



PIL ITALICA LIFESTYLE LIMITED

(Formerly known as Peacock Industries Limited)

(An ISO 9001:2008 Certified Company)

CIN : L25207RJ1992PLC006576

08.07.2017
COURIER

The Manager-Listing Department National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block -G Bandra Kurla Complex, Bandra -East Mumbai-400051	Listing Department BSE Limited Phiroze Jeejeebhoy Towers 25 th Floor, Dalal Street Mumbai- 400001
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Name of Company : PIL ITALICA LIFESTYLE LIMITED
Sub : Intimation under Regulation 34 w.r.t. adoption of Annual Report
Re : Scrip Code No. : 500327 / PILITA

Dear Sir/ Madam,

Pursuant to the Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit Annual Report for the financial year 2016-17 duly approved and adopted by members as per the provisions of Companies Act 2013.

We Request you to take the same on record.

Thanking you,

Yours faithfully,
For PIL ITALICA LIFESTYLE LIMITED

Chirag

Chirag Gupta
(Company Secretary)
M.No.A50843



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PIL ITALICA LIFESTYLE LIMITED

(formerly known as Peacock Industries Limited)

ANNUAL REPORT

2016-2017

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

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

M/s Ajay Paliwal & 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 Fifth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

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

Particulars	(Rs. in Lakhs)	
	2016-2017	2015-2016
Turnover	5837.03	4250.35
Other Income	188.18	134.85
Profit/Loss(-) before Tax, interest and Depreciation and exceptional items	284.79	110.35
Interest	52.09	29.02
Depreciation	30.87	41.37
Profit/Loss) before Tax and exceptional items	201.83	39.97
Less: Provision for Tax	0	0
Profit/Loss) after Tax	201.83	39.97
Exceptional items	711.85	0
Profit/Loss) after Tax and exceptional items	913.68	39.97
Surplus carried from Previous year	(2763.94)	(2803.91)
Balance carried to Balance Sheet	(1850.26)	(2763.94)

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 also commenced its Trading segment from 01.07.2016. During the financial year 2016-17, your Company recorded a turnover of Rs. 5837.03 Lakhs in comparison to previous year i.e Rs. 4250.35 Lakhs registering a growth of 37.33 % over the previous year. Profit after Tax (before Exceptional Items) increased by Rs. 181.85 Lakhs and the company earned a cash profit of Rs. 232.70 Lakhs in comparison to previous year i.e Rs. 81.34 Lakhs. The increase in profits of the Company is due to higher margin in manufactured goods in comparison to previous year and trading activities.

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

The company's net worth stood positive in the year 2017 due to increase in profits and amount received in respect of allotment of convertible warrants and partly conversion of warrants into equity shares.

The Management is taking every possible step to streamline its operations and to put the Company on growth.

4. SHARE CAPITAL

During the year under review, the company Subdivided its existing equity shares from One equity share of Rs.4/- each into Four equity shares of Re.1/- each. Consequent upon the sub division, the authorized share capital was Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 25,00,00,000 (Rupees Twenty Five Crore) Equity Shares of Re.1/- (Rupee One) each and Paid up capital of the Company was Rs. 21,00,00,000/- (Rupees Twenty One Crore Only) divided into 21,00,00,000 (Rupees Twenty One Crore) Equity Shares of Re.1/- (Rupee One) each.

During the year company has issued 25000000 warrants convertible in to equity shares of Re. 1 each at a premium of Rs. 14 each. Out of this 25000000 warrants 7800000 were converted in equity shares during the year and 17400000 warrants are pending for conversion in to equity shares as at 31.03.2017.

The issued, subscribed and paid up capital of the Company increased from Rs. 21,00,00,000/- (Rupees Twenty One Crore Only) divided into 21,00,00,000 (Rupees Twenty One Crore) Equity Shares of Re.1/- (Rupee One) each to Rs. 21,78,00,000/- (Rupees Twenty One Crore Seventy Six Lakhs Only) divided into 21,78,00,000 (Rupees Twenty One Crore Seventy

Six Lakhs) Equity Shares of Re.1/- (Rupee One) each with the allotment of 78,00,000 Equity Shares of Re. 1/- each at a premium of Rs. 14/- per share consequent upon conversion of 78,00,000 warrants into equal number of equity shares. The BSE Limited and National Stock Exchange of India Limited has issued listing and trading approvals.

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

During the year the company entered into new line of business i.e Non specialized Wholesale Trade. The company commenced its Trading segment from 01.07.2016. The Net Revenue of trading segment for the year ended on 31.03.2017 was Rs. 2184.80 .

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

CONSERVATION OF ENERGY

The Company uses energy for its office equipment such as computers, lighting and utilities at its work premises. As an ongoing process the following measures are undertaken to conserve energy:

- Implementation of viable energy saving proposals.
- Installation of automatic power controllers to save maximum charges and energy.
- Awareness and Effective measures have been taken to minimize the loss of energy as far as possible.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

The Company is investing to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. The Company has implemented best applications to manage its business processes by implementing best business practices and new schemes in market. The Company's investment in technology has improved product quality, diversity in products available to customers, reduced operational cost and development of new business opportunities.

The Company does not have a separate Research and Development activity. The Company has not imported any technology.

FOREIGN EXCHANGE EARNING AND OUT GO

During the year under review, the foreign exchange earnings was Rs. 2,88,299/- (previous yr Rs. 3,98,107/-) calculated at F.O.B. value. The Company is making continuous efforts to explore new foreign markets and to enlarge its market of exports. Outgo in foreign exchange was NIL (previous yr NIL)

8. 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 along with proper explanation relating to the material departures ;
- 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;
- 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.

9. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) DIRECTORS :

In terms of the Articles of Association of the Company, Mr. Magan Lal Sharma (DIN: 00250883) and Mukesh Kumar Kothari (DIN: 03103336), Directors, retire at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. Mr. Mukesh Kumar Kothari being eligible, has offered himself for reappointment. The Company has received requisite notice in writing from member proposing Mr. Magan Lal Sharma for appointment as an Independent Director. Your Directors recommend the proposed reappointment. The details of Director being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

The Company has received necessary declaration from the Independent Directors of the Company under Section 149(8) 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 was no change in the Key Managerial Personnel of the Company.

The tenure of Mr. Daud Ali (DIN:00185336) as Managing Director of the Company will expire on 31.03.2018. The Board recommended the reappointment of Mr. Daud Ali as Managing Director for a period of three (3) years with the effect from 01.04.2018, subject to the approval of the shareholders.

10. 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.

11. DEPOSITS

The Company has not accepted any Deposit within the meaning of Section 73 of the Companies Act, 2013 and rules made there under as such, nor there is any deposit in non-compliance of Chapter V of the Companies Act, 2013.

12. NUMBER OF MEETINGS OF THE BOARD

Number of meetings of the Board during the year were Nine (09) held on 27.05.2018, 09.08.2018, 03.08.2018, 25.10.2018, 14.11.2018, 05.12.2018, 15.12.2018, 14.02.2017 and 11.03.2017.

13. 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 Risk, Strategic Risks.

14. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year, Eduvisor Services Private Limited became the wholly owned subsidiary of the company and was ceased within the year. As at 31st March, 2017, The Company does not have any Subsidiary, Joint Venture and Associate Company.

15. 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.

16. STATUTORY AUDITORS AND AUDIT REPORT

M/s. Ajay Paliwal & Co., Chartered Accountants, Udaipur (ICAI FRN:012345C) have been appointed as Auditors of the Company to hold the office from the conclusion of the 24th Annual General Meeting held on 23rd July 2018 until the conclusion of the 29th Annual General Meeting to be held in the financial year 2021-22, subject to ratification of their appointment by the members of the Company at every AGM. Accordingly, being eligible, matter relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming Annual General Meeting.

The Auditors of the Company have submitted Auditors Report which does not contain any qualification, reservation or adverse remark.

