23.2 | 15.5  | 23.85 | 15.55 |
| July 2015      | 19.3 | 15.6  | 19.9  | 15.3  |
| August 2015    | 23.5 | 15.4  | 21.9  | 15.1  |
| September 2015 | 18.5 | 13.6  | 18.5  | 13.5  |
| October 2015   | 18.7 | 14.8  | 18.4  | 14.4  |
| November 2015  | 17.4 | 14    | 17.5  | 13.9  |
| December 2015  | 17.5 | 14.1  | 17.4  | 14    |
| Jan 2016       | 20.3 | 13.3  | 20.2  | 13    |
| Feb 2016       | 15.5 | 12.11 | 15.75 | 11.8  |
| March 2016     | 14.7 | 7.99  | 14.7  | 8.4   |

## 4. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES AS BSE SENSEX:



### 5. REGISTRAR & TRANSFER AGENT :

All the physical share transfer work is done in-house at the Share Department at the registered office of the Company at Udaipur and for Demat work the Company has appointed a registrar i.e. Link Intime India Pvt. Ltd.

### ADDRESS FOR CORRESPONDENCE :

| For Demat Shares  | For Physical Shares   |
|---|---|
| Link Intime India Pvt. Ltd.,<br>C-13, Pannaal Silk Mills Compound,<br>LBS Marg, Bhandup (West)<br>MUMBAI - 400 078<br>E-mail: accounts@linkintime.co.in<br>Tel No.: 022-25963838<br>Fax No.: 022-25946969 | PIL ITALICA LIFESTYLE LIMITED<br>Kodyat Road, Village: Sisarma,<br>Udaipur (Rajasthan) 313001<br>investor@italicafurniture.com<br>Tel No.: 0294-2432271-72<br>Fax No.: 0294-2430411 |

### 6. SHARE TRANSFER SYSTEM :

99.36% of the equity shares are converted in electronic form. Transfer of shares are done into demat or held in physical forms can be lodged with the above mentioned addresses. Transfer of shares normally processed within a period of 15-20 days from the date of receipt, subject to the documents being valid and complete in all respect. Authorised officials approve transfers and the same is noted at subsequent board meetings.

### 7. SHAREHOLDING AS ON 31-03-2016

#### (a) Distribution of Shareholding as of 31-03-2016

| Shareholding of Shares | No. of Shareholders | % of total shares | Share Allotted | % of total Shares |
|------------------------|---------------------|-------------------|----------------|-------------------|
| Upto - 500             | 5680                | 70.66             | 1263304        | 2.41              |
| 501 - 1000             | 1123                | 13.98             | 1009196        | 1.92              |
| 1001 - 2000            | 544                 | 6.77              | 898656         | 1.71              |
| 2001 - 3000            | 225                 | 2.80              | 600850         | 1.14              |
| 3001 - 4000            | 84                  | 1.04              | 303990         | 0.58              |
| 4001 - 5000            | 111                 | 1.38              | 536712         | 1.02              |
| 5001 - 10000           | 152                 | 1.89              | 1135988        | 2.17              |
| 10001-ABOVE            | 119                 | 1.48              | 48751304       | 89.05             |
| Total                  | 8038                | 100               | 52500000       | 100               |

**(b) Categories of equity Shareholders**

| Category                     | No. of Shares   | % of Shareholding |
|------------------------------|-----------------|-------------------|
| Promoters                    |                 |                   |
| Indian Promoters             | 35743350        | 68.08             |
| NRI Promoters                | 0               | 0                 |
| Indian Public                | 10593987        | 20.18             |
| NRI                          | 94115           | 0.18              |
| Overseas Corporate Bodies    | 21700           | 0.04              |
| Bodies Corporate             | 5339036         | 10.17             |
| Financial Institutions/Banks | 694312          | 1.32              |
| Mutual Funds                 | 13500           | 0.03              |
| <b>Total</b>                 | <b>52500000</b> | <b>100</b>        |

**8. Dematerialisation of Shares and Liquidity :**

Company's shares are compulsorily traded in dematerialised form. Equity shares of the company representing 99.36% are dematerialized as on 31<sup>st</sup> March, 2016. Under the depository system, the international securities identification no. (ISIN) allotted to company's shares is INE600A01027.

**9. LOCATION OF PLANT :** Kodyat Road, Village: Sisarma, Udaipur -313031

**10. ADDRESS FOR COMMUNICATION**

**PIL ITALICA LIFESTYLE LIMITED,**  
Kodyat Road, Village : Sisarma, Dist-Udaipur (Raj.) 313 031  
Phone No. : 0294-2432271-72 Fax No. : 0294-2430411  
Designated E-Mail Id For Investors Services:investor@italicafurniture.com  
Website : [www.italicafurniture.com](http://www.italicafurniture.com)

**IX. NON MANDATORY REQUIREMENTS**

The status of compliance with discretionary recommendations of the Regulation 27 of the SEBI Regulations with Stock Exchanges inter-alia is provided below:-

1. Separate posts of chairperson and chief executive officer
2. Reporting of internal auditor directly to audit committee

**DECLARATION ON COMPANY'S CODE OF CONDUCT**

I, Daud Ali, Managing Director of PIL ITALICA LIFESTYLE LIMITED, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have complied with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors as provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March 2016.

