




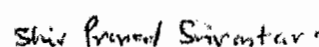


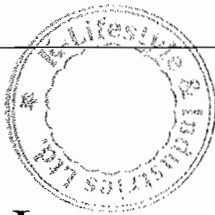
# K-LIFESTYLE

KRISHNA GROUP  
CIN : L74999DN1987PLC000035

## FORM A

### Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the Company	K-LIFESTYLE & INDUSTRIES LIMITED (Scrip Code 514221)
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of Observation	N.A.
5	To be Signed by-  • CEO/ Managing Director  • CFO  • Auditor of the Company  • Audit Committee Chairman	 -----  -----  -----  -----



12/08/2015

## K-LIFESTYLE & INDUSTRIES LIMITED



**K-Lifestyle & Industries Limited**



28th

# *Annual Report*

2014-2015



**K-Lifestyle & Industries Limited**

58-A, Dhanu Udyog Industrial Area, Piperia, Silvassa (Union Territory) - 396 230.

# K-LIFESTYLE & INDUSTRIES LIMITED

Registered Office: Plot No.58-A, Danu Udyog Industrial Area, Piperia, Silvassa (U.T.)

CIN : L74999DN1987PLC000035

## Annual Report 2014-15

### BOARD OF DIRECTORS:

Mr. Narayan Ghumatkar	-	Director
Mr. Jaiprakash Mishra	-	Director
Mr. Pravin Kumar Parekh	-	Director
Mr. Shivprasad Shrivastav	-	Independent Director
Mr. P.S. Pritam	-	Independent Director
Ms. Manasi Inderjit Wadkar	-	Director

### COMPANY SECRETARY

Ms. Nitika Datt

### CHIEF FINANCIAL OFFICER

Mr. Rajendra Pathak

### BANKERS

Indian Overseas Bank  
Dena Bank  
Federal Bank  
Bank of India  
Andhra Bank  
Punjab & Sind Bank  
Karnataka Bank

### AUDITORS

M/s. A. F. Khasgiwala & Co.  
(Chartered Accountants)

### REGISTERED OFFICE

Plot No.58-A, Dhanu Udyog Industrial Estate,  
Piperia, Silvassa (Union Territory) 396 230

### CORPORATE OFFICE

Raghuvanshi Mills Compound,  
11/12 Senapati Bapat Marg, Lower Parel (W)  
Mumbai- 400 013

### REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Private Limited  
21, Shakil Nivas, Opp Satya Sai Baba Temple,  
Mahakali Caves Road, Andheri (East),  
Mumbai – 400 093.  
Email: info@unisec.in

### PLANTS

Bhilad (Gujarat)  
Silvassa (U.T. of Dadra & Nagar Haveli)  
Dombivali (Maharashtra)

### CONTENTS

Notice  
Directors' Report  
Corporate Governance Report  
Management Discussion and  
Analysis Report  
Secretarial Audit Report  
Auditors' Report  
Balance Sheet  
Profit & Loss Account  
Schedules & Notes  
Notes on Accounts  
Cash Flow Statement  
Additional Information

*28<sup>th</sup> Annual General Meeting to be held on Saturday, 5<sup>th</sup> September, 2015 at 11.15 a.m.,  
at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory) - 396230.*

# K-LIFESTYLE & INDUSTRIES LIMITED

## NOTICE

Notice is hereby given that 28th Annual General Meeting of the Shareholders of **K-LIFESTYLE & INDUSTRIES LIMITED** will be held on Saturday, 5th September, 2015 at 11.15 A.M at 65, Krishna Nagar, Samarvani, Silvassa, (U.T.), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Profit and Loss Account for the year ended as on that date and the Report of the Board of Directors and the Auditors thereon.
2. To ratify the appointment of M/s. A. F. Khasgiwala & Co., Chartered Accountants (Membership No. 006491, Firm Registration No. 105114W) as the Statutory Auditor for the Financial Year 2015-16 and to fix their remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed thereunder, as amended from time to time, appointment of M/s. A. F. Khasgiwala & Co., Chartered Accountants (Membership No. 006491, Firm Registration No. 105114W), as the Statutory Auditor of the Company for the Financial Year 2015-16 be and is hereby ratified at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditor.”

**“RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby jointly and / or severally authorised to take or cause to be taken all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

### SPECIAL BUSINESS

3. To appoint Mr. Jaiprakash Atmaram Mishra (DIN: 07190590) as a Director and to ratify his appointment as a Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the listing Agreement Mr. Jaiprakash Atmaram Mishra (DIN: 07190590), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company”

**“RESOLVED FURTHER THAT** pursuant to the provisions Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of the recommendation made by the Nomination & Remuneration Committee and as approved by the Board of Directors, approval of the Company be and is hereby accorded to the appointment of Mr. Jaiprakash Atmaram Mishra (DIN: 07190590) as a Managing Director of the Company, for a period of 5 (five) years with effect from 5th August, 2015, on the terms and conditions including remuneration in the Statement pursuant to Section 102 of the Companies Act, 2013 annexed to the notice convening this Meeting, with liberty to the Board of Directors including Committees thereof, to alter the terms and conditions including Remuneration payable to Mr. Jaiprakash Mishra.

**“RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby jointly and / or severally authorised to take or cause to be taken all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

4. To appoint Mr. Pravinkumar Parekh (DIN: 06894568) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pravinkumar Parekh (DIN: 06894568), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a fix term of 5 (five) consecutive years from 24th March, 2015 to 23rd March, 2020 and whose period of office shall not liable be to determination by retirement of Directors by rotation.”

**“RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby jointly and / or severally authorised to take or cause to be taken all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

5. To appoint Ms. Manasi Indrajit Wadakar (DIN: 05309693) as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the listing Agreement Ms. Manasi Indrajit Wadakar (DIN: 05309693), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company”.  
“**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby jointly and / or severally authorised to take or cause to be taken all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”
6. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2016 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the Company for the financial year ending March 31, 2016, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”  
“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company has notified closure of Register of Members and Share Transfer Books from 30th August, 2015 to 5th September, 2015 (both days inclusive).
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Universal Capital Securities Private Limited.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Universal Capital Securities Pvt. Ltd.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Universal Capital Securities Pvt. Ltd., for consolidation into a single folio.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

## K-LIFESTYLE & INDUSTRIES LIMITED

12. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
13. Electronic copy of the Annual Report for 2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015 is being sent in the permitted mode.
14. Electronic copy of the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. In terms of the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to exercise their right to vote by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for providing e-voting facility to enable the shareholders to cast their votes electronically.

These e-voting instructions are being sent to you as your name appears in the Register of Members as on Saturday, 29th August, 2015, being the cut-off date/entitlement date, fixed by the Board of Directors of the Company to identify the Members who are entitled to receive the copies of the Notice of Twenty Eighth Annual General Meeting together with the Annual Report and to participate through e-voting.

### The instructions for members for voting electronically are as under:

#### In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "ESKAY K'N'IT (INDIA) LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 **then enter RA00000001 in the PAN field.</li> </ul> <p><b>** Enter your Sequence number mentioned in address Label affixed on Annual Report.</b></p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant K-LIFESTYLE & INDUSTRIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) Dr. Shubh Karan Jain, Company Secretary in whole time practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Wednesday, 2nd September, 2015 at 9:00 a.m. and ends on Friday, 4th September, 2015 at 5:00 p.m., During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 29th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Place: Mumbai  
Date: 5th August, 2015

For and Behalf of the Board of Directors  
Sd/-  
**Narayan Ghumatkar**  
Director  
(DIN: 01717979)

## K-LIFESTYLE & INDUSTRIES LIMITED

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

#### ITEM NO. 3:

Appointment of Mr. Jaiprakash Mishra (DIN: 07190590) as Director and to ratify his appointment as a Managing Director: Mr. Jaiprakash Mishra (DIN: 07190590) was appointed as an Additional Director by the Board of Directors of the Company 23rd March, 2015 pursuant to Section 161(1) of the Companies Act, 2013. He holds office up to this Annual General Meeting.

The Company has received a notice in writing from the Members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Jaiprakash Mishra for the office of Director of the Company.

Mr. Jaiprakash Mishra is not disqualified from being appointed as Director in terms of section 164 of the Companies act 2013 and have given his consent to act as a Director.

Further, Mr. Jaiprakash Mishra has a good experience in the textile industry. Therefore it is proposed to appoint him as a Managing Director of the Company. Board of Directors has appointed him as a Managing Director at its Meeting held on 5th August, 2015 subject to the approval of Members.

Pursuant to the Provisions of Section 196 read with Schedule V of the Companies Act, 2013, approval of the Members is required for appointment of Mr. Jaiprakash Mishra as a Managing Director of the Company. Therefore, it is proposed to ratify the appointment of Mr. Jaiprakash Mishra as a Managing Director for a period of 5 (five) years with effect from 5th August, 2015 The Board recommends the passing of this Resolution as an Ordinary Resolution.

### STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II TO SCHEDULE V OF THE COMPANIES ACT, 2013 FOR PAYMENT OF REMUNERATION TO MR. JAIPRAKASH MISHRA, MANAGING DIRECTOR:

#### I. General Information:

- (1) Nature of industry: The Company is engaged in the business of Textile
- (2) Date or expected date of commencement of commercial production: 12th August, 1987
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable as the Company is existing Company
- (4) Financial performance based on given indicators:  
The net worth of the Company has eroded and the Company has become Sick Industrial Company as per the provisions of the Sick Industrial Companies (Special Provision) Act, 1985 (SICA) and the Company is required to make reference with the Board for Industrial and Financial Reconstruction (BIFR), Necessary Compliances will be made in accordance with the provision of SICA.

The Financial Position of the Company for preceding three Financial Years is given below:

PARTICULARS	2014-2015 (Rs. in Lacs)	2013-2014 (Rs. in Lacs)	2012-2013 (Rs. in Lacs)
Revenue from operations	73768.87	69032.30	56710.74
Finance Cost	3349.92	3595.79	3766.63
Depreciation and Amortization Expense	5189.41	6174.29	6397.04
Profit before Exceptional and Extraordinary Items and Tax	(21,501.99)	(24665.18)	(13052.56)
Exceptional Items & Extraordinary Items	-----	-----	-----
Profit/Loss before Tax	(21,501.99)	(24665.18)	(13052.55)
Provision for Tax	-----	-----	-----
Deferred Tax Assets	(904.16)	(987.66)	784.86
Profit/Loss after Tax	(20,597.83)	(23677.52)	(12267.70)

- (5) Foreign investments or collaborations - Nil

#### II. Information about the appointee:

##### (1) Background details:

Mr. Jaiprakash Mishra (DIN: 07190590) has completed graduation in. He has more than 10 years of experience in textile industry. He advises to the Company on various matters related to the business of the Company.

- (2) Past Remuneration: Rs. 420000 Annual
- (3) Recognition or awards: Nil



## ANNUAL REPORT 2014-2015

- (4) Job profile and his suitability: Job profile of the Managing Director of the Company includes overall supervision and control on the various activities of the Company mainly in production, finance, planning, etc. and such other duties and responsibilities as may be decided by the Board of Directors.
- (5) Remuneration proposed: Board particulars of the terms of appointment of remuneration payable to Mr. Jaiprakash Mishra is as under:

Particulars	From 5th August, 2015
Salary	Rs. 50,000/- per month or Rs. 6,00,000/- per annum

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)  
The remuneration payable to Mr. Jaiprakash Mishra is fully justifiable and comparable to that prevailing in the industry, keeping in view his job profile.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: N.A.

### III. Other information:

- (1) Reasons of loss or inadequate profits: on- account of heavy burden of Finance Cost and Depreciation.  
Except Mr. Jaiprakash Mishra, none of the Directors, Promoters, Key Managerial Personnel or relatives thereof, is interested in this Resolution.

### ITEM NO. 4 & 5:

Ms. Manasi Wadkar (DIN: 05309693) and Mr. Pravinkumar Parekh (DIN: 06894568) were appointed as Additional Directors by the Board of Directors of the Company on 7th November, 2014 and 24th March, 2015 respectively pursuant to Section 161(1) of the Companies Act, 2013. They hold office up to this Annual General Meeting. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Pravinkumar Parekh (DIN: 06894568) being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a fix term of five consecutive years commencing from 24th March, 2015 to 23rd March, 2020.

The Company has received a notice in writing from the Members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Pravinkumar Parekh and Ms. Manasi Wadkar for the office of Director of the Company.

Mr. Pravinkumar Parekh and Ms. Manasi Wadkar are not disqualified from being appointed as Directors in terms of section 164 of the Companies act 2013 and have given their consent to act as a Director.

Mr. Pravinkumar Parekh has done his Graduation in Commerce. He has a good working experience in the Textile Industry.

Ms. Manasi Wadkar has done her graduation and post graduation in Commerce, MBA in Finance and has also done her CWA from ICWA. She has more than 15 years of working experience in the textile industry.

The Board recommends the passing of this Resolution.

Except Mr. Pravinkumar Parekh and Ms. Manasi Wadkar, none of the Directors, Promoters, Key Managerial Personnel or relatives thereof, are interested in these Resolutions.

### Item No. 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment of Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 on a remuneration of Rs. 22000/- p.a.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rule, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No 6 of the Notice for approval by the shareholders.

**For and Behalf of the Board of Directors**

Sd/-

**Narayan Ghumatkar**  
Director  
(DIN: 01717979)

Place: Mumbai  
Date: 5th August, 2015

# K-LIFESTYLE & INDUSTRIES LIMITED

## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Eighth Annual Report of K-LIFESTYLE & INDUSTRIES LTD. along with the Audited Statements of Accounts for the Financial Year ended 31st March, 2015.

### FINANCIAL HIGHLIGHTS:

PARTICULARS	2014-2015 (Rs. in Lacs)	2013-2014 (Rs. in Lacs)
Revenue from operations	73768.87	69032.30
Finance Cost	3349.92	3595.79
Depreciation and Amortization Expense	5189.41	6174.29
Profit before Exceptional and Extraordinary Items and Tax	(21,501.99)	(24665.18)
Exceptional Items & Extraordinary Items	-----	-----
Profit/Loss before Tax	(21,501.99)	(24665.18)
Provision for Tax	-----	-----
Deferred Tax Assets	(904.16)	(987.66)
Profit/Loss after Tax	(20,597.83)	(23677.52)

### COMPANY PERFORMANCE:

During the year under review, the performance of the Company was affected on- account of heavy burden of Finance Cost and Depreciation.

During the year, the Revenue from operations of Company has substantially increased to Rs. 73768.87 Lacs as against Rs. 69032.30 Lacs in respect of the previous Financial Year ended 31st March, 2014. The Company has earned during the year Net Loss of Rs. 20,597.83 Lacs as against Net Loss of Rs. 23677.52 Lacs in the previous Financial year ended 31st March, 2014. However, there is no cash loss during the year, the loss is due to heavy burden of Finance Cost and Depreciation

The Company has incurred Substantial losses due to markets resulting in poor sales.

The company experienced that the efficiency of plant and machineries, especially Spinning Machines have gone down and set up an in house Expert Group to suggest measures for Technology up gradation and Modernization. As per their recommendations, old machines including Ring Frames, requiring expenditure towards repairs and maintenance consuming high power with low out put have been identified and shifted to workshop/godowns for appropriate action.

Further, the Company after incurring huge losses and eroding its net worth completely had made an application to be registered as a Sick Company with Board for Industrial and Financial Reconstruction vide a Resolution passed by the Board of Directors on 12th February, 2015. The Company has been registered as a Sick Company.

### DIVIDEND:

In view of Loss of the Current year, your Directors are unable to recommend any dividend on the equity shares for the year under review.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. S. P. Jolly and Mr. Dileep Kapre, have resigned w.e.f. 25th March, 2015 and Mr. Kulwinder Kumar Nayyar and Mr. Farindra Bihari Bhuneshwar Rai have resigned from the Company w.e.f. 26th March, 2015, 28th March, 2015 respectively.

The Board of Directors of the Company had appointed Ms. Manasi Indrajit Wadkar (DIN: 05309693), Mr. Jaiprakash Misha (DIN: 07190590) and Mr. Pravinkumar Parekh (DIN: 06894568) as Additional Directors w.e.f. 7th November, 2014, 23rd March, 2015 and 24th March, 2015 respectively. Pursuant to the provisions of Section 161 of the Companies Act, 2013, they shall hold office upto the date of ensuing Annual General Meeting. The Notice pursuant to Section 160 of the Companies Act, 2013, has been received from the Members proposing their candidature for appointment as Directors of the Company.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Clause 49 of the Listing Agreement entered into with the Stock Exchanges. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

Further, as required under Section 203(1) of the Companies Act, 2013, Company has appointed Mr. Rajendra Pathak as a Chief Financial Officer designated as a Key Managerial Personnel of the Company

Mr. Dinesh Kumar has resigned as a Company Secretary of the Company w.e.f. 6th August, 2014.

Further, Ms. Nitika Datt was appointed as a Company Secretary of the Company w.e.f. 4th November, 2014.

### **ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The Directors are happy to state that the relations between the Company and its Employee remained cordial throughout the year. The Directors acknowledge and express their appreciation for the contributions made by the employees at all levels. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

None of the employees drew remuneration of Rs. 60,00,000/- or more per annum/ Rs. 5,00,000/- or more per month during the year. This information is furnished as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure C forming part of the Annual Report.