17. 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 2018-17. The Secretarial Audit Report is attached to this report vide Annexure - 1 forming part of Directors report.

18. 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.

19. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

In respect of loans, investments, guarantees and securities, the provisions of section 186 of the Companies Act, 2013 of the act have been complied with.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties covered under the provisions of Section 185 of Companies Act, 2013 are given in Notes to financial statements. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the company's website: www.italicafurniture.com.

22. 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.

23. 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).

24. 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.

25. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company does not qualify under the provisions of Section 135 of the Companies Act, 2013. The operating profit is 201.83 Lakhs which is below the threshold limit and exceptions items comprises of waiver of principal loan amount as per the scheme sanctioned by BIFR, which is capital receipt and is not profit under Section 198(3)(c) Companies Act, 2013. Hence the company is not required

to constitute Corporate Social Responsibility committee as it does not fall under the purview of Section 135 of the Companies Act 2013.

26. CORPORATE GOVERNANCE REPORT

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

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

28. 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.

29. UTILISATION OF FUNDS RAISED FOR PREFERENTIAL ISSUE

The funds raised were fully utilized for investment, repayment of borrowings, working capital etc.

30. 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.

31. 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 : 13.02:1 and Mr. Narendra Bhanawat : 1.77:1

- 2) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year 2016-17 :-

Executive Directors, Chief Financial Officer and Company Secretary	% increase/decrease in remuneration 2016-17
Daud Ali	33.33%
Narendra Bhanawat	21.74%
Aditi Pamar	19.80 %

- 3) In the financial year, there was an increase of 35.49 % in the median remuneration of employees.

- 4) 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 1st public offer in the year: The company came out with the IPO in the year 1992. The amount of Rs.590 Lakhs invested in the said IPO would be worth Rs. 3383 Lakhs as on March 31st, 2017 indicating an increase of 470%.

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

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
Date : 08.05.2017

DIN : 185338

DIN : 148824

Annexure 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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 : L25207RJ1992PLC008578

Regd. Office: Kadiyat Road, Village Sisarma,

Udaipur, Rajasthan-313031

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

Based on my verification of the PIL ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) (name of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed here under 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) ("the Company") for the financial year ended on 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under for specified Sections and Rules notified and came into effect from respective dates and a list of documents verified is as per Annexure A
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (Not applicable to the company during the audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, ('SEBI Act') 1992:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, now known as SEBI (Share based Employees Benefits) Regulations, 2014 (Not applicable to the company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period); and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company during the audit period);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015.
- (vi) Other Laws as applicable specifically to the company:
 - A. Water (Prevention & Control of pollution) Act 1974 and Air (Prevention & Control of Pollution) Act 1981 as certified by the Management.
 - B. Labour Laws as certified by Internal Auditors in their report for the Period 1st April 2016 to 31st March 2017.
 - C. Sick Industrial Companies (Special Provisions) Act 1985 as per Note No.34 to Annual Audited Accounts for the year ended 31st March 2017.
 - D. Negotiable Instruments Act, 1881

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

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

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

I further report that

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

Adequate notice has been given to all the directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for meaningful participation at the meeting. All Decisions at board meeting and Committee meetings have been carried out as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that

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

I have relied on the Representation made by the Company and its officers for systems and mechanism formed by the company for compliances under other Acts, laws and Regulations applicable to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise and Customs Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period :

- i) The company has sub divided Equity shares having face value of Rs. 4 each into 4 equity share of Re. 1 each.
- ii) The Company has obtained consent of the members of the company through postal ballot for passing following special Resolutions:
 - a) Insertion of additional objects in the Main object clause of the Memorandum of Association.
 - b) Issue of 2,50,00,000 Warrants of Re. one each at a premium of Rs. 14 each with the right to convert each warrant into one equity share of Re.1 each, within 18 months of allotment of warrants.
 - c) Investment/ Loan to other body Corporate in compliance to Section 188 of The Co. Act, 2013
 - d) Increase in Remuneration of Managing Director
- iii) The company has converted 78,00,000 warrants into 78,00,000 Equity shares of Rs.1 each during the period under audit.
- iv) The company is under implementation of revival scheme, as sanctioned by Board for Industrial and Financial Reconstruction.

For P. Talesara & Associates
Company Secretaries

Place: Udaipur (Raj.)

Date: 08.05.2017

Sd/-
(Pawan Talesara)
Proprietor

FCS No.: 8098, C P No.: 2874

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

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

1. Memorandum and Article of Association of the Company
2. Annual Return for the Financial year ended 31.03.2017
3. Minutes of the meetings of the Board of Directors, Audit Committee and Nomination and Remuneration Committee along with Attendance Register maintained during the financial year under Report
4. Minutes of general board meetings held during the financial year under Report
5. All statutory Registers
6. Agenda papers sent for the Board Meetings and Committee Meetings
7. Declaration received from the Directors of the company pursuant to the provisions of section 184 of the companies Act, 2013 and attachments thereto during the financial year under Report.
8. E-Forms filed by the company, from time- to-time, under applicable provisions of the companies Act, 2013 and attachments thereto during the financial year under Report.

Appendices A

To,
The Members,
PIL ITALICA LIFESTYLE LIMITED

My Report of given date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practice I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of Laws, rules and regulation and happening of events etc.
5. The compliance of the provision of Corporate and other applicable Laws, rules, regulation and standards is the responsibility of management. My examination was Limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P. Talesara & Associates
Company Secretaries

Place: Udaipur (Raj.)
Date: 08.05.2017

Sd/-
(Pawan Talesara)
Proprietor

FCS No.: 8098, C P No.: 2674

Annexure 2

ANNUAL RETURN

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

1. CIN	L25207RJ1992PLC008578
2. Registration Date	18.03.1992
3. Name of the Company	PIL ITALICALIFESTYLE LIMITED
4. Type of the Company	Public Company
5. Category/ Sub-Category of the Company	Category: Company Limited by shares Sub-Category : Indian Non Government Company
6. Address of the registered office and contact details	Kodiyat Road, Village: Sisarma, Udaipur- 313031, 0294-2432271/72
7. Whether listed company	
Yes / No	YES
8. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. E-Mail : rnt.helpdesk@linkintime.co.in Phone : 022-49186270 Fax:022-49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and description of main products/services	NIC Code of the Product/service (NIC2008)	% to total turnover of the company
1.	Manufacture of furniture primarily of plastic	31004	88 %
2.	Non-specialized wholesale trade	48909	34 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	Name of Company	Address of Company	CIN/ILN	Holding/ subsidiary /associate	% of shares held	Applicable Section
1.	Dawood Investment Private Limited	201, Oasis Park, 40, Ambavgarh Udaipur- 313 004	U65993RJ1991FTCO06094	Holding	65.55%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr. No.	Category of shareholder	No. of shares at the beginning of year (1.04.2018)				No. of shares at the end of year (31.3.2017)				% 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	318200	0	318200	0.15	318200	0	318200	0.15	0
(b)	Central Government/State Government(s)	0	0	0	0	0	0	0	0	N.A.
(c)	Bodies Corporate	142857200	0	142857200	67.93	142857200	0	142857200	65.55	0
(d)	Financial Institutions/Banks	0	0	0	0	0	0	0	0	N.A.
(e)	Any Other (Total)	0	0	0	0	0	0	0	0	N.A.
	Sub-Total (A)(1)	142973400	0	142973400	68.08	142973400	0	142973400	65.70	N.A.
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)	142973400	0	142973400	68.08	142973400	0	142973400	65.70	N.A.
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/UTI	0	54000	54000	0.03	0	54000	54000	0.03	N.A.
(b)	Financial Institutions/ Banks	2783248	14000	2777248	1.32	1392848	0	1392848	0.64	N.A.
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	N.A.
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	N.A.
(e)	Insurance Companies	0	0	0	0	0	0	0	0	N.A.
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	N.A.
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	N.A.
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	N.A.
(i)	Any other (Total)	0	0	0	0	0	0	0	0	N.A.
	Sub-Total (B)(1)	2783248	68000	2831248	1.35	1392848	54000	1446848	0.67	N.A.
2	Non-institutions									
(a)	Bodies Corporate	21333744	22400	21358144	10.17	20450411	35800	20486011	9.41	N.A.
(b)	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To Rs. 1 Lakh.	24044144	1002800	25046944	11.93	21948148	1029800	22977748	10.56	N.A.
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs.1 Lakh	17329004	0	17329004	8.25	29307238	0	29307238	13.47	N.A.