For PIL ITALICA LIFESTYLE LIMITED

Sd/-

(Daud Ali)

Managing Director (DIN: 185336)

Place : Udaipur  
Date : 27<sup>th</sup> May, 2016

**AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of corporate governance by PIL ITALICA LIFESTYLE LIMITED, (formerly known as Peacock Industries Limited) ('the Company'), for the year ended on March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance Note on Certificate of Corporate

Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

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

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

For SAMPATILAL BOHARA & COMPANY  
Chartered Accountants(FRN 03324C)

Sd/-

(SUDHIR MEHTA)

Partner

Membership No. 400920

Place : Udaipur  
Date : 27<sup>th</sup> May, 2016

**CEO/CFO CERTIFICATION**

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

To,

The Board of Directors

PIL ITALICA LIFESTYLE LIMITED

Udaipur

- a) We have reviewed financial statements and the cash flow statement of PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited) for the year ended 31st March, 2016 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d) We have indicated to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

For PIL ITALICA LIFESTYLE LIMITED

Sd/-

DAUD ALI

Managing Director  
DIN : 185336

Sd/-

NARENDRA BHANAWAT

Whole Time Director  
and Chief Financial Officer  
DIN : 146824

Place : Udaipur  
Date : 27.5.2016

## INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF PIL ITALICA LIFESTYLE LIMITED (formerly known as Peacock Industries Limited)

### Report on the Financial Statements

(1) We have audited the accompanying financial statements of **PIL ITALICA LIFESTYLE LIMITED** (Formerly known as Peacock Industries Limited) ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

(2) The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

(3) Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

(6) 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

(8) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016;
- 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

(9) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (herein after referred to as the order), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

(10) As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure -A.
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us :
  - i.) The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer to Note 30 to the financial statements;
  - ii.) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii.) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

FOR SAMPATI LAL BOHRA & CO.  
Chartered Accountants FRN003324C

Sd/-

(SUDHIR MEHTA)

PARTNER

Membership No. 400920

Place -UDAIPUR  
Date - 27.05.2016

**Annexure B to the Independent Auditors Report**

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of **PIL ITALICA LIFESTYLE LIMITED** (formerly known as Peacock Industries Limited) on the financial statements for the year ended March 31, 2016.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- 2) (a) As explained to us that the inventory has been physically verified during the year by management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;
- (c) In our opinion the company is maintaining proper records of inventory, no material discrepancies were noticed on physical verification of the inventory.
- 3) The Company has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4) The Company has not given any loans or guarantees / made any investments within the meaning of section 185 and 186 of The Companies Act, 2013.
- 5) The Company has not accepted any deposits, the directions issued by the Reserve Bank Of India and the provisions of section 73 to 76 or any other relevant provisions of the companies Act and rules framed there under are not applicable.
- 6) The Central government has not prescribed the maintenance of the cost records under section 148 (1) of the Act for any of the products of the company.
- 7) (a) The undisputed statutory dues generally have been regularly deposited with appropriate authorities and we are informed that no amount were outstanding as at 31st March, 2016 towards undisputed statutory dues in respect of income tax, sales tax, wealth tax, custom Duty, excise duty, cess for a period of more than six months from the date they become payable.
- (b) We are informed that the followings were outstanding as at 31 st March 2016 towards disputed statutory dues:-

| PARTICULARS                              | (Rs. in lacs) |  |
|--|---------------|--|
|  | AMOUNT        | REMARKS  |
| Excise Duty<br>(net of predeposit)       | 98.22         | Pending at<br>Commissionerate,<br>Jaipur –II Rajasthan |
| Penalty by<br>Enforcement<br>Directorate | 200.00        | Pending at Rajasthan<br>High Court, Jaipur             |

- 8) In our opinion and according to the information's and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank.
- 9) The Company has not taken term loans during the year.
- 10) Based upon the audit procedures performed and information and explanations given by the management, We report that no fraud by the company or on the company by its officers/

employees has been noticed or reported during the course of our audit.

- 11) The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- 12) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3 (xii) of the order are not applicable to the Company.
- 13) The Company has entered in to transactions with related parties in compliance with the provisions of section 177 and 188 of the Act, the details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related party disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 15) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**FOR SAMPATI LAL BOHRA & CO.**  
Chartered Accountants FRN003324C  
Sd/-  
(SUDHIR MEHTA )  
PARTNER  
Membership No. 400920

Place : UDAIPUR  
Date : 27.05.2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of PIL ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) on the financial statements for the year ended March 31, 2016.

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

1. We have audited the internal financial controls over financial reporting of PIL ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) ('the Company') as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR SAMPATI LAL BOHRA & CO.  
Chartered Accountants FRN003324C

Sd/-  
(SUDHIR MEHTA )

PARTNER

Membership No. 400920

Place : UDAIPUR  
Date : 27.05.2016

## BALANCE SHEET AS AT 31st MARCH, 2016

| Particulars  | Note No. | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------|----------------------------------|----------------------------------|
| <b>A EQUITY AND LIABILITIES</b>                    |          |                                  |                                  |
| <b>1 Shareholders' funds</b>                       |          |                                  |                                  |
| (a) Share capital                                  | 1        | 210000000                        | 210000000                        |
| (b) Reserves and surplus                           | 2        | (220281429)                      | (224278701)                      |
| (c) Money received against share warrants          |          |                                  |                                  |
| <b>2 Share application money pending allotment</b> |          |                                  |                                  |
| <b>3 Non-current liabilities</b>                   |          |                                  |                                  |
| (a) Long-term borrowings                           | 3        |                                  | 9000000                          |
| (b) Deferred tax liabilities (net)                 |          |                                  |                                  |
| (c) Other long-term liabilities                    | 4        | 17861808                         | 25156521                         |
| (d) Long-term provisions                           |          |                                  |                                  |
| <b>4 Current liabilities</b>                       |          |                                  |                                  |
| (a) Short-term borrowings                          | 5        | 22405923                         | 2082289                          |
| (b) Trade payables                                 | 6        | 9900957                          | 6563537                          |
| (c) Other current liabilities                      | 7        | 100959690                        | 97587864                         |
| (d) Short-term provisions                          | 8        | 888848                           | 725884                           |
| <b>TOTAL</b>                                       |          | <b>141735795</b>                 | <b>126837194</b>                 |
| <b>B ASSETS</b>                                    |          |                                  |                                  |
| <b>1 Non-current assets</b>                        |          |                                  |                                  |
| (a) Fixed assets                                   |          |                                  |                                  |
| (i) Tangible assets                                | 9        | 41901002                         | 40908288                         |
| (ii) Intangible assets                             | 10       | 82942                            | 719818                           |
| (iii) Capital work-in-progress                     |          |                                  |                                  |
| (iv) Intangible assets under development           |          |                                  |                                  |
| (v) Fixed assets held for sale                     |          |                                  |                                  |
| (b) Non-current investments                        |          |                                  |                                  |
| (c) Deferred tax assets (net)                      |          |                                  |                                  |
| (d) Long-term loans and advances                   | 11       | 3538491                          | 3054418                          |
| (e) Other non-current assets                       |          |                                  |                                  |
| <b>2 Current assets</b>                            |          |                                  |                                  |
| (a) Current investments                            |          |                                  |                                  |
| (b) Inventories                                    | 12       | 54580754                         | 52012647                         |
| (c) Trade receivables                              | 13       | 24024888                         | 14815154                         |
| (d) Cash and cash equivalents                      | 14       | 5328195                          | 2623534                          |
| (e) Short-term loans and advances                  | 15       | 12279923                         | 12703335                         |
| (f) Other current assets                           |          |                                  |                                  |
| <b>TOTAL</b>                                       |          | <b>141735795</b>                 | <b>126837194</b>                 |