Having regard to the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

### **REPORT ON CORPORATE GOVERNANCE:**

Your Company is fully compliant with the Corporate Governance guidelines, as laid out in Clause 49 of the Listing Agreement. All the Directors (and also the members of the Senior Management) have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company. The details of the Code of Conduct are furnished in the Corporate Governance Report is part of this Report. The Managing Director has given a certificate of compliance with the Code of Conduct, as required under Clause 49 of the Listing Agreement.

M/s. A. F. Khasgiwala, Practicing Chartered Accountants, Statutory Auditors of the Company have examined the requirements of Corporate Governance with reference to Clause 49 of the Listing Agreement and have certified the compliance, as required under Clause 49 of the Listing Agreement. The Certificate in this regard is attached to this Report.

The Managing Director / Chief Financial Officer (CEO/CFO) certification as required under Clause 41 of the Listing Agreement is attached to this Report.

## **K-LIFESTYLE & INDUSTRIES LIMITED**

### **EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT.9 is annexed as **Annexure A**.

### **BOARD AND COMMITTEE MEETINGS:**

A calendar of Board and Committee Meetings to be held during the year was circulated in advance to the Directors. 5 (Five) Board Meetings were convened and held during the year.

The Board has constituted an Audit Committee with Mr. Shivprasad Shrivastav as Chairman and Mr. Pravin Parekh and Mr. Jaiprakash Mishra as the Members. There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board.

The Company has also constituted various other Committees viz. Nomination & Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Management and Finance Committee.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report is part of this Directors' Report.

The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Agreement.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments 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 of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure B** to the Board's report.

The Board has approved the policy on Related Party Transactions and Material Subsidiary. The policies have been uploaded on the Company's website, under the web link: [http:// k-lifestyleind.com/wp/related-party-transactions/](http://k-lifestyleind.com/wp/related-party-transactions/)

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note 2.18(k) of the Notes to the financial statements.

### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. through various programmes.

The details of such familiarization programme shall be disclosed on the Company's website at the following web link: <http://k-lifestyleind.com/wp>.

### **RELATED PARTY TRANSACTIONS:**

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Note 2.18(i) of the Notes to the financial statements.

The Company has also adopted Related Party Transaction Policy as required under Clause 49 of the Listing Agreement.

The Board has approved the policy on Related Party Transactions and Material Subsidiary. The policies have been uploaded on the Company's website, under the web link: <http://k-lifestyleind.com/wp/related-party-transactions>

Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2015 and 5th August, 2015:

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report 5th August, 2015).

### **CONSERVATION OF ENERGY:**

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.
- d) Since the Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules, the question of furnishing the same does not arise.

### **TECHNOLOGY ABSORPTION:**

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

### **FOREIGN EXCHANGE EARNINGS AND OUT-GO:**

During the period under review there was no foreign exchange earnings or out flow.

### **REMUNERATION POLICY:**

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached to this Report.

### **RISK MANAGEMENT:**

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Clause 49 of the Listing Agreement. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. Through this programme, each Function and Unit addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

The Company has also constituted the Risk Management Committee to review and operate the Risk Management Policy from time to time.

### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

## **K-LIFESTYLE & INDUSTRIES LIMITED**

### **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has not received any complaint of sexual harassment during the financial year 2014-15.

### **SAFETY, HEALTH AND ENVIRONMENT:**

Sustained and meticulous efforts continue to be exercised by the Company at all plants of the Company, towards greener production and environment conservation. The Company perseveres in its efforts to indoctrinate safe and environmentally accountable behavior in every employee, as well as vendors, by rigid compulsory annual training and refresher courses, as well as frequent awareness programme. Mock drills of emergency preparedness are regularly conducted at all the plants showing Company's commitment towards safety, not only of its own men and plants, but also of the society at large.

Safety records, at all plants showed considerable improvement and accident statistics showed downward trend. This was made possible by strict adherence to laid down procedures and following of international guidelines. Involvement of workers in all safety matters has been encouraged by their participation in shop floor safety meetings. To achieve the goals, environment protection systems and processes are well in place. To meet the challenge of environment protection in a proactive manner, unavoidable wastes are dealt with in the most efficient and scientific way.

The health of employees and the environment in and around the Plant area have been given due care and attention. The Company continued to comply with the prescribed industrial safety environment protection and pollution control regulation at its production plant, through periodic checks of the system involved and constant monitoring to meet the standards set by the pollution control authorities, etc.

All the mills of the Company are eco-friendly and do not generate any harmful effluents. They have facilities for captive power generation as a stand-by arrangement, to meet any contingency. Safety devices have been installed wherever necessary, although both the spinning and knitting activities are known to be quite safe and free from usual hazards of water and air pollution.

### **INDUSTRIAL REALATIONS & HUMAN RESOURCES MANAGEMENT:**

The Company is of firm belief that good Human Resource Management would ensure success through high performance. HR strategy and plans of the Company are deeply embedded with the organizational goals. In order to enhance the manpower productivity the goal is set to increase the production capacity of the various plants and rationalize the manpower through scientific study. All the operational goals of the top management emanate from the business plan. The goals of MD are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team are being made to all the plants to meet the employees and also interaction meetings are conducted to get their feed back, based on which HR policies are improved continuously. The process has resulted in better employee relationship.

The Company lays due emphasis on all round development of its human resource. Hence training of the employees is aimed at systematic development of knowledge, skills, aptitude and team work. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Individual development is given top priority to groom high caliber manpower.

### **FIXED DEPOSITS:**

The Company has not invited/received any Fixed Deposits from the Public during the year under report.

### **INSURANCE:**

The properties / assets of your Company are adequately insured.

### **AUDITORS:**

#### **Statutory Auditors:**

M/s. A. F. Khasgiwala & Co., Chartered Accountants, (Membership No. 006491, Firm Registration No. 105114W) had been appointed for a period of 3 (Three) consecutive years at the 27th Annual General Meeting of the Company held on 19th July, 2014, subject to ratification of such appointment by the Members at every subsequent Annual General Meeting.

Further, the Company has received the consent and eligibility of the Statutory Auditors under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for continuing as the Auditors of the Company.

## ANNUAL REPORT 2014-2015

As required under Clause 41 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Audit Committee and the Board of Directors have recommended the ratification of the appointment of the Statutory Auditors for the Financial Year 2015-16.

The necessary resolution is being placed before the shareholders for approval.

### Internal Auditors:

Your Board had appointed M/s. Rakesh M. Agarwal & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2014-15. However, they had resigned from the Company. Therefore your Board had appointed Mr. Vinay Goyal, Chartered Accountant as an Internal Auditor of the Company for the quarter starting from 1st January 2015 to 31st March, 2015.

### Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Kothari Singhai & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2015. The Secretarial Audit Report is annexed as **Annexure D**.

### ACKNOWLEDGEMENT:

The Directors have pleasure in recording their appreciation of the assistance, co-operation and support extended to your Company by the shareholders, all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors and Customers.

For and Behalf of the Board of Directors

Sd/-

Shivprasad Shrivastav

Director

(DIN: 01455458)

Sd/-

Narayan Ghumatkar

Director

(DIN: 01717979)

Place: Mumbai

Date: 5th August, 2015

# K-LIFESTYLE & INDUSTRIES LIMITED

## ANNEXURE - A

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2015</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>

### I REGISTRATION & OTHER DETAILS:

i	CIN	L74999DN1987PLC000035
ii	Registration Date	12/8/1987
iii	Name of the Company	K-Lifestyle & Industries Ltd.
iv	Category/Sub-category of the Company	Public Limited
v	Address of the Registered office & contact details	58A,Dhanu Udyog Industrial Area, Piperia Silvassa, UT of Dadra & Nagar Haveli - 396230. Tel No. 0260-3258845
vi	Whether listed company	BSE
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Universal Capital Securities Pvt. Ltd. 21 Shakil Niwas, Opp. Satya Saibaba Temple,Mahakali Caves Road, Mumbai - 400093.