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

Sr. No.	Category of shareholder	No. of shares at the beginning of year (1.04.2018)				No. of shares at the end of year (31.3.2017)				% Change during the year**
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total*	% of Total shares	
(c)	Any Other (Specify)									N.A.
1	Non Resident Indian (repeat)	222080	154400	376480	0.18	189759	153200	322959	0.15	N.A.
2	Overseas Bodies Corp	6000	80800	86800	0.04	6000	79800	85800	0.04	N.A.
3	TRUST	0	0	0	0	400	0	400	0.00	N.A.
	Sub-Total (B)(2)	62934952	1280400	84195352	30.57	71881952	1298000	73179952	33.83	N.A.
	Total Public Shareholding (B) = (B)(1)+(B)(2)	65898200	1328400	67026600	31.92	73274600	1352000	74626600	34.30	N.A.
	TOTAL (A)+(B)	208871800	1328400	210000000	100	216248000	1352000	217600000	100	N.A.
(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)	208871800	1328400	210000000	100	216248000	1352000	217600000	100	N.A.

* Subdivision of equity shares from every One equity share of Rs.4/- each into Four equity shares of Re.1/- each. Previous year figures of shares were rearranged.

** % Change in shareholding is not calculated due to increase in No. of shares from 21,00,00,000 to 21,76,00,000 of Re. 1/- each.

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Share holding at the end of the year (31.03.2017)			% 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	318200	0.15	0	318200	0.15	0	N.A.
2	Dawood Investment Private Limited	142857200	67.93	0	142857200	65.58	0	N.A.
	Total	142973400	68.08	0	142973400	65.71	0	N.A.

*Subdivision of equity shares from every One equity share of Rs.4/- each into Four equity shares of Re.1/- each. Previous year figures of shares were rearranged.

**% Change in shareholding is not calculated due to increase in No. of shares from 21,00,00,000 to 21,76,00,000 of Re. 1/- each.

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

Sl.No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year (01.04.2018)	142973400	68.08	-	-
2.	Date wise Increase/Decrease in shareholding during the year	No change during the year			
3.	At the end of the year (31.03.2017)	-	-	142973400*	65.71

* Subdivision of equity shares from every One equity share of Rs.4/- each into Four equity shares of Re.1/- each. Previous year figures of shares were rearranged.

(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 (01.04.2016)		Increase/Decrease in the holding during the year*		Shareholding at the end of the year (31.3.2017)	
	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
PARKCONTINENTAL PVT. LTD	18088884	7.85	(4882877)	(2.24)	11188187	5.14
BONANZA PORTFOLIO LIMITED	19038	0.01	5181387	2.38	5200423	2.39
SATENDRAPAL SINGH CHHABRA	0	0	3045770	1.40	3045770	1.40
MADAN MOHAN MANGAL	0	0	2282420	1.04	2282420	1.04
SANJEEV GORWARA	0	0	1871908	0.77	1871908	0.77
CHHAVI GOYAL	0	0	1800000	0.73	1800000	0.73
SKA SECURITIES AND FINANCIAL SERVICES PRIVATE LIMITED	0	0	1515981	0.69	1515981	0.69
RAJMANI GORWARA	0	0	1454084	0.67	1454084	0.67
HDFC BANK LIMITED	1372448	0.65	-	-	1372448	0.63
SHAILJA MANGAL	0	0	1219000	0.58	1219000	0.58

*Subdivision of equity shares from every One equity share of Rs.4/- each into Four equity shares of Rs.1/- each. Previous year figures of shares were rearranged. The Shares of the Company are traded on 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 (01.04.2016)		Cumulative shareholding during the year (as on 31.3.2017)	
	No. of shares*	% of total shares of the Company**	No. of shares	% of total shares of the Company
At the beginning of the year Mr. Daud Ali	318200	0.15	-	-
Date wise Increase/Decrease in shareholding during the year	No change during the year			
At the end of the year	-	-	318200	0.15

* Subdivision of equity shares from every One equity share of Rs.4/- each into Four equity shares of Rs.1/- each. Previous year figures of shares were rearranged.

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)
Indebtedness at the beginning of the financial year (01.04.2016)				
i) Principal Amount	9,000	0	0	9,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	13,748	0	0	13,748
Total (i+ii+iii)	22,748	0	0	22,748
Change in indebtedness during the financial year				
• Addition	781	0	0	781
• Reduction	(9,000)	0	0	(9,000)
Net Change	(8,239)	0	0	(8,239)
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	14,509	0	0	14,509
Total (i+ii+iii)	14,509	0	0	14,509

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	25,87,200	1,82,112	27,69,312
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1,89,740	1,89,740
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit- others, specify	-	-	-
5	Others please specify	-	-	-
	Total (A)	25,87,200	3,51,852	29,39,052
	Ceiling as per the Act Section 197 of Companies Act 2013 :	Rs. 80 Lakhs		

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	1,18,944	-	1,18,944
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	80,245	-	80,245
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit- others, specify	-	-	-
5	Others please specify	-	-	-
	Total (A)	1,79,189	-	1,79,189

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 31-03-2017.

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 01.04.2016 to 31.03.2017 is 3543.28 m.t. against the production of 4047.32 m.t. in the preceding year registering a decline of 12.45 %. During the year Company has also entered into new line of business i.e. wholesale trading of general merchandise.

B. OPPORTUNITIES AND THREATS

Rastic 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 commenced its trading segment from 01.07.2016. The turnover from Rs. 38.53 crore was earned from the manufacturing of Rastic moulded articles segment and Rs. 21.84 crore was earned from the trading segment. Income from the trading segment is expected to grow year by year.

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 affects 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. 5837.03 Lakhs in comparison to previous year i.e. Rs 4250.35 Lakhs registering a growth of 37.33 % over the previous year and earned a cash profit of Rs.232.55 Lakhs. The company also exported its goods to Mauritius and earned foreign exchange of Rs.288299/- (previous yr Rs.3,98,107/-) 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 43 staffs and 84 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/-	Sd/-
DAUD ALI	NARENDRA BHANAWAT
(Managing Director)	(Whole Time Director and Chief Financial Officer)

Udaipur, 08.05.2017

DIN : 185338

DIN : 148824

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" with 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:

I. BOARD OF DIRECTORS

a) Composition and category of directors: The Board consists of 8 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 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 at last AGM held Yes/No
Mr. Daud Ali	Promoter	05	00	09	Yes
Mr. Narendra Bhanawat	Executive	02	00	09	Yes
Mr. Magan Lal Sharma	Independent Non Executive	00	00	09	Yes
Mr. Mukesh Kumar Kothari	Non Executive	00	00	09	Yes
Dr. Namrata Babel	Independent Non Executive	00	00	09	Yes
Mr. Ram Swaroop Sodani	Independent Non Executive	00	00	09	Yes

b) No. and Date of board meetings held : During the year, the Board of Directors met nine times and the gap between two meetings did not exceed one hundred and twenty days. The dates of Board Meetings held during the quarter are as follows: 27.05.2018, 09.08.2018, 03.08.2018, 25.10.2018, 14.11.2018, 05.12.2018, 15.12.2018, 14.02.2017 and 11.03.2017.

c) Quorum : 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.