**Significant accounting policies**

Notes on financial statement - note no. 1 to 34

In terms of our report attached.

**For Sampati Lal Bohara & Co.**

Chartered Accountants

FRN:003324C

Sd/-

(Sudhir Mehta)

Partner

Membership No.400920

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

Sd/-

DAUD ALI  
MANAGING DIRECTOR  
DIN 185336

Sd/-

ADITI PARMAR  
COMPANY SECRETARY

Sd/-

NARENDRA BHANAWAT  
DIRECTOR AND CHIEF  
FINANCIAL OFFICER  
DIN 146824

Place : Udaipur

Date : 27.05.2016



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016**

| Particulars   | Note No. | For the year ended<br>31 March, 2016<br>(Rs.) | For the year ended<br>31 March, 2015<br>(Rs.) |
|---|----------|---|---|
| <b>A CONTINUING OPERATIONS</b>  |          |   |   |
| 1 Revenue from operations   | 16       | 425034793                                     | 396403478                                     |
| 2 Other income  | 17       | 13465237                                      | 17522495                                      |
| 3 <b>Total revenue (1+2)</b>  |          | <u>438500030</u>                              | <u>413925973</u>                              |
| 4 <b>Expenses</b>   |          |   |   |
| (a) Cost of materials consumed  | 18       | 330448001                                     | 325868082                                     |
| (b) Purchases of stock-in-trade   | 19       | 94098   | 1342830                                       |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20       | (1132419)                                     | (1871080)                                     |
| (d) Employee benefits expense   | 21       | 22942989                                      | 21484428                                      |
| (e) Finance costs   | 22       | 2901917                                       | 3961054                                       |
| (f) Depreciation and amortisation expense   | 9,10     | 4137615                                       | 3641455                                       |
| (g) Other expenses  | 23       | 75110557                                      | 61203297                                      |
| <b>Total expenses</b>   |          | <u>434502758</u>                              | <u>415630056</u>                              |
| 5 Profit(Loss) before Tax   |          | 3997272                                       | (1704093)                                     |
| 6 Exceptional items   |          | -   | 21336785                                      |
| 7 Tax expenses  |          | -   | -   |
| 8 Profit/Loss After Tax   |          | 3997272                                       | 19935592                                      |
| 9 Earning Per Share Basic and diluted - before Extra Ordinary Items               |          | 0.08  | 0.38  |
| 10. Earning Per Share Basic and diluted - after Extra Ordinary Items              |          | 0.08  | 0.38  |
| <b>Notes on financial statement - note no. 1 to 34</b>                            |          |   |   |

In terms of our report attached,

For Sampati Lal Bohara & Co.  
Chartered Accountants  
FRN:003324C  
Sd/-  
(Sudhir Mehta)  
Partner  
Membership No.400920

For and on behalf of the Board of Directors

Sd/-  
DAUD ALI  
MANAGING DIRECTOR  
DIN 185336

Sd/-  
NARENDRA BHANAWAT  
DIRECTOR AND CHIEF  
FINANCIAL OFFICER  
DIN 146824

Sd/-  
ADITI PARMAR  
COMPANY SECRETARY

Place : Udaipur  
Date : 27.05.2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