### 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 & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Textiles	2332	100%
2			
3			
4			

### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Nil	Nil	Nil	Nil	Nil
2					
3					



# ANNUAL REPORT 2014-2015

IV

## SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	113665450	0	113665450	11.12	113665450	0	113665450	11.12	0	0.00
b) Central Govt.or State Govt.	0	0	0	0.00			0	0.00	0	0.00
c) Bodies Corporates	432173199		432173199	42.27	432173199	0	432173199	42.27	0	0.00
d) Bank/FI	0	0	0	0.00			0	0.00	0	0.00
e) Any other	0	0	0	0.00			0	0.00	0	0.00
			0	0.00			0	0.00	0	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>545838649</b>	<b>0</b>	<b>545838649</b>	<b>53.39</b>	<b>545838649</b>	<b>0</b>	<b>545838649</b>	<b>53.39</b>	<b>0</b>	<b>0.00</b>
									0	0.00
<b>(2) Foreign</b>	0	0	0	0.00	0	0	0	0.00	0	0.00
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0	0.00
	0	0	0	0.00	0	0	0	0.00	0	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
									0	0.00
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>545838649</b>	<b>0</b>	<b>545838649</b>	<b>53.39</b>	<b>545838649</b>	<b>0</b>	<b>545838649</b>	<b>53.39</b>	<b>0</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions										
a) Mutual Funds	0	211000	211000	0.02	0	211000	211000	0.02	0	0.00
b) Banks/FI	24393330	1003000	25396330	2.48	24393330	1003000	25396330	2.48	0	0.00
C) Cenntal govt	0	0	0	0.00			0	0.00	0	0.00
d) State Govt.	0	0	0	0.00			0	0.00	0	0.00
e) Venture Capital Fund	0	0	0	0.00			0	0.00	0	0.00
f) Insurance Companies	9788400	0	9788400	0.96	9788400	0	9788400	0.96	0	0.00
g) FIIS	0	0	0	0.00			0	0.00	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00			0	0.00	0	0.00
i) Others (specify)	0	0	0	0.00			0	0.00	0	0.00
<b>SUB TOTAL (B)(1):</b>	<b>34181730</b>	<b>1214000</b>	<b>35395730</b>	<b>3.46</b>	<b>34181730</b>	<b>1214000</b>	<b>35395730</b>	<b>3.46</b>	<b>0</b>	<b>0.00</b>
<b>(2) Non Institutions</b>										
a) Bodies corporates										
i) Indian	96368867	6221550	102590417	10.03	90852957	6221550	97074507	9.49	5515910	0.54
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	147108983	65861558	212970541	20.83	144122233	65721758	209843991	20.52	3126550	0.31
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	90653465	9977410	100630875	9.84	95792949	9977410	105770359	10.35	5139484	0.50
c) Others (specify)										
i) NRI's/OCB's	10602986	12336500	22939486	2.24	10738156	12271500	23009656	2.25	70170	0.01
ii) Clearing Members	2017262	0	2017262	0.20	5450068	0	5450068	0.53	3432806	0.34
<b>SUB TOTAL (B)(2):</b>	<b>346751563</b>	<b>94397018</b>	<b>441148581</b>	<b>43.15</b>	<b>346956363</b>	<b>94192218</b>	<b>441148581</b>	<b>43.15</b>	<b>0</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>380933293</b>	<b>95611018</b>	<b>476544311</b>	<b>46.61</b>	<b>381138093</b>	<b>95406218</b>	<b>476544311</b>	<b>46.61</b>	<b>0</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>	<b>926771942</b>	<b>95611018</b>	<b>1022382960</b>	<b>100.00</b>	<b>926976742</b>	<b>95406218</b>	<b>1022382960</b>	<b>100.00</b>	<b>17284920</b>	<b>1.69</b>

# K-LIFESTYLE & INDUSTRIES LIMITED

## (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the
		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	Navin Kumar Tayal	70902100	6.93	6.93	70902100	6.93	6.93	0.00
2	Bhavana Tayal	42763350	4.18	0.00	42763350	4.18	0.00	0.00
3	Akash Fabrics Pvt. Ltd	75967420	7.43	7.43	75967420	7.43	7.43	0.00
4	Archana Syntex Pvt. Ltd.	37450500	3.66	3.66	37450500	3.66	3.66	0.00
5	Delux Polymers Pvt. Ltd	53090820	5.19	5.19	53090820	5.19	5.19	0.00
6	Eskay K'nIT (India) Ltd	32711500	3.20	3.20	32711500	3.20	3.20	0.00
7	Jayshree Petro Chemicals Pvt. Ltd.	71741219	7.02	2.02	71741219	7.02	2.02	0.00
8	Krishna Knitwear Technology Ltd	22332930	2.18	2.18	22332930	2.18	2.18	0.00
9	Shanti Synthetics & Processors Pvt. Ltd.	83520460	8.17	8.17	83520460	8.17	8.17	0.00
10	Shree Ganesh Hosiery Mills Pvt. Ltd.	36637600	3.58	3.58	36637600	3.58	3.58	0.00
11	Shree Krishna Silk Industries Pvt. Ltd.	18720750	1.83	1.83	18720750	1.83	1.83	0.00
	<b>Total</b>	<b>545838649</b>	<b>53.39</b>	<b>44.21</b>	<b>545838649</b>	<b>53.39</b>	<b>44.21</b>	<b>0.00</b>

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	545838649	53.39	54583849	53.39
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	545838649	53.39	545838649	53.39

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

Sl. No.	Name of the shareholder & Dp id No	Shareholding at the beginning of		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SOVOTEX TEXTILES PVT. LTD. DP ID NO 1202430000000934				
	At the beginning of the year	38259240	3.74		
	Transfer	0	0.00	38259240	3.74
	<b>At the End of the year (or on the date of separation, if</b>	<b>38259240</b>	<b>3.74</b>	<b>38259240</b>	<b>3.74</b>
2	IDBI BANK LTD. DP ID NO IN30081210495586				
	At the beginning of the year	19682330	1.93		
	Transfer	0	0.00	19682330	1.93
	<b>At the End of the year (or on the date of separation, if</b>	<b>19682330</b>	<b>1.93</b>	<b>19682330</b>	<b>1.93</b>

## ANNUAL REPORT 2014-2015

3 DELHI IRON & STEEL CO (P) LTD						
DP ID NO		IN30002030133415				
	At the beginning of the year	18900313	1.85			
	Transfer	0	0.00	18900313	1.85	
<b>At the End of the year (or on the date of separation, if</b>		<b>18900313</b>	<b>1.85</b>	<b>18900313</b>	<b>1.85</b>	

4 NINA TAYAL						
DP ID NO		1301760000002289				
	At the beginning of the year	10725000	1.05			
	Transfer	0	0.00	10725000	1.05	
<b>At the End of the year (or on the date of separation, if</b>		<b>10725000</b>	<b>1.05</b>	<b>10725000</b>	<b>1.05</b>	

5 KSL AND INDUSTRIES LTD						
FOLIO NO.		00111756				
	At the beginning of the year	5917000	0.58			
	Transfer	0	0.00	5917000	0.58	
<b>At the End of the year (or on the date of separation, if</b>		<b>5917000</b>	<b>0.58</b>	<b>5917000</b>	<b>0.58</b>	

6 GOPALA HOLDING PRIVATE LTD.						
DP ID NO		1204800000004081				
	At the beginning of the year	5794940	0.57			
	Transfer	0	0.00	5794940	0.57	
<b>At the End of the year (or on the date of separation, if</b>		<b>5794940</b>	<b>0.57</b>	<b>5794940</b>	<b>0.57</b>	

7 NITISH NAYAK						
DP ID NO		1202430000001767				
	At the beginning of the year	5507535	0.54			
	Transfer	0	0.00	5507535	0.54	
<b>At the End of the year (or on the date of separation, if</b>		<b>5507535</b>	<b>0.54</b>	<b>5507535</b>	<b>0.54</b>	

8 RAJIV KUMAR MITTAL						
DP ID NO		IN30302853383493				
	At the beginning of the year	5000000	0.49			
	Transfer	0	0.00	5000000	0.49	
<b>At the End of the year (or on the date of separation, if</b>		<b>5000000</b>	<b>0.49</b>	<b>5000000</b>	<b>0.49</b>	

9 LIFE INSURANCE CORPORATION OF INDIA						
DP ID NO		IN30081210000012				
	At the beginning of the year	4244600	0.42			
	Transfer	0	0.00	4244600	0.42	
<b>At the End of the year (or on the date of separation, if</b>		<b>4244600</b>	<b>0.42</b>	<b>4244600</b>	<b>0.42</b>	

10 KSL AND INDUSTRIES LTD						
DP ID NO		IN30107180039648				
	At the beginning of the year	4068770	0.40			
	Transfer	0	0.00	4068770	0.40	
<b>At the End of the year (or on the date of separation, if</b>		<b>4068770</b>	<b>0.40</b>	<b>4068770</b>	<b>0.40</b>	

## K-LIFESTYLE & INDUSTRIES LIMITED

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	Nil	Nil	Nil	Nil

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	22984	4761.02	21.7	27766.68	
ii) Interest due but not paid	22984	4761.02	21.7	27766.68	
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>					
<b>Change in Indebtedness during the financial year</b>					
Additions					
Reduction					
<b>Net Change</b>					
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	23036.76	4761.01	21.7	27819.47	
ii) Interest due but not paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>					

# ANNUAL REPORT 2014-2015

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Mr. S. P. Jolly (MD)				Total Amount Lakhs
1	<b>Gross salary</b>					
	(a) Salary as per provisions	6.00				6.00
	(b) Value of perquisites u/s 17(2)	0				0
	(c) Profits in lieu of salary under	0				0
2	Stock option	0				0
3	Sweat Equity	0				0
4	Commission	0				0
	as % of profit	0				0
	others (specify)	0				0
5	Others, please specify	0				0
	<b>Total (A)</b>	6.00				6.00
	<b>Ceiling as per the Act</b>					