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. Mr. Magan Lal Sharma, Non Executive Independent Director was the Chairman of the Audit Committee. Other members includes Mr. Mukesh Kumar Kothari, Mrs. Namrata Babel and Mr. Ram Swaroop Sodani. The table below provide attendance of the Audit Committee members.

Name of Director	Position	Category	No. of Meetings held	No. of Meetings attended
Mr. Magan Lal Sharma	Chairman	Independent Non Executive	05	05
Mr. Mukesh Kumar Kothari	Member	Non Executive	05	05
Dr. Namrata Babel	Member	Independent Non Executive	05	05
Mr. Ram Swaroop Sodani	Member	Independent Non Executive	05	05

2. Meetings of Audit committee : During the period under review, The Committee met Five times during the year and the gap between two meetings did not exceed four months. Dates of the said meetings are as follows: 27.05.2018, 03.08.2018, 14.11.2018, 14.02.2017 and 11.03.2017. Necessary quorum was present in all the meetings. The previous AGM held on 23rd July, 2018 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) Regulation 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	Position	Category	No. of Meetings held	No. of Meetings attended
Mr. Magan Lal Sharma	(Chairman)	Chairman Independent Non Executive	02	02
Mr. Mukesh Kumar Kothari	Member	Non Executive	02	02
Dr. Namrata Babel	Member	Independent Non Executive	02	02
Mr. Ram Swaroop Sodani	Member	Independent Non Executive	02	02

2. The Nomination and Remuneration Committee met Two times during the financial Year 2018-17. The necessary quorum was present for all Meetings. The meetings were held on 27.05.2018 and 25.10.2018. The Chairman of the Committee was present in the last annual general meeting held on 23.07.2018.

3. Director's Remuneration – No sitting fee is paid to non executive directors and remuneration paid to executive directors is as under:

Name of Director	Salary	Benefits, Perquisites and Allowances	Commission	Notice Period/ Severance Fees*
Mr. Daud Ali (Managing Director)	25,87,200	-	Nil	Notice Period-3 Months Severance fees is not applicable.
Mr. Narendra Bhanawat (Whole time Director and Chief Financial Officer)	1,82,112	1,69,740	Nil	

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website viz. www.italicafurniture.com

4. None of the Directors and Key Managerial Personnel holds equity shares of the Company except Mr. Daud Ali holding 318200 equity shares of the Company as on 31st March ,2017. Company does not have any employee stock option scheme.

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.;

8. 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 of Director	Position	Category	No. of Meetings held	No. of Meetings attended
Mr. Magan Lal Sharma	Chairman	Independent Non Executive	06	06
Mr. Mukesh Kumar Kothari	Member	Non Executive	06	06
Dr. Namrata Babel	Member	Independent Non Executive	06	06
Mr. Ram Swaroop Sodani	Member	Independent Non Executive	06	06

2. Meetings of Stakeholders Relationship committee held: The committee met Six times during the year under review. The meetings were held on 27.05.2016, 03.08.2016, 25.10.2016, 14.11.2016, 14.02.2017 and 11.03.2017.

3. 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.

4. 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
2013-14	07.08.2014	9.00 A.M.	Kodiyat Road,	03
2014-15	30.07.2015	9.00 A.M.	Village: Sisarma,	02
2015-16	23-07-2016	9.30 A.M.	Udaipur - 313031	02

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

c) 04 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.

VI. DISCLOSURES

1. 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>.

2. 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 2014-15, 2015-16 and 2016-17 respectively: NIL

3. Company has adopted a whistleblower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior.

4. 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 2016-17

Day, Date and Time	Friday, 30.08.2017 at 09.15 a.m.
Venue: (Registered Office of the Company)	PIL ITALICALIFESTYLE LIMITED Kodiyat Road, Village: Sisarma, Udaipur (Raj) - 313 031
Financial year	April 1, 2016 to March 31, 2017
- Board Meeting for consideration of accounts for the year ended March 31, 2017.	May 08, 2017
- Board Meeting for consideration of unaudited results for the first three quarters of the current financial year viz. April 01, 2016 to March 31, 2017.	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, 2017.	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	28.08.2017 to 30.08.2017 (both days inclusive)

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

The Stock Exchange, Mumbai (BSE) BSE Limited Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street Mumbai- 400001 Stock Code No: 500327	National Stock Exchange of India Ltd. (NSE) National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra -East MUMBAI - 400 051 Symbol: PILITA
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Listing Fees as applicable have been paid.

3. Market Price Data :

Month	BSE		NSE	
	High	Low	High	Low
April 2016*	3.82	2.24	3.81	2.25
May 2016*	4.44	3.5	4.43	3.55
June 2016*	8.34	4.3	8.48	4.38
July 2016*	7.88	5.75	7.88	5.78
August 2016*	9.78	9.50	9.80	9.35
September 2016	12.41	9.70	12.40	9.85
October 2016	15.85	12.0	15.75	12.0
November 2016	15.50	11.78	18.30	11.55
December 2016	13.50	9.99	13.80	9.80
January 2017	23.29	10.71	14.20	10.70
February 2017	17.80	11.85	17.80	11.80
March 2017	18.45	12.70	18.45	12.80

*On 25th August, 2016, equity shares of company was sub divided from every One equity share of Rs.4/- each into Four equity shares of Re.1/- each. Prices of shares were rearranged.

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



5. REGISTRAR & TRANSFER AGENT :

The Company has appointed a Registrar & Transfer Agent i.e. Link Intime India Pvt. Ltd.

ADDRESS FOR CORRESPONDENCE:

Link Intime India Pvt. Ltd.,
Unit : PIL ITALICA LIFESTYLE LIMITED
(Formerly known as Peacock Industries Limited)
C-101, 247 PARK, LBS Marg, VIKHROLI (WEST) MUMBAI - 400 083
Email: rnt.helpdesk@linkintime.co.in Tel No.: +91 22 4918 6270
Fax No.: +91 22 4918 6080

2. SHARE TRANSFER SYSTEM :

99.38% 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.

3. SHAREHOLDING AS ON 31-03-2017

(a) Distribution of Shareholding as of 31-03-2017

Shareholding of Shares	No. of Shareholders	% of total Share	shares Allotted	% of total Shares
Upto - 500	2953	35.97	909242	0.41
501 - 1000	1380	18.81	1130284	0.51
1001 - 2000	1784	21.73	2897725	1.33
2001 - 3000	291	3.54	753787	0.34
3001 - 4000	885	8.34	2882183	1.22
4001 - 5000	127	1.55	595987	0.27
5001 - 10000	475	5.79	3650007	1.87
10001-ABOVE	515	8.27	205100825	94.25
Total	8210	100.00	217800000	100.00

(b) Categories of equity Shareholders

Category	No. of Shares	% of Shareholding
PROMOTERS :		
INDIAN PROMOTERS	14,29,73,400	65.70
NRI PROMOTERS	0	0
INDIAN PUBLIC	5,22,84,982	24.03
NRI	3,22,959	0.15
OVERSEAS CORPORATE BODIES	85,600	0.04
BODIES CORPORATE/TRUST	2,04,86,411	9.41
FINANCIAL INSTITUTIONS/BANKS	13,92,648	0.64
MUTUAL FUNDS	54,000	0.03
TOTAL	21,76,00,000	100.00

8. DEMATERIALISATION OF SHARES AND LIQUIDITY :

Company's shares are compulsorily traded in dematerialised form. Equity shares of the company representing 99.38% are dematerialized as on 31st March, 2017. Under the depository system, the International Securities Identification No. (ISIN) allotted to company's shares is INE800A01035.

9. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

During the year, the Company issued 2,50,00,000 Warrants @Rs.15/- per warrant convertible into equity share of Re. 1 at a premium of Rs. 14 each against one warrant. On 14.02.2017, Company converted 78,00,000 warrants into equity shares. Out of this, 1,74,00,000 warrants were outstanding at the balance sheet date i.e. 31.03.2017. Consequent to the conversion of warrants to equity shares, the paid up share capital increased accordingly.