| PARTICULARS  | For the year ended |                 | For the year ended |                  |
|--|--------------------|-----------------|--------------------|------------------|
|  | 31.03.2016         | 31.03.2016      | 31.03.2015         | 31.03.2015       |
| <b>A Cash Flow From Operating Activities</b>                           |                    |                 |                    |                  |
| Net Profit / (Loss) before extraordinary items and tax                 |                    | 3997272         |                    | -1704093         |
| <i>Adjustments for:</i>  |                    |                 |                    |                  |
| Depreciation and amortisation  | 4137615            |                 | 3641455            |                  |
| Finance costs  | 2901917            |                 | 3961054            |                  |
| Interest income  | -265550            |                 | -158302            |                  |
|  |                    | <u>6773982</u>  |                    | <u>7444207</u>   |
| Operating profit / (loss) before working capital changes               |                    | 10771254        |                    | 5740114          |
| <i>Changes in working capital:</i>                                     |                    |                 |                    |                  |
| <i>Adjustments for (increase) / decrease in operating assets:</i>      |                    |                 |                    |                  |
| Inventories  | -2568107           |                 | -6155504           |                  |
| Trade receivables  | -8209334           |                 | 1233178            |                  |
| Short-term loans and advances  | 423412             |                 | -3142520           |                  |
| Long-term loans and advances   | -484073            |                 | -252000            |                  |
| Other current assets   | 0                  |                 | 0                  |                  |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> |                    |                 |                    |                  |
| Trade payables   | 3337420            |                 | -6327064           |                  |
| Other current liabilities  | 4371826            |                 | 24553189           |                  |
| Other long-term liabilities  | -7294715           |                 | -1961963           |                  |
| Short-term provisions  | 163164             |                 | 90389              |                  |
| Long-term provisions   | 0                  | -11260407       | 0                  | -41068673        |
| Cash flow from extraordinary items ##                                  |                    | 0               |                    | 21336785         |
| Cash generated from operations   |                    | -489153         |                    | -13991774        |
| <b>Net cash flow from / (used in) operating activities (A)</b>         |                    | <u>-489153</u>  |                    | <u>-13991774</u> |
| <b>B. Cash flow from investing activities</b>                          |                    |                 |                    |                  |
| Capital expenditure on fixed assets                                    |                    | -4493453        |                    | -11127981        |
| Non Current Investment   |                    | 0               |                    | 0                |
| <b>Net cash flow from / (used in) investing activities (B)</b>         |                    | <u>-4493453</u> |                    | <u>-11127981</u> |
| <b>C. Cash flow from financing activities</b>                          |                    |                 |                    |                  |
| Repayment of long-term borrowings                                      | -10000000          |                 | -10000000          |                  |
| Increase in Short term borrowings                                      | 20323634           |                 | 0                  |                  |
| Finance cost   | -2901917           |                 | -3961054           |                  |
| Interest Income  | 265550             |                 | 158302             |                  |
| Money Received against warrants  | 0                  |                 | -15750000          |                  |
| Increase in Share Capital  | 0                  |                 | 55000000           |                  |
| <b>Net cash flow from / (used in) financing activities (C)</b>         |                    | <u>7687267</u>  |                    | <u>25447248</u>  |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>  |                    | <u>2704661</u>  |                    | <u>327493</u>    |
| Cash and cash equivalents at the beginning of the year                 |                    | 2623534         |                    | 2296041          |
| <b>Cash and cash equivalents at the end of the year</b>                |                    | <u>5328195</u>  |                    | <u>2623534</u>   |
| *Comprises:  |                    |                 |                    |                  |
| (a) Cash in hand   |                    | 207668          |                    | 307208           |
| (B) Balances with banks  |                    |                 |                    |                  |
| (i) In current accounts  |                    | <u>5120527</u>  |                    | <u>2316328</u>   |
|  |                    | <u>5328195</u>  |                    | <u>2623534</u>   |

Significant accounting policies

Notes on financial statement - note no. 1 to 34

## Extraordinary item comprises waiver of Rs. 213.37 lacs by creditors as per revival plan sanctioned by hon'ble BIFR.

in terms of our report attached.

For Sampati Lal Bohara &amp; Co.

Chartered Accountants FRN:003324C

For and on behalf of the Board of Directors

 Sd/-  
 (Sudhir Mehta)  
 Partner

 Sd/-  
 DAUD ALI  
 Managing Director  
 DIN 185336

 Sd/-  
 NARENDRA BHANAWAT  
 Director and Chief Financial Officer  
 DIN 146824

 Sd/-  
 ADITI PARMAR  
 Company Secretary

Membership No.400920

Place : Udaipur

Date : 27.5.2016

## 1. Corporate Information

PIL ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) (The Company) is a public limited company domiciled India and incorporated under the provisions of Companies Act, 1956. The Company is engaged in the manufacturing of Plastic Molded furniture and other articles.

### 1.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

## 2. Significant accounting policies

### a) Use of Estimates

The Preparation of Financial Statements require estimates and assumption to be made that affect the reported amount of assets and liabilities on the date to the financial statement and the reported amount of revenues and expense during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

### b) Tangible fixed assets

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

### c) Intangible Assets

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

### d) Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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

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

### e) Investment

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

### f) Excise duty / Service Tax

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

### g) Provision for current and deferred Tax :

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

### h) Inventories

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

### i) Employee Retirement Benefits

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

### j) Foreign Exchange Transaction

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

### k) Sales

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

### l) Expenses

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

## Notes forming part of the financial statements

| Particulars   | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|---|----------------------------------|----------------------------------|
| <b>Note 1 Share capital</b>   |                                  |                                  |
| (a) Authorised<br>6,25,00,000 (Pr.Yr.6,25,00,000) Equity<br>Shares of Rs. 4.00 each   | 250000000                        | 250000000                        |
| (b) Issued, Subscribed and fully paid up<br>Opening Balance- 52500000 (p.y 38750000)<br>Equity Shares @ Rs.4/- (P.Y. 4/-) each  | 210000000                        | 155000000                        |
| Total   | 210000000                        | 155000000                        |
| Add- Nil (p.y.13750000 Equity shares<br>@ Rs. 4/- each issued during the year<br>Closing balance-<br>52500000 (Pr. Yr.52500000) Equity shares of<br>Rs. 4/- (Pr. Yr. 4/-) each with voting rights | -                                | 55000000                         |
| Total   | 210000000                        | 210000000                        |

**Note No. 1.1 Reconciliation of number of shares**

|                               | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|-------------------------------|----------------------------------|----------------------------------|
| At the beginning of the year  | 52500000                         | 38750000                         |
| Add -issued during the period | -                                | 13750000                         |
| At the end of the year        | 52500000                         | 52500000                         |

Note no. 1.2-35664300 Equity Shares (Pr. Yr. 35664300) are held by Dawood Investments Private Limited the holding company.

**Note No. 1.3 Names of Share Holders holding more than 5% Shares in the company**

|                                       | 2015-2016                     | 2015-2016 | 2014-2015                     | 2014-2015 |
|---------------------------------------|-------------------------------|-----------|-------------------------------|-----------|
| PARTICULARS                           | Number<br>of equity<br>Shares | %         | Number<br>of equity<br>Shares | %         |
| Dawood Investments<br>Private Limited | 35664300                      | 67.93     | 35664300                      | 67.93     |
| Park Continental Limited              | 4017216                       | 7.65      | 3486248                       | 6.64      |

**Note No. 1.4-No Bonus Shares allotted during the period of five years immediately preceding the year.**

Note No. 1.5-Other Disclosures - The Company has one class of equity shares having a par value @ Rs.4 per share held. Each equity share holder is entitled to dividends as and when declared by the company. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amount in proportion to their share holding.