### B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors				Total Amount Lakhs
1	Independent Directors	Shri Farindra Bihari	Pritam Singh	Prayan Ghumat	Shri Kulwinder Nayyar	
	(a) Fee for attending board	0.4	0.8	0.5	0.5	2.2
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	0.4	0.8	0.5	0.5	2.2
Sl.No	Particulars of Remuneration	Name of the Directors				Total Amount Lakhs
2	Other Non Executive Directors	Ms. Manasi Wadkar				
	(a) Fee for attending	0.1				0.1
	(b) Commission	0				0
	(c) Others, please specify.	0				0
	<b>Total (2)</b>	0.1				0.1
	<b>Total (B)=(1+2)</b>					2.3
	<b>Total Managerial Remuneration</b>					
	<b>Overall Ceiling as per the Act.</b>					

\* Smt. Manasi Wadkar has been appointed as Additional Directors w.e.f. 7<sup>th</sup> November, 2014

## K-LIFESTYLE & INDUSTRIES LIMITED

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration		Key Managerial Personnel			
	Gross Salary	Rajendra Pathak (CFO)	Nitika Datt (Company Secretary)	Dinesh Kumar (Company Secretary)		Total Amount Lakhs
1	(a) Salary as per provisions	2.4	1	0.8		4.2
	(b) Value of perquisites u/s 17(2)	0	0	0		0
	(c) Profits in lieu of salary under	0	0	0		0
2	Stock Option	0	0	0		0
3	Sweat Equity		0	0		0
4	Commission	0	0	0		0
	as % of profit	0	0	0		
	others, specify	0	0	0		0
5	Others, please specify	0	0	0		
				0		0
	<b>Total</b>	<b>2.4</b>	<b>1</b>	<b>0.8</b>		<b>4.2</b>

\*Mr. Dinesh Kumar has resigned as a Company Secretary of the Company w.e.f. 6th August, 2014, Nitika Datt was appointed as a Company Secretary of the Company w.e.f. 4th November, 2014. and Rajendra Pathak has resigned as a Chief Financial Officer of the Company w.e.f. 14th August, 2014.

### VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty		None			
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty		None			
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty		None			
Punishment					
Compounding					

**ANNEXURE B**

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
  - a) Name(s) of the related party and nature of relationship : NA
  - b) Nature of contracts/arrangements/transactions : NIL
  - c) Duration of the contracts / arrangements/transactions : NIL
  - d) Salient terms of the contracts or arrangements  
or  
transactions including the value, if any : NIL
  - e) Justification for entering into such contracts  
or  
arrangements or transactions : NIL
  - f) Date(s) of approval by the Board : NIL
  - g) Amount paid as advances, if any : NIL
  - h) Date on which the special resolution was passed in general meeting  
as required under first proviso to Section 188 : NIL
2. Details of material contracts or arrangements or transactions at arm's length basis:
  - a) Name of the related party and nature of relationship : NIL
  - b) Nature of transaction : NIL
  - c) Duration of transaction : NIL
  - d) Salient terms of the transaction including the value, if any:
  - e) Date of approval by the Board, if any:
  - f) Amount paid as advances, if any: NIL.

**For and Behalf of the Board of Directors**

**Sd/-**

**Narayan Ghumatkar**

**Director**

**(DIN: 01717979)**

**Place: Mumbai**

**Date: 5th August, 2015**

## K-LIFESTYLE & INDUSTRIES LIMITED

### ANNEXURE-C

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

(Explanation: (i) the expression 'median' means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one. (ii) If there is an even number of observations, the median shall be the average of the two middle values.)

Non Executive Directors	Ratio to Median
Mr. Narayan Ghumatkar	NIL

#### Non Executive Directors are paid only Sitting Fees

Executive Directors (*Managing Director) and (**Company Secretary)	Ratio to Median
* Mr. S. P. Jolly	2.1:1
** Mr. Rajendra Pathak	0.8:1

2. The percentage increase in the remuneration of each Director, Chief Financial officer, Company Secretary or Manager, if any in the financial:

The ratio of each Director to the Median Remuneration of all employees who were on the pay roll of the Company and the percentage increase in remuneration of the Directors during financial year 2014-2015 are given below:

Non Executive Directors	Ratio to Median	Percentage Increase in Remuneration
Mr. Narayan Ghumatkar	NIL	-

Non Executive Directors are paid only Sitting Fees

Executive Directors (*Managing Director) and (**Company Secretary)	Ratio to Median	Percentage Increase in Remuneration
* Mr. S. P. Jolly	2.1:1	-
** Mr. Rajendra Pathak	0.8:1	-

3. The percentage increase in the median remuneration of employees in the financial year : 0 %
4. The number of permanent employees on the rolls of the Company: 22
5. The explanation on the relationship between average increase in remuneration and Company performance:  
Remuneration of employees has a close linkage with the performance of the Company. The Annual Performance Award (APA), which is a variable component in the remuneration for all the management staff, has direct correlation with the Company's performance. APA is calculated based on both individual and Company performance. Company performance has a higher weightage for senior positions and lower weightage for junior positions.
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:  
The Company's performance during 2014-15 was considered while approving the variable pay and the increase in remuneration for the Key Managerial Personnel, which was increased by an average of 0 % during the year
7. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:  
During the year, the Revenue from operations of Company has substantially increased to Rs. 73768.87 Lacs as against Rs. 69032.30 Lacs in respect of the previous Financial Year ended 31st March, 2014. The Company has earned during the year Net Loss of Rs. 20,597.83 Lacs as against Net Loss of Rs. 23677.52 Lacs in the previous Financial year ended 31st March, 2014.



8. The Key parameters for any variable component of remuneration availed by the directors

The variable component of Non-Executive Director's remuneration consists of comMs.ion. The distribution of comMs.ion among the Non-Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board. The comMs.ion is distributed on the basis of their attendance and contribution at the Board and Committee Meetings as well as guidance provided to senior management other than at meetings.

The Company pays remuneration by way of comMs.ion as variable component to the Managing Director. ComMs.ion is calculated with reference to the net profits of the Company of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, based on the recommendations of the Nomination and Remuneration Committee, subject to the overall limit stipulated in the Companies Act, 2013.

9. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

The highest paid director is the Managing Director. No employee has received remuneration in excess of the Managing Director during the year.

10. Affirmation that the remuneration is as per the Remuneration policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

**For and Behalf of the Board of Directors**

**Sd/-**

**Narayan Ghumatkar**

**Director**

**(DIN: 01717979)**

**Place: Mumbai**

**Date: 5th August, 2015**

# K-LIFESTYLE & INDUSTRIES LIMITED

## ANNEXURE D

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

##### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,  
The Members,  
**K-LIFESTYLE & INDUSTRIES LIMITED**  
58-B Dhanu Udyog Industrial Area,  
Piperia Silvassa (U.T)  
Silvassa-396230  
Dadar Nagar Haveli, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by K-LIFESTYLE & INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- I. The Companies Act, 2013 ("The Act") and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period).
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 notified on 28 October 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;

## ANNUAL REPORT 2014-2015

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).
- VI. Other laws including Labour Laws and Environmental laws and Sick Industrial Companies (Special Provision) Act 2013, applicable to the Company as per the representation and clarification given by the Company.

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable to the Company during the Audit Period)
- II. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited;

During the period under review and as per representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) The proof of dispatch of Postal ballot Notice in terms of rule 22(2) of the Companies (Management and administration) Rules, 2014 were not available for verification for the Audit Period and the same has been mentioned in the Scrutinizers Report dated 3 September, 2014.
- b) The Company has not filled Annual Return (Foreign Liabilities and Assets) for the year ended 31 March under the provision of Foreign Exchange Management Act, 1999.
- c) A separate meeting of Independent Directors without the attendance of non-independent directors and members of management were not held as required to be held under Schedule IV of the Act, during the Audit Period.

### **We further report that:**

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

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

All decision of Board meetings and committee meetings are carried unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We 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.

### **We further report that during the Audit Period:**

- a. The Company has made a fresh reference before the Hon'ble Board for Industrial and Financial Reconstruction under section 15(1) of the Sick Industrial Companies (Special Provision) Act, 2013.

**For Kothari Singhai & Associates**

**Sd/-**

**Nitin Singhai**

**Partner**

**ACS No.:31061 CP No.:12362**

Place: Mumbai

Date: 04-08-2015

# K-LIFESTYLE & INDUSTRIES LIMITED

## CORPORATE GOVERNANCE REPORT

This brief report on matters required to be stated on Corporate Governance pursuant to Clause 49 of the Listing Agreements is as under:

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The concept of our Company, of Corporate Governance hinges on total transparency, integrity and accountability of the management team. The main goal of Corporate Governance is maximization of shareholder's value and protection of the interests of all the stakeholders. It includes the policies and procedures adopted by the Company in achieving its objective in relation to its shareholders, employees, customers, suppliers, regulatory authorities and society at large.