10. LOCATION OF PLANT : Kodiyat Road, Village: Sisarma, Udaipur -313031

11. ADDRESS FOR COMMUNICATION

PIL ITALICA LIFESTYLE LIMITED,
Kodiyat 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

IX. NONMANDATORY 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 28 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March 2017.

For PIL ITALICA LIFESTYLE LIMITED

Sd/-

(Daud Ali)

Managing Director

DIN:185338

Place: Udaipur

Date : 08th May, 2017

AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Board of Directors
PIL ITALICA LIFESTYLE LIMITED,
Kodiyat 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, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

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

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

For Ajay Paliwal & Co.
Chartered Accountants (FRN 012345C)
Sd/-

AJAY PALIWAL

Proprietor

Membership No. 403290

PLACE: UDAIPUR

DATE : 08th May, 2017

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, 2017 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 : 185338

Sd/-

NARENDRA BHANAWAT

Whole Time Director

and Chief Financial Officer

DIN : 148824

Place : Udaipur

Date : 08.5.2017

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF P/L ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited)

Report on the Financial Statements

- (1) We have audited the accompanying financial statements of P/L ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) ("the company"), which comprise the Balance Sheet as at 31 March 2017, 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, 2017;
- 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 the order), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure -B.
- 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.
- iv) The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8 th November 2018 to 30 th December 2018 and these are in accordance with the books of accounts of the Company.

FOR AJAY PALIWAL & Co.
Chartered Accountants Firm Reg. No. FRN012345C
Sd/-
(AJAY PALIWAL)
Proprietor
Membership No. 403290

Place : UDAIPUR
Date : 08.05.2017

Annexure A to the Independent Auditors Report

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of PIL ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) on the financial statements for the year ended March 31, 2017.

- 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) In our opinion and according to the informations and explanations given to us, in respect of loans, investments, guarantees and securities, the provisions of section 185 and 188 of the act have been complied with.
- 5) The Company has not accepted any deposits, hence the directions issued by the Reserve Bank Of India and the provisions of section 73 to 78 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, 2017 towards undisputed statutory dues in respect of income tax, sales tax, wealth tax, custom Duty, excise duty, cess for a period of more than six months from the date they become payable.
- (b) We are informed that the followings were outstanding as at 31st March 2017 towards disputed statutory dues :-

(Rs. in Lakhs)

Particulars	Amount	Remarks
Excise Duty (net of Predeposit)	98.22	Pending at Commissionerate, Jaipur -II, Rajasthan
Penalty by Enforcement Directorate	200.00	Pending at Rajasthan 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 into 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 made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Place : Udaipur
 Date : 08.05.2017

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of PIL ITALICA LIFESTYLE LIMITED (Formerly known as Peacock Industries Limited) on the financial statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (j) 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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

c. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

AJAY PALIWAL
Proprietor

Membership No. 403290

Place : Udaipur

Date : 08.05.2017

PIL ITALICA LIFESTYLE LIMITED
(Formerly known as Peacock Industries Limited)
BALANCE SHEET AS AT 31st March 2017

Particulars	Note No.	As at	
		31st March 2017	31st March 2016
		(Rs.)	(Rs.)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	217,800,000	210,000,000
(b) Reserves and surplus	2	(22,514,048)	(220,281,429)
(c) Money received against share warrants	3	85,250,000	*
		280,335,952	(10,281,429)
2 Share application money pending allotment		*	*
3 Non-current liabilities			
(a) Long-term borrowings		*	*
(b) Deferred tax liabilities (net)		*	*
(c) Other long-term liabilities	4	7,254,578	17,881,808
(d) Long-term provisions		*	*
		7,254,578	17,881,808
4 Current liabilities			
(a) Short-term borrowings	5	*	22,405,923
(b) Trade payables	6	93,858,511	9,900,957
(c) Other current liabilities	7	78,957,317	100,959,890
(d) Short-term provisions	8	853,870	888,848
		173,669,498	888,848
		<u>441,260,026</u>	<u>141,735,795</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	40,871,352	41,901,002
(ii) Intangible assets	10	78,471	82,942
(iii) Capital work-in-progress		*	*
(iv) Intangible assets under development		*	*
(v) Fixed assets held for sale		*	*
		40,947,823	41,983,944
(b) Non-current investments	11	99,900	*
(c) Deferred tax assets (net)		*	*
(d) Long-term loans and advances	12	3,541,491	3,538,491
(e) Other non-current assets		*	*
		44,589,214	45,522,435
2 Current assets			
(a) Current investments		*	*
(b) Inventories	13	87,955,427	54,580,754
(c) Trade receivables	14	109,482,298	24,024,488
(d) Cash and cash equivalents	15	37,811,403	5,328,195
(e) Short-term loans and advances	18	181,421,888	12,279,923
(f) Other current assets		*	*
		398,670,812	98,213,360
		<u>441,260,026</u>	<u>141,735,795</u>
Significant accounting policies		*	*

Notes on financial statement - note no. 1 to 37

In terms of our report attached.

FOR AJAY PALIWAL & CO.

Chartered Accountants

FRN:012345C

Sd/-

(AJAY PALIWAL)

Proprietor

Membership No.403290

For and on behalf of the Board of Directors

Sd/-
DAUD ALI
MANAGING DIRECTOR
DIN185338

Sd/-
ADITI PARMAR
COMPANY SECRETARY

Sd/-
NARENDRABHANAWAT
DIRECTOR AND CHIEF
FINANCIAL OFFICER
DIN 00148824

Place : UDAIPUR

Date : 08.05.2017

PIL ITALICA LIFESTYLE LIMITED
(Formerly known as Peacock Industries Limited)
Statement of Profit and Loss for the year ended 31st March 2017

Particulars	Note No.	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
A CONTINUING OPERATIONS			
1 Revenue from operations	17	583,702,578	425,034,793
2 Other income	18	18,817,537	13,485,237
3 Total revenue (1+2)		<u>602,520,115</u>	<u>438,500,030</u>
4 Expenses			
(a) Cost of materials consumed	19	277,141,874	330,448,001
(b) Purchases of stock-in-trade	20	213,998,933	94,098
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(13,117,458)	(1,132,419)
(d) Employee benefits expense	22	28,843,380	22,942,989
(e) Finance costs	23	5,209,341	2,901,917
(f) Depreciation and amortisation expense	9,10	3,088,953	4,137,815
(g) Other expenses	24	89,174,502	75,110,557
Total expenses		<u>582,337,327</u>	<u>434,502,758</u>
5 Profit/(loss) before Tax		20,182,788	3,997,272
6 Exceptional Items		71,184,593	-
7 Tax expenses		-	-
8 Profit/Loss After Tax		91,367,381	3,997,272
9 Earning Per Share Basic and diluted -before Extra Ordinary Items		0.43	0.08
10 Earning Per Share Basic and diluted -after Extra Ordinary Items		0.43	0.08

Notes on financial statement - note no. 1 to 37

For and on behalf of the Board of Directors

In terms of our report attached.

FOR AJAY PALIWAL & CO.