**Note 2 Reserves and surplus.**

| Particulars  | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| (a) Securities premium account<br>As per last balance sheet  | 53600000                         | 53600000                         |
| (b) General reserve<br>As per last balance sheet   | 2513123                          | 2513123                          |
|  | <b>56113123</b>                  | <b>56113123</b>                  |
| (c) Surplus/(Deficit) in Statement of<br>Profit and Loss Opening balance<br>Less-Depreciation on transition to<br>schedule II of the companies<br>Act,2013 | (280391824)                      | (299608332)                      |
| Add: Profit / (Loss) for the year  | 3997272                          | 19632692                         |
| Closing balance  | (276394552)                      | (280391824)                      |
| Total  | <b>(220281429)</b>               | <b>(224278701)</b>               |

**Note 3 Long term borrowings**

| Particulars  | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| Term Loan From other parties Secured<br>(Stressed Assets Stabilisation Fund) | -                                | 9000000                          |
| Total  | -                                | <b>9000000</b>                   |

**Note 3.1 Maturity profile, rate of interest and security of term loan from others :-**

Term loan is from Stressed Assets Stabilisation Fund and rate of interest is 8% The term loan is repayable in 24 qtrly instalment, 23 instalment of Rs.25.00 lac each and 24th qtrly. Instalment is of Rs. 15.00 lacs. Last instalment is payable on 01.04.2017.

The Company has not defaulted in repayment. The term loan is secured by way of equitable mortgage by deposit of title deeds of immovable property and also guaranteed by directors of company.

As at March 31, 2016 Rs. 90.00 lac is payable to SASF, this amount is payable in 16-17, hence shown under current liabilities.

**Note 4 Other long-term liabilities**

| Particulars                                   | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|---|----------------------------------|----------------------------------|
| Interest accrued but not due on<br>borrowings | 13748145                         | 12585754                         |
| Deferred payment liabilities<br>(sales Tax)   |                                  |                                  |
| Unsecured                                     | 4113661                          | 12570767                         |
| Total   | <b>17861806</b>                  | <b>25156521</b>                  |

Note no.4.1- Interest accrued but not due (Rs.137.48 lacs-SASF) on borrowing is repayable in 8 equal qtrly instalment from 01-04-2017 to 31-03-2019.

Note 4.2 Maturity profile and rate of interest of deferred sales tax liability- The deferred sales tax liability is interest free and is repayable in qtrly instalment. Last instalment is payable on 31.03.2018.

**Note 5 Short Term Borrowings**

| Particulars                                    | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| Loan repayable on demand from<br>other parties |                                  |                                  |
| Unsecured                                      | 22405923                         | 2082289                          |
| Total  | <b>22405923</b>                  | <b>2082289</b>                   |

**Note 6 Trade payables**

| Trade payables:        |                |                |
|------------------------|----------------|----------------|
| Other than Acceptances | 9900957        | 6563537        |
| Total                  | <b>9900957</b> | <b>6563537</b> |

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

**Note 7 Other current liabilities**

| Particulars   | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|---|----------------------------------|----------------------------------|
| (a) Current maturities of long term<br>debt - refer note no.3 | 9000000                          | 10000000                         |
| (b) Creditors against expenses                                | 1974348                          | 3948961                          |
| (c) Statutory remittances                                     | 20128063                         | 21185549                         |
| (d) Other Payables  | 69857259                         | 62453354                         |
| Total   | <b>100959690</b>                 | <b>97587864</b>                  |

**Note 8 Short-term provisions**

| Particulars  | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| (a) Provision for employee benefits;<br>Provision for leave encashment | 888848                           | 725684                           |
| Total  | <b>888848</b>                    | <b>725684</b>                    |

**Note 9 Fixed assets - Tangible Assets**

| Tangible assets            | GROSS                          |                                |                                 |                  | DEPRECIATION                   |                 |  |                  | NET BLOCK                      |                                |
|----------------------------|--------------------------------|--------------------------------|---------------------------------|------------------|--------------------------------|-----------------|--|------------------|--------------------------------|--------------------------------|
|                            | Balance as at 01.04.2015 (Rs.) | Addition During the year (Rs.) | Deduction During the year (Rs.) | TOTAL 31.03.2016 | Balance as at 01.04.2015 (Rs.) | Additions (Rs.) | Deduction Adjustment During the year (Rs.) | TOTAL            | Balance as at 31.03.2016 (Rs.) | Balance as at 31.03.2015 (Rs.) |
| (a) Land Freehold          | 1142737                        | -                              | -                               | 1142737          | -                              | -               | -  | -                | 1142737                        | 1142737                        |
| (b) Buildings              | 65027105                       | 589297                         | -                               | 65616402         | 39793642                       | 2070888         | -  | 41864530         | 23751872                       | 25233463                       |
| (c) Plant and Equipment    | 593748844                      | 2380545                        | -                               | 696129390        | 680490171                      | 571880          | -  | 681062051        | 15067333                       | 13258673                       |
| (d) Furniture and Fixtures | 2193768                        | -                              | -                               | 2193768          | 2167503                        | 4148            | -  | 2171651          | 22117                          | 26265                          |
| (e) Vehicles               | 974548                         | 924428                         | -                               | 1798976          | 874548                         | 41294           | -  | 915842           | 883134                         | -                              |
| (f) Office equipment       | 8072584                        | 581182                         | -                               | 8653766          | 6625434                        | 794523          | -  | 7619957          | 1033809                        | 1247150                        |
| <b>TOTAL</b>               | <b>771059586</b>               | <b>4475493</b>                 | <b>-</b>                        | <b>775535039</b> | <b>730151298</b>               | <b>3482739</b>  | <b>-</b>                                   | <b>733634037</b> | <b>41901002</b>                | <b>40908288</b>                |
| Previous Year              | 759931605                      | 11127981                       | -                               | 771059586        | 726745483                      | 3404815         | -  | 730151298        | 40908288                       | 33185122                       |