The Company has ensured that the Directors of the Company are subject to their duties, obligations and responsibilities to the best interest of the Company, to give direction and remain accountable to their shareholders and other beneficiaries for their actions. The responsibilities of the Board includes setting out the Company's strategic aims, providing the leadership to put them into effect, supervision of the management of the business and reporting to the shareholders on their stewardship.

It is a recognized philosophy of the Company that effective and good Corporate Governance is a must, not only in order to gain credibility and trust, but also as a part of strategic management for the survival, consolidation and growth.

### 1. BOARD OF DIRECTORS

#### 2.1) Composition:

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

The Board of Directors, as on 31.03.2015, comprised 6 Directors, of which 5 were Non-Executive Directors. The Company has 3 Independent Directors as on 31.03.2015 comprised with one-half of the total number of Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Clause 49 II (D) (2) of the Listing Agreement), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors holds office in more than 20 companies and in more than 10 public companies.

#### 2.2) Category and Attendance of Directors:

The name and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the 27<sup>th</sup> Annual General Meeting held on Saturday, 19<sup>th</sup> July, 2014 as also the number of Directorships and Committee Memberships held by them in other Public Companies are given below:

Name	Category	Attendance Particulars		Number of other Directorships and Total Committee member/Chairmanships (including K-lifestyle Industries Limited) as on 31.03.2015		
		Board Meetings	27 <sup>th</sup> AGM	Directorship in all Companies	Committee Membership	Committee Chairmanship
*Mr. S. P. Jolly	MD	4	NO	NIL	NIL	NIL
* Mr. Dileep Shanker Kapre	NED	2	NO	NIL	NIL	NIL
*Mr. Kulwinder Kumar Nayyar	NED	3	NO	14		
*Mr. Farindra Bihari Bhuneshwar Rai	NED	4	NO	NIL	NIL	NIL
Mr. Pritam Singh Pritam	ID	4	NO	3	NIL	NIL
Mr. Shivprasad Shrivastav	ID	4	YES	#15	3	2
Mr. Narayan Ghumatkar	ID	5	YES	##17	5	3
** Ms. Manasi Wadkar	NED	1	NO	4	<b>NIL</b>	<b>NIL</b>
** Mr. Jaiprakash Mishra	ED	Nil	NO	3	5	1
** Mr. Pravinkumar Parekh	NED	Nil	NO	5	5	2

## ANNUAL REPORT 2014-2015

Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for committee positions.

**# includes 10 (Ten) Private Limited Companies.**

**## includes 9 (Nine) Private Limited Companies.**

### Notes:

\* Mr. S. P. Jolly and Mr. Dileep Kapre, have resigned w.e.f. 25<sup>th</sup> March, 2015 and Mr. Kulwinder Kumar Nayyar and Mr. Farindra Bihari Bhuneshwar Rai have resigned from the Company w.e.f. 26<sup>th</sup> March, 2015, 28<sup>th</sup> March, 2015 respectively.

\*\* Ms. Manasi Wadkar, Mr. Jaiprakash Mishra and Mr. Pravinkumar Parekh have been appointed as Additional Directors w.e.f. 7<sup>th</sup> November, 2014, 23<sup>rd</sup> March, 2015 and 24<sup>th</sup> March, 2015 respectively.

“NEC” = Non Executive Chairman, “MD” = Managing Director, “ID” = Independent Director, “NED” = Non-Executive Director. “AD” = Additional Director

### 2.3) Board Meetings:

During the year 2014-15, the Board met 5 times on the following dates namely 30<sup>th</sup> May 2014, 16<sup>th</sup> July 2014, 14<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014 and 12<sup>th</sup> February, 2015. There was no time gap of four months or more between any two meetings.

### Appointment / Re-Appointment of Directors:

As required under Clause 49 (VIII) of the Listing Agreement the brief details of the Directors seeking appointment at the ensuing Annual General Meeting are furnished hereunder:

Sr. No.	Name of Director	Area of Expertise	Directorships	Committee Membership	Committee Chairmanship
1.	Ms. Manasi Wadkar	Graduation and Post Graduation in Commerce, MBA in Finance and has also done her CWA from ICWA. She has more than 15 years of working experience in the textile industry.	4	NIL	NIL
2.	Mr. Jaiprakash Mishra	He has more than 10 years of working experience in the textile industry.	3	5	1
3.	Mr. Pravinkumar Parekh	He has more than 15 years of working experience in the textile industry.	5	5	2

Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for committee positions.

### 2.3) Non-Executive Directors Compensation Disclosures:

Details of Sitting Fees paid to Non-Executive and Independent Directors of the Company during the Financial Year 2014-2015, for attending the Board Meetings, Audit Committee Meetings and Share Transfer and Investors' Grievances Committee Meetings, is as follows:

S. No.	Name of Directors	Category	Sitting Fees (in Rs.)
	Mr. Dileep Shanker Kapre	NED	40,000
	Mr. Kulwinder Kumar Nayyar	ID	50,000
	Mr. Farindra Bihari Bhuneshwar Rai	ID	40,000
	Mr. Pritam Singh Pritam	ID	40,000
	Mr. Shivprasad Shrivastav	ID	80,000
	Mr. Narayan Ghumatkar	ID	50,000
	Ms. Manasi Wadkar	NED	10,000
	Mr. Pravinkumar Parekh	NED	NIL
<b>Total</b>			<b>3,20,000</b>

## K-LIFESTYLE & INDUSTRIES LIMITED

### 2.4) Board Procedure:

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Annexure X to Clause 49 is made available to the Board. The Board also reviews the declarations made by the Managing Director and Chief Financial Officer regarding compliance with all applicable laws, on a quarterly basis.

### 2.5) Code of Conduct:

Your Company has adopted a Code of Conduct for members of the Board (incorporating duties of Independent Directors) and the Senior Management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. The full text of the Code is furnished in this Report and also hosted on the Company's website.

All Board members and senior management personnel (as per Clause 49 of the Listing Agreement) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates. None of the Directors are inter-se related to each other. The Directors and senior management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

### 2.6) Code of Conduct for prohibition of insider trading:

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992.

### 2.7) Whistle Blower Policy

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website.

## 3. BOARD COMMITTEES:

The requirement that a Director shall not be a member of more than 10 committees and Chairman of more than 5 committees has been complied with while constituting the Committees of Directors.

### 3.1) Audit Committee:

#### Composition:

The Audit Committee comprised of Mr. Kulwinder Kumar Nayyar, Mr. Dilip Shankar Kapre and Mr. Shivprasad Shrivastav. However, due to the resignation of Mr. Kulwinder Kumar Nayyar and Dilip Shankar Kapre from the Board of the Company, the Audit Committee is reconstituted by the Board at its Meeting held on 17<sup>th</sup> April, 2015 comprising of Mr. Shivprasad Shrivastav as the Chairman, Mr. Jaiprakash Mishra and Mr. Pravin Parekh as the members of the Audit Committee.

The constitution of Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Clause 49(III)(A) of the Listing Agreement.

All members of the Audit Committee are financially literate and one-half of the members have expertise in accounting/ financial management. The representatives of Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee meetings held during the year.

#### Terms of reference:

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with the Section 177 of the Companies Act, 2013. The brief terms of reference of the Audit committee are as follows:

- a. Overview of the company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

- d. Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by management (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit (v) the going concern assumption (vi) compliance with accounting standards (vii) compliance with stock exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- e. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- f. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- h. Reviewing the adequacy of internal audit functions.
- i. Discussion with internal auditors any significant findings and follow up there on.
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- k. Discussion with external auditors before the audits commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- m. To review the functioning of the Whistle Blower mechanism;
- n. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- o. And, generally, all items listed in Clause 49 III (D) of the Listing Agreement and in Section 177 of the Companies Act, 2013.

### Meetings held during the year & Attendance:

During the year 2014-15, the Audit Committee met 4 times on the following dates namely 30<sup>th</sup> May 2014, 14<sup>th</sup> August 2014, 14<sup>th</sup> November 2014 and 12<sup>th</sup> February, 2015. The composition of the Audit Committee and the details of Audit Committee Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Mr. Kulwinder Kumar Nayyar	Chairman	3
Mr. Dileep Shankar Kapre	Member	2
Mr. Shivprasad Shrivastav	Member	4

### 3.2) Nomination & Remuneration Committee:

#### Composition:

The Nomination & Remuneration Committee comprised of Mr. S. P. Jolly as the Chairman, Mr. Shivprasad Shrivastav and Mr. Dileep Shankar Kapre as the Members of the Committee. However, due to the resignation of Mr. S. P. Jolly and Mr. Dileep Shankar Kapre from the Board of the Company, the Committee is reconstituted by the Board at its Meeting held on 17<sup>th</sup> April, 2015 comprising of Mr. Shivprasad Shrivastav as the Chairman, Mr. Jaiprakash Mishra and Mr. Pravin Parekh as the members of the Committee.