Chartered Accountants

FRN:012345C

Sd/-

(AJAY PALIWAL)

Proprietor

Membership No.403290

Sd/-

DAUD ALI

MANAGING DIRECTOR

DIN185336

Sd/-

ADITI PARMAR

COMPANY SECRETARY

Sd/-

NARENDRABHANAWAT

DIRECTOR AND CHIEF

FINANCIAL OFFICER

DIN 00148824

Place : UDAIPUR

Date : 08.05.2017

PIL ITALICA LIFESTYLE LIMITED
(Formerly known as Peacock Industries Limited)
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 ST MARCH 2017

Particulars	For the period ended		For the year ended	
	31.03.2017	31.03.2017	31.03.2016	31.03.2016
A. Cash flow from operating activities				
Net Profit(Loss) before extraordinary items and tax		20,182,788		3,997,272
Adjustments for:				
Depreciation and amortisation	3,088,953		4,137,815	
Finance costs	5,209,341		2,901,917	
Interest income	(4,874,584)		(285,550)	
		3,821,730		8,773,982
Operating profit(loss) before working capital changes		23,804,518		10,771,254
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Inventories	(33,374,873)		(2,588,107)	
Trade receivables	(85,457,808)		(9,209,334)	
Short-term loans and advances	(149,141,783)		423,412	
Long-term loans and advances	(3,000)		(484,073)	
Other current assets	-		-	
	(287,977,244)		(11,838,102)	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	80,957,554		3,337,420	
Other current liabilities	(22,002,373)		4,371,828	
Other long-term liabilities	(10,807,230)		(7,294,715)	
Short-term provisions	(35,178)		183,184	
Long-term provisions	-		-	
	51,312,773	(218,884,471)	577,895	(11,280,407)
Cash flow from exceptional items ##		71,184,593		-
Cash generated from operations		(121,875,380)		(489,153)
Net cash flow from/(used in) operating activities (A)		(121,875,380)		(489,153)
B. Cash flow from investing activities				
Capital expenditure on fixed assets	(2,050,832)		(4,493,453)	
Non Current Investment	(99,900)	(2,150,732)	-	(4,493,453)
Net cash flow from/(used in) investing activities (B)		(2,150,732)		(4,493,453)
C. Cash flow from financing activities				
Repayment of long-term borrowings	-		(10,000,000)	
Increase in Short term borrowings	(22,405,923)		20,323,834	
Finance cost	(5,209,341)		(2,901,917)	
Interest Income	4,874,584		285,550	
Money received against warrants	85,250,000		-	
Increase in Share Capital	7,800,000		-	
Increase in securities premium account	108,400,000	158,309,300		7,887,267
Net cash flow from/(used in) financing activities (C)		158,309,300		7,887,267
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		32,483,208		2,704,861
Cash and cash equivalents at the beginning of the year		5,328,195		2,823,534
Cash and cash equivalents at the end of the year		37,811,403		5,328,195
*Comprises:				
(a) Cash on hand		73,588		207,888
(B) Balances with banks				
(i) In current accounts		22,289,054		5,120,527
(ii) In Fixed Deposit receipts		15,488,781		-
		37,811,403		5,328,195

Significant accounting policies

Notes on financial statement - note no. 1 to 37

Exceptional item comprises waiver of Rs. 711.85 lacs by creditors as per revival plan sanctioned by hon'ble BIFR.

In terms of our report attached.

For Ajay Pallwal & Co.
Chartered Accountants
FRN : 012345C
Sd/-
(Ajay Pallwal)
Proprietor
Membership No. 403290
Place : Udaipur
Date : 08.05.2017

For and on behalf of the Board of Directors

Sd/-
DAUD ALI
MANAGING DIRECTOR
DIN 185336
Sd/-
ADITI PARMAR
COMPANY SECRETARY

Sd/-
NARENDRABHANAWAT
DIRECTOR AND CHIEF
FINANCIAL OFFICER
DIN 00146824

1. Corporate Information

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

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 notified under the Companies (Accounting Standards) Rules, 2008 (as amended) and the relevant provisions of the Companies Act, 1956. 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 statements 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 capitalised.

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 FIFO 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.
- (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/ transaction 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 treated as an adjustment to the carrying cost of such fixed assets.

k) Sales

Sales are accounted for taking into consideration the base 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 31st March 2017		As at 31st March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Note 1 Share Capital				
Authorised Equity Shares of Re. 1 each*	250,000,000	250,000,000	250,000,000	250,000,000
Total	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>
Issued Equity Shares of Re. 1 each*	217,800,000	217,800,000	210,000,000	210,000,000
Total	<u>217,800,000</u>	<u>217,800,000</u>	<u>210,000,000</u>	<u>210,000,000</u>
Reconciliation of No. Of Shares				
Note No. 1.1				
Shares outstanding at the beginning of the year	210,000,000	210,000,000	210,000,000	210,000,000
Shares issued during the year	7,800,000	7,800,000	-	-
Shares outstanding at the end of the year	<u>217,800,000</u>	<u>217,800,000</u>	<u>210,000,000</u>	<u>210,000,000</u>

Note No. 1.2 -142657200 Of Re. 1 each Equity Shares (Pr. Yr. -142657200 of Re. 1 each)* are held by Dawood Investment Private Limited, holding company.

Note No. 1.3 Names of Share Holders holding more than 5%

Particulars	2016-17		2015-16	
	Number of Equity Shares*	%	Number of Equity Shares *	%
Dawood Investment Private Limited	142,857,200	65.55	142,857,200	67.93
Park Continental Limited	11,188,187	5.14	18,088,884	7.85

*The Equity shares of the company split from Rs. 4 each to Re. 1 each during the year, previous year no. of shares rearranged.

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 havin a par value @ Re. 1 per share held.

Each equity share holder is entitled to dividend as and within 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 31st March 2017	As at 31st March 2016
(a) Securities premium account		
As per last balance sheet	53,800,000	53,800,000
Addition during the year	108,400,000	-
(b) General reserve		
As per last balance sheet	2,513,123	2,513,123
	<u>182,513,123</u>	<u>58,113,123</u>
(c) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	(278,394,552)	(280,391,824)
Add:Profit/(Loss) for the year	91,387,381	3,997,272
Closing balance	<u>(185,027,171)</u>	<u>(278,394,552)</u>
Total	(22,514,048)	(220,281,429)

Note 3 AMOUNT RECEIVED AGAINST WARRANTS AND CONVERSION INTO SHARES

A) Share warrants (25000000 warrants issued on 15th December,2018)		
Opening Balance	NIL	-
Add 25% Payment received for 25000000 warrants	93,750,000	-
Add-75% Balance Payment received for 7800000 warrants out of 25000000 warrants	85,500,000	-
less-7800000 warrants converted in to equity shares during the year	114,000,000	-
Total	65,250,000	-

Note No. 3.1 The Company has issued 25000000 convertible warrants to promoters and non promoters on 15 th Dec.2016 which are convertible in to equity shares of Re. 1 each at premium of Rs. 14 each within 18 month from date of allotment. Out of it on 14 th February 2017 , 7800000 warrant converted in to equity shares.

Note 4 Other long-term liabilities

Particulars	As at 31st March 2017	As at 31st March 2016
Interest accrued but not due on borrowings	7,254,578	13,748,145
Deferred payment liabilities (sales Tax)-Unsecured	0	4,113,881
Total	7,254,578	17,861,806

Note no. 4.1 - Interest accrued but not due (Rs.145.09 lacs - SASF) on borrowing is repayable in 8 equal quarterly instalment from 01.04.2017 to 31.03.2019.

Note 5 Short Term Borrowings

Loan repayable on demand	-	22,405,923
Total	-	22,405,923

Note 6 Trade payables

Trade payables:		
Other than Acceptances	93,858,511	9,900,957
Total	93,858,511	9,900,957

The Company has not received any information from their suppliers regarding their status under the Micro, small and Medium enterprises Act,2008.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.