**Note 10 Fixed assets - Intangible Assets**

| Tangible assets   | GROSS                          |                                |                                 |                  | DEPRECIATION                      |                 |  |                | NET BLOCK                         |                                   |
|-------------------|--------------------------------|--------------------------------|---------------------------------|------------------|-----------------------------------|-----------------|--|----------------|-----------------------------------|-----------------------------------|
|                   | Balance as at 01.04.2015 (Rs.) | Addition During the year (Rs.) | Deduction During the year (Rs.) | TOTAL 31.03.2016 | Balance as at 1 April, 2015 (Rs.) | Additions (Rs.) | Deduction Adjustment During the year (Rs.) | TOTAL          | Balance as at 31 March 2016 (Rs.) | Balance as at 31 March 2015 (Rs.) |
| Computer Software | 1400000                        | 18000                          | -                               | 1418000          | 680182                            | 654676          | -  | 1335058        | 82942                             | 719818                            |
| <b>TOTAL</b>      | <b>1400000</b>                 | <b>18000</b>                   | <b>-</b>                        | <b>1418000</b>   | <b>680182</b>                     | <b>654676</b>   | <b>-</b>                                   | <b>1335058</b> | <b>82942</b>                      | <b>719818</b>                     |
| Previous Year     | 1400000                        | -                              | -                               | 1400000          | 27358                             | 652824          | -  | 680182         | 719818                            | 1372642                           |

**Note 11 Long-term loans and advances**

| Particulars                | As at 31 March, 2016 (Rs.) | As at 31 March, 2015 (Rs.) |
|----------------------------|----------------------------|----------------------------|
| Security deposits          |                            |                            |
| Unsecured, considered good | 3538491                    | 3054418                    |
| <b>Total</b>               | <b>3538491</b>             | <b>3054418</b>             |

**Note 12 Inventories**

(At lower of cost and net realisable value)

|                       |                 |                 |
|-----------------------|-----------------|-----------------|
| (a) Raw materials     | 14534057        | 12971930        |
| (b) Work-in-progress  | 1545000         | 2172400         |
| (c) Finished goods    | 30759518        | 28999699        |
| (e) Stores and spares | 5141851         | 5115531         |
| (g) Packing Material  | 2600328         | 2753087         |
| <b>Total</b>          | <b>54580754</b> | <b>52012647</b> |

**Note 13 Trade receivables**

|   |                 |                 |
|---|-----------------|-----------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment |                 |                 |
| Unsecured, considered good  | 33757315        | 33757315        |
| Less: Provision for doubtful trade receivables  | 33757315        | 33757315        |
| Other Trade receivables   | -               | -               |
| Unsecured, considered good  | 24024488        | 14815154        |
| <b>Total</b>  | <b>24024488</b> | <b>14815154</b> |

**Note 14 Cash and Cash equivalents**

|                         |                |                |
|-------------------------|----------------|----------------|
| (a) Cash on hand        | 207668         | 307206         |
| (b) Balances with banks |                |                |
| (i) In current accounts | 5120527        | 2316328        |
| <b>Total</b>            | <b>5328195</b> | <b>2623534</b> |

**Note 15 Short-term loans and advances (Unsecured but considered good)**

|  |                 |                 |
|--|-----------------|-----------------|
| (a) Loans and advances to employees      | 824518          | 429830          |
| (b) Prepaid expenses                     | 354475          | 458491          |
| (c) Balances with government authorities |                 |                 |
| (i) CENVAT credit receivable             | 393758          | 976285          |
| (ii) Service Tax credit receivable       | 123948          | 42383           |
| (d) Others                               | 10583224        | 10796346        |
| <b>Total</b>                             | <b>12279923</b> | <b>12703335</b> |

**Note 16 Revenue from operations**

| Particulars                           | As at 31 March, 2016 (Rs.) | As at 31 March, 2015 (Rs.) |
|---------------------------------------|----------------------------|----------------------------|
| (a) Sale of products                  | 478441070                  | 445378716                  |
| Less:                                 |                            |                            |
| (b) Excise duty                       | 53406277                   | 48975238                   |
| <b>Total</b>                          | <b>425034793</b>           | <b>396403478</b>           |
| Sale of products comprises            |                            |                            |
| Manufactured goods                    |                            |                            |
| (i) PLASTIC MOULDED FURNITURE         | 478611695                  | 443810132                  |
| Traded goods                          |                            |                            |
| (ii) RAW MATERIAL                     | 129376                     | 1568584                    |
| <b>Total-Other operating revenues</b> | <b>478741070</b>           | <b>445378716</b>           |

**Note 17 Other income**

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
| (a) Interest income                 | 265550          | 158302          |
| (b) Bad Debts written off recovered | -               | 9982339         |
| (c) Subsidy                         | 13146259        | 6238522         |
| (d) Waiver (Sales Tax Amenity)      | -               | 1143332         |
| (e) Export Incentive                | 53428           | -               |
| <b>Total</b>                        | <b>13465237</b> | <b>17522495</b> |

**Note 18 Cost of material Consumed**

| Particulars  | For the year ended 31.3.2016 | % of Consumption 2015-2016 | For the year ended 31.3.2015 | % of Consumption 2014-2015 |
|--------------|------------------------------|----------------------------|------------------------------|----------------------------|
| Imported     | -                            | -                          | -                            | -                          |
| Indigenous   | 330448001                    | 100                        | 325868082                    | 100                        |
| <b>Total</b> | <b>330448001</b>             | <b>100</b>                 | <b>325868082</b>             | <b>100</b>                 |

**Note 18.1 Particulars of material consumed**

| Particulars                  | As at 31 March, 2016 (Rs.) | As at 31 March, 2015 (Rs.) |
|------------------------------|----------------------------|----------------------------|
| (a) PPHP, PPCP and filler PP | 316824897                  | 314731775                  |
| (b) Others                   | 13623104                   | 11136307                   |
| <b>Total</b>                 | <b>330448001</b>           | <b>325868082</b>           |