The constitution of Nomination & Remuneration Committee meets with the requirements of Section 178 of the Companies Act, 2013 and Clause 49(III)(A) of the Listing Agreement.

#### Terms of reference:

- a. Formulate Remuneration Policy and a policy on Board Diversity
- b. Formulate criteria for evaluation of Directors and the Board.
- c. To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

## K-LIFESTYLE & INDUSTRIES LIMITED

- d. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- e. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate
- f. Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- g. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### Meetings held during the year & Attendance:

During the year 2014-15, the Nomination & Remuneration Committee met 2 times on the following dates namely 14<sup>th</sup> August 2014 and 14<sup>th</sup> November, 2014. The composition of the Nomination & Remuneration Committee and the details of Nomination & Remuneration Committee Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Mr. S.P. Jolly	Chairman	2
Mr. Shivprasad Shrivastav	Member	2
Mr. Dileep Shankar Kapre	Member	1

### Remuneration:

Details of Remuneration paid to Managing Director and Non-Executive Directors for the year 2014-2015 are as follows:

Name	Salary	ComMs.ion	Sitting Fees	Total
Mr. S. P. Jolly(M.D.)	6,00,000	NIL	NIL	6,00,000
Non-Executive Directors	NIL	NIL	3,20,000	3,20,000
TOTAL	6,00,000	NIL	3,20,000	9,20,000

### 3.3) Stakeholder Relationship Committee:

#### Composition:

The Stakeholder Relationship Committee comprised of Mr. Shivprasad Shrivastav as the Chairman, Mr. S. P. Jolly and Mr. Farindra Bihari Bhuneshwar Rai as the members of the Committee. However, due to the resignation of Mr. S. P. Jolly and Mr. Farindra Bihari Bhuneshwar Rai from the Board of the Company, the Committee is reconstituted by the Board at its Meeting held on 17<sup>th</sup> April, 2015 comprising of Mr. Shivprasad Shrivastav as the Chairman, Mr. Jaiprakash Mishra and Mr. Pravin Parekh as the members of the Committee.

In terms of Section 178 (5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Shareholders'/ Investors' Grievance Committee was renamed as Stakeholders Relationship Committee.

#### Terms of reference:

Following are the terms of reference of the Stakeholders Relationship Committee:

- a. Consider and resolve the grievances of the security holders of the Company, including complaints related to transfer of shares, non receipt of annual report, non receipt of declared dividends, etc.
- b. Set forth the policies relating to and to oversee the implementation of the Code of Conduct for Prevention of Insider Trading and to review the concerns received under the Code of Conduct.

The Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with the shares of the Company.

### Meetings held during the year & Attendance:

During the year 2014-15, the Stakeholders Relationship Committee met 4 times on the following dates namely 30<sup>th</sup> May 2014, 14<sup>th</sup> August 2014, 14<sup>th</sup> November 2014 and 12<sup>th</sup> February, 2015. The composition of the Stakeholders Relationship Committee and the details of the Meetings attended by the Members are given hereunder:



Name of Member	Designation	Attendance
Mr. Shivprasad Shrivastav	Chairman	4
Mr. S. P. Jolly	Member	4
Mr. Farindra Bihari Rai	Member	4

No. of Shareholder's Complaint received so far : 19  
 Number solved to the satisfaction of shareholders : 19  
 Number of pending complaints : NIL

**3.4) Management and Finance Committee**

The Management and Finance Committee comprised of Mr. S. P. Jolly as the Chairman, Mr. Shivprasad Shrivastav and Mr. Farindra Bihari Bhuneshwar Rai as the members of the Committee. However, due to the resignation of Mr. S. P. Jolly and Mr. Farindra Bihari Bhuneshwar Rai from the Board of the Company, the Committee is reconstituted by the Board at its Meeting held on 17th April, 2015 comprising of Mr. Shivprasad Shrivastav as the Chairman, Ms. Manasi Wadkar and Mr. Pravin Parekh as the members of the Audit Committee. The Committee is formed to take the decisions and to pass the necessary Resolutions on the day-to-day matters of the Company, on behalf of the Board of Directors.

During the year 2014-15 the Management and Finance Committee met 6 times on the following dates namely 2<sup>nd</sup> June, 2014, 17<sup>th</sup> September, 2014, 20<sup>th</sup> October, 2014, 4<sup>th</sup> December, 2014, 2<sup>nd</sup> March, 2015 and 22<sup>nd</sup> March, 2015. The composition of the Management and Finance Committee and the details of the Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Mr. S. P. Jolly	Chairman	06
Mr. Shivprasad Shrivastav	Member	06
Mr. Farindra Bihari Rai	Member	06

**3.5) Risk Management Committee:**

**Composition:**

The Board of Directors of the Company has constituted the Risk Management Committee at its meeting held on 12th February, 2015. The Committee comprises of Mr. Shivprasad Shrivastav as the Chairman, Mr. S. P. Jolly and Mr. Kulwinder Kumar Nayyar as the members of the Committee. The Committee is formed to review and operate the Risk Management Policy from time to time and to carry out the risk management framework properly.

**Terms of reference:**

Following are the terms of reference of the Risk Management Committee:

- To assist the Board in setting risk strategy policies, including annually agreeing risk tolerance and appetite levels, in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and integrated reporting;
- To ensure that a robust policy and plan for a system of risk management is developed by the Committee itself and approved by the Board;
- To review the processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
- Receive reports from, review with, and provide feedback to the Management on the categories of risk, including credit, market (including funding, liquidity and price risk components), and operational risk, the exposures in each category, significant concentrations within those risk categories, the metrics used to monitor the exposures and Management's views on the acceptable and appropriate levels of those risk exposures.
- Evaluate the adequacy of the Risk Management function, and the qualifications and background of selected senior risk officers.
- Review the qualifications of the senior-level staff of the Risk Management function, and review the adequacy of the staffing of the function to perform its role in appropriate depth and frequency.
- Review the independence and authority of the Risk Management function.

## K-LIFESTYLE & INDUSTRIES LIMITED

- h. Receive information from the Chief Financial Officer and others in Management, independent auditors, regulators and outside experts as appropriate regarding matters related to risk management and the Risk Management function.
- i. In consultation with the Audit Committee, review and discuss with Management, at least annually: the key guidelines and policies governing processes for risk management; and major financial risk exposures and the steps Management has taken to monitor and control such exposures.
- j. Review the adequacy and frequency of risk reporting to the Board.
- k. Perform other activities related to this charter as requested by the Board
- l. Ensure risk management is integrated into board reporting and annual reporting mechanisms.
- m. Participate in major decisions affecting the organization's risk profile

The Committee has not met during the year under review.

#### 4. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under: -

Year	Location	Date	Time
2013-2014	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	19 <sup>th</sup> July, 2014	11:30 A.M.
2012-2013	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	10 <sup>th</sup> August, 2013	11:30 A.M.
2011-2012	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	14 <sup>th</sup> July, 2012	11:30 A.M.

No EGM was held in the last three years.

No other Special Resolutions were passed in the previous three Annual General Meetings held in 2012, 2013 and 2014.

Special Resolutions have been passed through postal ballot on 3<sup>rd</sup> December, 2014.

M/s. S. K. Jain & Co. were the Scrutinizers for the said Postal Ballot.

#### 5. DISCLOSURES

- (a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

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

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

- (c) Disclosure of accounting treatment:

The Company has followed Accounting Standards as applicable and proper explanation has been given in the Financial Statement relating to any treatment different from that prescribed in Accounting Standards.

- (d) Proceeds from Public issues, Right issues, Preferential Issues, etc.

The Company has not raised any money through Public Issues, Right Issues and Preferential Issues etc. during the year under report.

- (e) Remuneration to Directors:

The Company has not paid any remuneration except sitting fees to the Non Executive Directors.

None of the Non Executive Directors of the Company hold any Shares of the Company. The Company has paid a sum of Rs. 6 Lacs as managerial remuneration to Mr. Trivendra Singh, Managing Director of the Company from April 1, 2014 to March 31, 2015.

## 6. MEANS OF COMMUNICATION

- (a) The Company has published its Notice of the Board Meetings, Notice of the Annual General Meeting and Book Closure, Quarterly Financial Results, Half yearly Statement of Assets and Liabilities in the following newspapers:  
Free Press Journal – English; Loksatta-Jansatta-Gujarati.
- (b) Management Discussion and Analysis forms integral part of this Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook, risks and concerns, etc., are discussed in the said report.