Particulars	As at 31st March 2017	As at 31st March 2016
Note 7 Other current liabilities		
(a) Current maturities of long term debt -(SASF Interest)	7,254,575	9,000,000
(b) Creditors against expenses	1,934,424	1,974,348
(c) Statutory remittances	12,031,804	18,478,022
(d) Other Payables	44,302,531	71,507,320
(e) Overdrawn Balance of Bank		
Bank Of Baroda	8,933,983	-
Yes Bank	6,500,000	-
Total	78,957,317	100,959,690
Note 8 Short-term provisions		
(a) Provision for employee benefits: Provision for leave encashment	853,670	888,848
Total	853,670	888,848
Note 11 Non Current Investments		
Investment in Equity Shares-Unquoted at cost 9990 (Pr.Yr. nil) Equity Shares of Rs.10 (Pr.Yr. Nil) each in Eduvisor Services Private Ltd.	99,900	-
Total	99,900	-
Note 12 Long-term loans and advances		
Security deposits Unsecured, considered good	3,541,491	3,538,491
Total	3,541,491	3,538,491
Note 13 Inventories		
(At lower of cost and net realisable value)		
(a) Raw materials	35,335,580	14,534,057
(b) Work-in-progress	554,890	1,545,000
(c) Finished goods	44,867,084	30,759,518
(e) Stores and spares	4,931,411	5,141,851
(g) Packing Material	2,288,462	2,800,328
Total	87,955,427	54,580,754

Note 9 Fixed assets- Tangible Assets

A. Tangible assets	GROSS				DEPRECIATION				NET BLOCK	
	Balance as at 1.4.2016	Additions During the year	Deductions During the year	TOTAL As at 31.3.2017	Balance as at 1.4.2016	Additions	Deduction Adjustment During the year	TOTAL	Balance as at 31.3.2017	Balance as at 31.3.2016
(a) Land -Freehold	1,142,737	-	-	1,142,737	-	-	-	-	1,142,737	1,142,737
(b) Buildings	65,616,402	-	-	65,616,402	41,864,530	2,070,888	-	43,935,418	21,660,964	23,751,872
(c) Plant and Equipment	696,129,390	1,670,300	-	697,799,690	681,062,057	621,374	-	681,683,431	16,116,259	15,067,333
(d) Furniture and Fixtures	2193,768	-	-	2,193,768	2,171,651	4,148	-	2,175,799	17,969	22,117
(e) Vehicles	1,798,976	-	-	1,798,976	915,842	109,424	-	1,025,266	773,710	883,134
(f) Office Equipment	6653,766	360,532	-	9,034,298	7,619,957	274,648	-	7,894,605	1,139,693	1,033,809
Total	775,535,039	2,050,832	-	777,585,871	733,634,037	3,080,482	-	736,714,519	40,871,352	41,901,002

Note 10 Fixed assets- Intangible Assets

A. Intangible assets	GROSS				DEPRECIATION				NET BLOCK	
	Balance as at 1.4.2016	Additions During the year	Deductions During the year	TOTAL As at 31.3.2017	Balance as at 1.4.2016	Additions	Deduction Adjustment During the year	TOTAL	Balance as at 31.3.2017	Balance as at 31.3.2016
(a) Computer Softwares	1,418,000	-	-	1,418,000	1,335,058	6,471	-	1,341,529	78,471	82,942
Total	1,418,000	-	-	1,418,000	1,335,058	6,471	-	1,341,529	78,471	82,942

Particulars	As at 31st March 2017	As at 31st March 2016
Note 14 Trade receivables		
Trade receivables : outstanding for a period exceeding six months from the date they were due for payment.		
Unsecured, considered good	37,447,623	33,757,315
Less: Provision for doubtful trade receivables	33,757,315	33,757,315
	3,690,308	-
Other Trade receivables: Unsecured, considered good	105,791,988	24,024,488
Total	109,482,296	24,024,488
Note 15 Cash and cash equivalents		
(a) Cash in hand	73,588	207,668
(b) Balances with banks		
(i) In current accounts	22,269,054	5,120,527
(ii) In Fixed Deposit accounts	15,488,781	-
Total	37,811,403	5,328,195
Note 16 Short-term loans and advances (Unsecured but considered good)		
(a) Loans and advances to employees	743,945	824,518
(b) Prepaid expenses	307,930	354,475
(c) Balances with government authorities		
(i) CENVAT credit receivable	1,153,569	393,758
(ii) Service Tax credit receivable	25,780	123,948
(d) Others	159,190,482	10,583,224
Total	161,421,686	12,279,923

Previous year

Note 9 Fixed assets- Tangible Assets

A. Tangible assets	GROSS				DEPRECIATION				NET BLOCK	
	Balance as at 1.4.2015	Additions During the year	Deductions During the year	TOTAL As at 31.3.2015	Balance as at 1.4.2015	Additions	Deduction Adjustment During the year	TOTAL	Balance as at 31.3.2015	Balance as at 31.3.2015
(a) Land										
Freehold	1,142,737	-	-	1,142,737	-	-	-	-	1,142,737	1,142,737
(b) Buildings	65,027,105	589,297	-	65,616,402	39,793,642	2,070,888	-	41,864,530	23,751,872	25,233,463
(c) Plant and Equipment	693,748,844	2,380,546	-	696,129,390	680,490,171	571,886	-	681,062,057	15,067,333	13,258,673
(d) Furniture and Fixtures	2193,768	-	-	2,193,768	2,167,503	4,148	-	2,171,651	22,117	26,265
(e) Vehicles	874,548	924,428	-	1,798,976	874,548	41,294	-	915,842	883,134	-
(f) Office equipment	8072,584	581,182	-	8,653,766	6,825,434	794,523	-	7,619,957	1,033,809	1,247,150
Total	771,059,586	4,475,453	-	775,535,039	730,151,298	3,482,739	-	733,634,037	41,901,002	40,908,288

Note 10 Fixed assets- Intangible Assets

A. Intangible assets	GROSS				DEPRECIATION				NET BLOCK	
	Balance as at 1.4.2015	Additions During the year	Deductions During the year	TOTAL As at 31.3.2015	Balance as at 1.4.2015	Additions	Deduction Adjustment During the year	TOTAL	Balance as at 31.3.2015	Balance as at 31.3.2015
(a) Computer Softwares	1,400,000	18,000	-	1,418,000	680,182	654,876	-	1,335,058	82,942	719,818
Total	1,400,000	18,000	-	1,418,000	680,182	654,876	-	1,335,058	82,942	719,818

Note 17 Revenue from operations

Particulars	For the year ended 31.3.2017	For the year ended 31.3.2016
(a) Sale of products	630,309,922	478,441,070
Less:		
(a) Excise duty	48,807,344	53,408,277
Total	583,702,578	425,034,793

Sale of products comprises		
Manufactured goods		
(i) Manufactured-Plastic moulded furniture and articles		
(ii) Traded Goods	218,480,074	129,375
Total - Sale of products	630,309,922	478,741,070

Note 18 Other income

(a) Interest income	4,889,418	285,550
(b) Bad Debts written off recovered	2,172,228	-
(c) Subsidy	11,955,893	13,148,259
(d) Waiver (Sales Tax Amenity)	-	-
(e) Export Incentive	-	53,428
Total	18,817,537	13,485,237

Note 19 Cost of material Consumed

Opening Stock	14,534,057	12,971,930
Add-Purchases	297,943,197	332,010,128
Less - Closing Stock	35,335,580	14,534,057
Total	277,141,674	330,448,001

Note 19.1 Particulars of material consumed

(a) PPHP,PPCP and filler PP	280,771,557	318,824,897
(b) Others	18,370,117	13,823,104
Total	277,141,674	330,448,001

Note 20 Purchase of traded goods

Opening Stock	-	-
Add-Purchases	213,998,933	94,098
Less - Closing Stock	-	-
Total	213,998,933	94,098

Note 21 Changes in inventories of finished goods, work-in-progress

Inventories at the end of the year:		
Finished goods	44,887,084	30,759,518
Work-in-progress	554,890	1,545,000
Total	45,421,974	32,304,518

Particulars	For the year ended 31.3.2017	For the year ended 31.3.2016
Inventories at the beginning of the year:		
Finished goods	30,759,518	28,999,899
Work-in-progress	1,545,000	2,172,400
	32,304,518	31,172,099
Net (increase)/decrease	(13,117,456)	(1,132,419)

Note 22 Employee benefits expense

Salaries and wages	24,417,118	21,209,842
Contributions to provident and other funds	1,580,885	1,345,745
Staff welfare expenses	845,399	387,802
Total	26,843,380	22,942,989