**Note 19 Purchase of traded goods**

| Particulars  | As at<br>31 March, 2016<br>(Rs.) | As at<br>31 March, 2015<br>(Rs.) |
|--------------|----------------------------------|----------------------------------|
| Raw Material | 94098                            | 1342830                          |
| <b>Total</b> | <b>94098</b>                     | <b>1342830</b>                   |

**Note 20 Changes in inventories of finished goods, work-in-progress**

| <b>Inventories at the end of the year:</b>       |                  |                  |
|--|------------------|------------------|
| Finished goods                                   | 30759518         | 28999699         |
| Work-in-progress                                 | 1545000          | 2172400          |
|  | <b>32304518</b>  | <b>31172099</b>  |
| <b>Inventories at the beginning of the year:</b> |                  |                  |
| Finished goods                                   | 28999699         | 28083015         |
| Work-in-progress                                 | 2172400          | 1217104          |
|  | <b>31172099</b>  | <b>29301019</b>  |
| <b>Net (increase)/decrease</b>                   | <b>(1132419)</b> | <b>(1871080)</b> |

**Note 21 Employee benefits expense**

|  |                 |                 |
|--|-----------------|-----------------|
| Salaries and wages                         | 21209542        | 19714324        |
| Contributions to provident and other funds | 1345745         | 1252510         |
| Staff welfare expenses                     | 387802          | 517594          |
| <b>Total</b>                               | <b>22942989</b> | <b>21484428</b> |

**Note 21.1** As per accounting standard 15 "Employee benefits", the disclosure as defined in the accounting Standard are given below:-

**Defined Contribution plan**

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

| Particulars                               | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
|---|-------------------------------------|-------------------------------------|
| Employers Contribution to provident fund- | 627314                              | 624691                              |
| Employers Contribution to pension fund-   | 718431                              | 627819                              |
| <b>Total</b>                              | <b>1345745</b>                      | <b>1252510</b>                      |

**Defined Benefit plan**

The Company has taken gratuity policy from Life Insurance Corporation of India and expenses recognised is as under :-

|          |        |        |
|----------|--------|--------|
| Net Cost | 495176 | 430048 |
|----------|--------|--------|

**Note 22 Finance costs**

| Particulars          | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
|----------------------|-------------------------------------|-------------------------------------|
| Interest expense on: |                                     |                                     |
| (i) Borrowings       | 1162391                             | 1992547                             |
| (ii) Others          | 1739526                             | 1968507                             |
| <b>Total</b>         | <b>2901917</b>                      | <b>3961054</b>                      |

**Note 23 Other expenses**

|   |                 |                 |
|---|-----------------|-----------------|
| Consumption of stores and spare parts           | 3937162         | 1695533         |
| Consumption of packing materials                | 7688287         | 6483650         |
| Increase/(decrease) of excise duty on inventory | 646045          | 267157          |
| Power and fuel                                  | 19286551        | 16525961        |
| Other Manufacturing Expenses                    | 12700961        | 14532788        |
| Other Miscellaneous expenses                    | 678482          | 257391          |
| Bank Charges and commission                     | 22900           | 4632            |
| Advertisement and publicity expenses            | 2865337         | 2548498         |
| Repairs and maintenance - Buildings             | 211814          | 449422          |
| Repairs and maintenance - Others                | 170290          | 150493          |
| Insurance                                       | 621509          | 774791          |
| Communication                                   | 439823          | 532405          |
| Travelling and conveyance                       | 2420992         | 2324210         |
| Printing and stationery                         | 197582          | 149045          |
| Freight and forwarding                          | 2734491         | 2536359         |
| Sales Expenses                                  | 19246089        | 10720584        |
| Commission on sales                             | 53525           | 187535          |
| Legal and Professional                          | 1148617         | 922843          |
| Payments to auditors                            | 40000           | 40000           |
| <b>Total</b>                                    | <b>75110557</b> | <b>61203297</b> |

Notes on Financial Statement for the year ended 31 st March 2015

**Note No. 23 a****VALUE OF STORES AND SPARE PARTS CONSUMED (Amount in Rs.)**

|              | 2015-2016      | %            | 2014-2015      | %            |
|--------------|----------------|--------------|----------------|--------------|
| Imported     | -              | -            | -              | -            |
| Indigenous   | 3937162        | 100 %        | 1695533        | 100 %        |
| <b>Total</b> | <b>3937162</b> | <b>100 %</b> | <b>1695533</b> | <b>100 %</b> |

**Note No. 23 b VALUE OF IMPORTS ON CIF BASIS - NIL****Note no. 23 c PAYMENT TO AUDITORS**

|               | 2015-2016    | 2014-2015    |
|---------------|--------------|--------------|
| Audit Fees    | 30000        | 30000        |
| Tax Audit     | 5000         | 5000         |
| Taxation      | 3000         | 3000         |
| Certification | 2000         | 2000         |
| <b>Total</b>  | <b>40000</b> | <b>40000</b> |

**Note No. 23 d EXPENDITURE IN FOREIGN CURRENCY- NIL****Note No. 24 - DEPRECIATION**

Depreciation on tangible assets has been provided under Straight Line Method over the useful life of the assets estimated by the management which is in line with the terms prescribed in Schedule II to The Companies Act, 2013. Depreciation for assets purchased/sold during the period is proportionately charged.

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

| Assets description      | Revised Use ful life as per management |
|-------------------------|--|
| Factory Building        | 30 years                               |
| Plant and Machinery     | 25 Years                               |
| Furnitures and fixtures | 10 years                               |
| Office Equipments       | 5 years                                |
| Computer Software       | 3 years                                |
| Vehicles                | 8 years                                |

**Note No. 25 EARNING PER SHARE -**

|  | 2015-2016 | 2014-2015 |
|--|-----------|-----------|
| 1. Net Profit After tax as per statement of profit and loss account -before extra ordinary items | 3997272   | 19632692  |
| 2. Net Profit After tax as per statement of profit And loss account- after extra ordinary items  | 3997272   | 19632692  |
| 3. Weighted average number of equity shares used As denominator for calculating EPS              | 52500000  | 50856164  |
| 4. Basic and diluted earning per share (Rs.) Before extra ordinary items                         | 0.08      | 0.38      |
| 5. Basic and diluted earning per share (Rs.) After extra ordinary items                          | 0.08      | 0.38      |
| 6. Face value per equity Share (Rs.)   | 4         | 4         |

**Note No. 26 EARNINGS IN FOREIGN EXCHANGE - 6219.40 US\$****Note no. 27 SEGMENTAL REPORTING -**

In view of Accounting Standard 17 segmental reporting issued by the Institute of Chartered Accountants of India, the operation of the company is considered as Single segment hence segment report is considered not applicable.

**Note No. 28 RELATED PARTY DISCLOSURE**

As per Accounting standard 18, the disclosures of transactions with related Party are given below - (Amount in Rs.)

(i) Holding Company

01) Dawood Investment Private limited

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

(Amount in Rs.)

| Name of related party             | Nature of relation       | 2015-2016 | 2014-2015 | Nature of transaction    |
|-----------------------------------|--------------------------|-----------|-----------|--------------------------|
| Dawood Investment Private Limited | Holding Company          | 0         | 31750000  | Received against warrant |
| Mr. Daud Ali                      | key managerial personnel | 2016000   | 2016000   | remuneration             |
| Mr. Narendra Bhanawat             | key managerial personnel | 289062    | 72480     | remuneration             |

Closing Balances- NIL

No amount in respect of the related parties have been written off/ back are provided for during the year.

Related party relationship has been identified by the Management and relied upon by the auditors.

**Note No.29.**

As required by Accounting Standard No.-22 "Accounting for Taxes on Income" issued Institute of Chartered Accountants of India, The Company has not recognised deferred tax as the company has heavy unabsorbed depreciation and carry forward of losses under tax law and here is no convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.

**Note No. 30 CONTINGENT LIABILITIES:-**

|  | (Rs. in lakhs)        |                        |
|--|-----------------------|------------------------|
|  | As at 31st March,2015 | As at 31 st March,2014 |
| (a) Guarantee issued by the banks in respect of import of Capital Goods under EPCG | 49.75                 | 49.75                  |
| (b) Excise Duty (Net of predeposit)  | 98.22                 | 98.22                  |
| (c) Penalty imposed by the Enforcement Directorate                                 | 200.00                | 200.00                 |
| (d) Stressed Assets Stabilisation Fund.  | 3130.53               | 3130.53                |

**Note No. 31**

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

**Note No. 32**

The Stressed Assets Stabilisation Fund assignee of Industrial Development Bank Of India under the negotiated settlement in respect of its dues agreed to accept the payment of Rs.640 00 lacs and interest thereon over a period of 8 years. In case of any default in repayment, the original amount of dues i.e. Rs 3770.53 lacs will restore. In view of this the difference between the original amount and settled amount i.e. Rs 3130.53 lacs has been shown as contingent liability

**Note No.33**

The company was declared a Sick industrial company by the Board for industrial and Financial Reconstruction (BIFR) vide its order dated 21.12.1998 under the provisions of the Sick Industrial companies (Special Provisions) Act, 1985. The BIFR has sanctioned revival scheme, prepared by the operating agency viz IDBI, vide its order dated 15.07.2013, presently revival scheme is under implementation.

**Note No.34-**

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

For Sampati Lal Bohara & Co.

For and on behalf of the Board of Directors

Chartered Accountants

FRN 003324C

Sd/-

(Sudhir Mehta)

Partner

Membership No.400920

Sd/-

DAUD ALI

MANAGING DIRECTOR

DIN 185336

Sd/-

NARENDRA BHANAWAT

DIRECTOR AND CHIEF

FINANCIAL OFFICER

DIN 00146624

Sd/-

ADITI PARMAR

COMPANY SECRETARY

Place : Udaipur

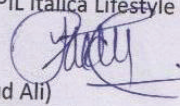
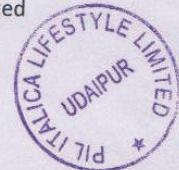
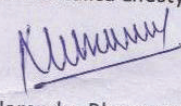

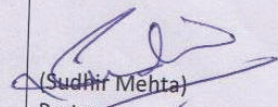
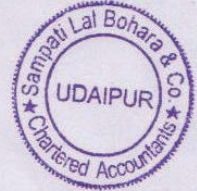
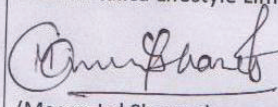
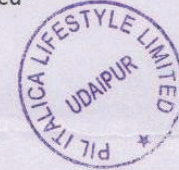
Date : 27.05.2016

Compliance under Regulation 33 of Securities Exchange Board of India (Listing  
Obligation and Disclosure Requirements) Regulation, 2015

**PIL ITALICA LIFESTYLE LIMITED**  
(Formerly known as Peacock Industries Limited)

**ANNUAL AUDIT REPORT**

**FORM - A**

|    |   |  |
|----|---|--|
| 1. | Name of Company                               | PIL ITALICA LIFESTYLE LIMITED  |
| 2. | Annual Financial Statement for the year ended | 31st MARCH, 2016   |
| 3. | Type of Audit Qualification                   | Un-Qualified   |
| 4. | Frequency of Qualification                    | Nil  |
| 5. | To be signed by –                             |  |
|    | Managing Director                             | For PIL Italica Lifestyle Limited<br><br>(Daud Ali)<br>Managing Director<br>                       |
|    | CFO   | For PIL Italica Lifestyle Limited<br><br>(Narendra Bhanawat)<br>Whole Time Director and CFO<br> |
|    | Auditor of the Company                        | For Sampatilal Bohara & Co.<br>Chartered Accountants<br><br>(Sudhir Mehta)<br>Partner<br>       |
|    | Audit Committee Chairman                      | For PIL Italica Lifestyle Limited<br><br>(Magan Lal Sharma)<br>Chairman Audit Committee<br>     |