Note 22.1 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 :-

Employers Contribution to provident fund -	707,418	627,314
Employers contribution to pension fund -	873,447	718,431
Total	1,580,865	1,345,745

Defined Benefit Plan

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

Net Cost	500,000	495,178
Total	500,000	495,178

Note 23 Finance costs

Interest expense on:		
Borrowings	5,209,341	2,901,917
Total	5,209,341	2,901,917

Note 24 Other expenses

Particulars	For the year ended 31.3.2017	For the year ended 31.3.2018
Consumption of stores and spare parts	1,429,717	3,937,182
Consumption of packing materials	5,754,888	7,888,287
Increase/(decrease) of excise duty on inventory	1,082,482	848,045
Power and fuel	18,807,711	19,288,851
Lease rental of machines and moulds	18,071,993	10,991,945
Job Charges	808,150	988,884
Other Manufacturing Expenses	227,820	742,152
Listing Fees	702,775	320,000
Other Miscellaneous expenses	178,827	358,482
Bank Charges and commission	48,903	22,900
Advertisement and publicity expenses	1,971,298	2,885,337
Repairs and maintenance - Buildings	552,923	211,814
Repairs and maintenance - Others	408,081	170,290
Insurance	518,424	821,509
Communication	539,185	439,823
Travelling and conveyance	2,838,444	2,420,992
Printing and stationery	153,938	197,582
Freight and forwarding	2,548,458	2,734,491
Sales Expenses	284,231	898,898
Business Promotion Expenses	8,347,117	882,403
Discount and incentive	8,718,788	17,820,274
Rebate and claim	317,575	148,718
Commission on sales	95,071	53,525
Legal and professional	1,375,787	1,148,817
Payments to auditors	40,000	40,000
Total	69,174,502	75,110,557

Note No. 24(a) VALUE OF STORES AND SPARE PARTS CONSUMED

(Amount in Rs.)

Particular	2016-17	%	2015-18	%
Imported	-	-	-	-
Indigenous	14,29,717	100%	39,37,182	100%
Total	14,29,717	100%	39,37,182	100%

Note No. 24(b) Value of raw material Consumed

Particular	2016-17	%	2015-18	%
Imported	-	-	-	-
Indigenous	27,71,41,874	100%	33,04,48,001	100%
Total	27,71,41,874	100%	33,04,48,001	100%

Note No. 24(c) Value of Traded goods

Particular	2016-17	%	2015-18	%
Imported	-	-	-	-
Indigenous	21,39,98,933	100%	94,098	100%
Total	21,39,98,933	100%	94,098	100%

Note No. 24(d) VALUE OF IMPORTS ON CIF BASIS - NIL
Note no. 24(e) PAYMENT TO AUDITORS

Particular	2016-17	2015-18
Audit Fees	30,000	30,000
Tax Audit	5,000	5,000
Taxation	3,000	3,000
Certification	2,000	2,000
Total	40,000	40,000

Note No. 24(f) EXPENDITURE IN FOREIGN CURRENCY- NIL
Note No. 25 – 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 full life as per management
Factory Building	30 years
Plant and Machinery	25 Years
Furniture's and fixtures	10 years
Office Equipments	5 years
Computer Software	3 years
Vehicles	8 years

Note No. 26 EARNING PER SHARE -

Particulars	2016-17	2015-16
1. Net Profit After tax as per statement of profit and loss account-before extra ordinary items	9,13,87,381	39,97,272
2. Net Profit After tax as per statement of profit And loss account-after extra ordinary items	9,13,87,381	39,97,272
3. Weighted average number of equity shares used as denominator for calculating EPS	21,09,36,988	5,25,00,000
4. Basic and diluted earnings per share before extra ordinary items (Rs.)	0.43	0.08
5. Basic and diluted earnings per share After extra ordinary items (Rs.)	0.43	0.08
6. Face value per equity Share (Rs.)	1	4

Note No. 27 EARNINGS IN FOREIGN EXCHANGE - Rs.2.66 Lakhs
Note no. 28 SEGMENTAL REPORTING -

In view of Accounting Standard 17 segmental reporting issued by the Institute of Chartered Accountants of India, the company has identified two reportable segment i.e. Manufacturing and trading taking in to account nature of product. The accounting policies adopted for segment reporting are in line with accounting policy of the company

S. No.	Particulars	Year ended on 31.3.2017
1	Segment Revenue	
	(a) Manufacturing/Plastic Moulded Articles	4308.88
	(b) Trading	2184.80
	(c) Unallocated	-
	Total Net Income from Operations	6491.28
	Less-Inter Segment Revenue	
	Net Income From Operations	6491.28
2	Segment Results-Profit Before Tax and Interest	
	(a) Manufacturing/Plastic Moulded Articles	215.50
	(b) Trading	38.42
	(c) Unallocated (*Exceptional Items)	711.84
	Total	985.78
	Less-Interest	52.09
	Total-Profit Before tax	913.87
3	Capital Employed (Segment Assets-Segment Liabilities) Segment Assets	
	(a) Manufacturing/Plastic Moulded Articles	3581.23
	(b) Trading	831.37
	(c) Unallocated	-
	Total Assets (A)	4412.60
	Segment Liabilities	
	(a) Manufacturing/Plastic Moulded Articles	1013.89
	(b) Trading	795.55
	(c) Unallocated	-
	Total Liabilities (B)	1809.24
	Total Capital Employed (A-B)	2603.36

Note: Company commenced trading segment w.e.f. 01.07.2016; hence previous period figures are not available and comparable.

Note No. 29 RELATED PARTY DISCLOSURE

As per accounting standard 18, the disclosures of transactions with related Party is 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	2016-2017	2015-2016	Nature of transaction
Dawood Investment Private Limited	Holding Company	4,65,00,000	0	Received against warrant
Mr. Daud Ali	key managerial personnel	25,87,200	20,16,000	remuneration
Mr. Narendra Bhanawat	key managerial personnel	3,51,652	3,10,652	remuneration
Eduvisor Services Private limited	Managing Director has control	2,95,00,000	0	Loan given

Closing Balances- NIL

Eduvisor Services Private Limited - Debit Rs.29500000

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.30.

As required by Accounting Standard No.-22 "Accounting for Taxes on Income" issued by 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. 31 CONTINGENT LIABILITIES:-

(Rs. in lakhs)

Sr. No.	Particular	As at 31 st March, 17	As at 31 st March, 18
(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. 32

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

Note No. 33

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.840.00 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. 34

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

Note No. 35

The Company has allotted 2,50,00,000 warrants convertible into equity shares of Re. 1 each at a premium of Rs. 14 each during the year, out of it 7800000 warrants were converted into equity shares of Re.1 each at premium of Rs.14 each. The funds raised were fully utilized for investment, repayment of borrowings, working capital etc.

Note No. 36

Details of specified Bank notes (SBN) transacted during 08.11.2016 to 30.12.2016 (Rs.)

Particulars	SBN	OTHER	TOTAL
Closing Balance as At 08.11.2016	27,80,000	2,80,824	30,60,824
Add-Permitted * Receipts		18,79,048*	18,79,048*
Less -Permitted Payments		12,81,820	12,81,820
Less - Deposited in Bank	27,80,000	1,83,365	29,63,365
Closing Balance-30.12.2016	0	8,94,887	8,94,887

*Permitted receipts includes cash withdrawn from bank Rs.730000/-

Note No.37 - The figures for the previous year have been regrouped/re-arranged to the extent necessary.

For Ajay Paliwal & Co.
Chartered Accountants
FRN : 012345 C

For and on behalf of board of directors

Sd/-

Ajay Paliwal
Proprietor
M.No.403290

Sd/-

Daud ali
Managing Director
(DIN -185336)

Sd/-
Aditi Parmar
Company secretary

Sd/-

Narendra Bhanawat
Director and Chief
Financial Officer
(DIN -00148824)

Place : Udaipur
Date : 08.05.2017

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