## 7. GENERAL SHAREHOLDER INFORMATION

### 7.1) Annual General Meeting:

Date and time	: Saturday 5th September, 2015 at 11.15 a.m.
Venue	: 65, Krishna Nagar, Samarvani, Silvassa (Union Territory of Dadra & Nagar Haveli)

<b>7.2) Financial Year</b>	: 1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Financial Calendar 2015-2016</b>	: Annual General Meeting (Tentative Year-Next August, 2016)

#### Board Meetings:-

Results for the Quarter ending June 30, 2015	: before the 1 <sup>st</sup> week of August, 2015
Results for the Quarter ending September 30, 2015	: before the 2 <sup>nd</sup> week of November, 2015
Results for the Quarter ending December 31, 2015	: before the 2 <sup>nd</sup> week of February, 2016
Results for the year ending March 31, 2016	: Last week of May, 2016

<b>7.3) Book Closure Date</b> (Both days inclusive)	: 30 <sup>th</sup> August, 2015 to 5 <sup>th</sup> September, 2015
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<b>7.4) Dividend Payment Date</b>	: N. A.
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<b>7.5) (a) Listing of Equity Shares</b>	: BSE Limited.
<b>(b) ISIN Numbers</b>	: Equity shares: INE218A01028

<b>7.6) Stock Code</b>	: 514221 (BSE Limited.)
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(Note: Annual listing fees for the year 2015-2016 have been duly paid to BSE Limited, Mumbai)

### 7.7) Stock Market Data:

The shares of the Company are listed with the BSE Limited. The details of the Market Price data i.e., high, low (based on the closing prices) and volume during the financial year 2014-15, is given hereunder:

Month	Open	High (Rs.)	Low (Rs.)	Closing Pr.	No. of Shares
April 2014	0.21	0.28	0.2	0.24	14,50,711
May 2014	0.25	0.33	0.21	0.33	14,06,155
June 2014	0.34	0.49	0.32	0.46	27,23,073
July 2014	0.48	0.48	0.33	0.34	13,70,144
August 2014	0.35	0.39	0.32	0.39	8,87,168
September 2014	0.4	0.55	0.34	0.38	29,31,100
October 2014	0.37	0.39	0.34	0.36	5,94,478
November 2014	0.37	0.4	0.28	0.31	12,24,130
December 2014	0.34	0.39	0.22	0.25	14,79,216
January 2015	0.23	0.33	0.23	0.26	10,15,090
February 2015	0.25	0.28	0.21	0.23	10,74,868
March 2015	0.23	0.24	0.16	0.2	13,30,233

## K-LIFESTYLE & INDUSTRIES LIMITED

### 7.8) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index, etc.

The shares of the Company are listed at BSE Limited, the Stock Market Details of which has been given as above.

**7.9) Registrar & Transfer Agent** : Universal Capital Securities Private Limited  
21, Shakil Nivas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.

Email: info@unisec.in

**7.10) Share Transfer System** : The shares of the Company, being in the compulsory demat list, are transferable through the depository system. All transfers received are processed and approved by the Stakeholder Relationship Committee, which normally meets 4 times in a year. Shares under objection are returned within two weeks.

### 7.11) a) Distribution of Shareholding as on 31<sup>st</sup> March 2015

From	Category	To	Number of Shareholders	Number of Shares held
Upto	–	5000	62,209	10,48,92,470
5001	–	10000	4,982	3,89,75,485
10001	–	20000	1,725	2,63,83,009
20001	–	30000	611	1,56,31,605
30001	–	40000	255	91,28,684
40001	–	50000	211	1,00,13,557
50001	–	100000	344	2,54,87,081
100001	–	Above	338	79,18,71,069
<b>TOTAL</b>			<b>70,675</b>	<b>1,02,23,82,960</b>

### 7.11) b) Shareholding pattern as on 31<sup>st</sup> March 2015

Category	No. of shares held	Percentage of shareholding
1. Promoter's Holding	<b>545838649</b>	53.39
2. Mutual Funds, Banks, Financial Institutions, FIIs, NRIs & OCBs	<b>58405386</b>	5.71
3. Domestic Companies	<b>97074507</b>	9.50
4. Resident Individuals	<b>321064418</b>	31.40
<b>Total</b>	1022382960	100.00

**7.12) a) Dematerialization of Shares** : Approximately 90.69% of the shares issued by the Company has been dematerialized up to 31<sup>st</sup> March 2015.

**b) Liquidity** : The Company's shares are listed on The BSE Limited, Mumbai

**7.13) Outstanding GDRs/ADRs/Warrants:** No such Instrument outstanding  
**or any other Convertible instruments, conversion date and likely impact on Equity**

## ANNUAL REPORT 2014-2015

**7.14) Plant Location** : Bhilad, Silvassa (U.T.), Dombivali

**7.15) (a) Address for Investor**

**Correspondence**

For transfer / dematerialization of shares payment of dividend on shares, interest and redemption of debentures and any other query relating to the shares and debentures of the Company. : Universal Capital Securities Private Limited  
21, Shakil Nivas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.  
Email: info@unisec.in

**Note:** Shareholders holding shares in electronic mode should address their correspondence relating to Demat Account to their respective Depository Participants.

(ii) Any query on Annual Report : Plot No.58A, Dhanudyog Industrial Area, Piperia, Silvassa (U.T.)

**For and Behalf of the Board of Directors**

Sd/-

**Narayan Ghumatkar**

**Director**

**(DIN: 01717979)**

**Place: Mumbai**

**Date: 5<sup>th</sup> August, 2015**

# K-LIFESTYLE & INDUSTRIES LIMITED

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **K-LIFESTYLE & INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **K-LIFESTYLE & INDUSTRIES LIMITED** for the year ended 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

We state that in respect of investors grievances received during the year ended 31<sup>st</sup> March 2015, no investor grievances are pending against the Company as on 5<sup>th</sup> August, 2015, as per the records maintained by the Company and presented to the Share Transfer/Investors' Grievances Committee.

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 A. F. Khasgiwala & Co.**

Chartered Accountants

Sd/-

**A.F. Khasgiwala**

Partner

Membership No. 6491

Firm Registration no. 105114W

**Place: Mumbai**

**Date: 5<sup>th</sup> August, 2015**

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### DECLARATION PURSUANT TO CLAUSE 49(II)(E) REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

I, Jaiprakash Mishra, Managing Director of the K-Lifestyle & Industries Limited, hereby confirm that the Company has adopted the Code of Conduct for its Board Members and Senior Management Personnel.

I confirm that the Company has, in respect of the Financial Year ended 31<sup>st</sup> March, 2015, received from the Senior Management Team of the Company and the Members of the Board, a Declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Executive Directors as on 31<sup>st</sup> March, 2015.

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

Sd/-

**Jaiprakash Mishra**

Managing Director

**Place: Mumbai**

**Date: 5<sup>th</sup> August, 2015**

**CERTIFICATION PURSUANT TO CLAUSE 49(ix) OF THE LISTING AGREEMENT BY THE MANAGING DIRECTOR**

I, Jaiprakash Mishra, Director of the K-Lifestyle & Industries Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of my 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.
3. I accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. I have indicated to the Auditors and to the Audit Committee:
  - a) that there are no significant changes in internal control over financial reporting during the year;
  - b) that there are no significant changes in accounting policies during the year;
  - c) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

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

**Sd/-**

**Jaiprakash Mishra  
Managing Director**

**Place: Mumbai**

**Date: 16<sup>th</sup> May, 2015**

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**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**

The Management of **K-LIFESTYLE & INDUSTRIES LIMITED** presents its Analysis report covering performance and outlook of the Company. The Report has been prepared in compliance with the requirement of Corporate Governance as laid down in the Listing Agreement. The Management accepts responsibility for the integrity and objectivity of the financial statements. However, investors and readers are cautioned that this discussion contains certain forward looking Statements that involve risk and uncertainties.

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation, and the export earnings of the country.

The sector contributes about 14 per cent to industrial production; 4 per cent to the country's gross domestic product (GDP); 27 per cent to export earnings. It is the second largest provider of employment after agriculture and provides direct employment to over 45 million people. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

**MARKET SIZE**

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand.

The most significant change in the Indian textiles industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production recorded an increase of three per cent during the period April-December 2014.

Cotton yarn production increased by four per cent during April-December 2014.. Blended and 100 per cent non-cotton yarn production increased by five per cent during April-December 2014..

## **K-LIFESTYLE & INDUSTRIES LIMITED**

Cloth production by mill sector registered a growth of six per cent during April-December 2014.

Cloth production hosiery sector increased by eight per cent during April-December 2014. Total cloth production grew by two per cent during April-December 2014.

### **INDIAN TEXTILE INDUSTRY: CHANGING PROFILE**

The Indian textile industry has embarked on an ambitious program of modernization and technological up gradation in recent years to transform the textile sector from a state of low technology level to a producer of high technology products. Technological up gradation in India has resulted in:

- A shift from commodity based trading to high value added fashion garments.
- Vertical integration and horizontal consolidation of production process leading to lowering of manufacturing costs.
- Improved productivity gains
- Efficient supply chain management
- Development of Economies of scale

### **INVESTMENTS**

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 1,522.51 million during April 2000 to December 2014

### **OPPORTUNITY AND THREATS**

The textile industry is undergoing a major reorientation towards non-clothing applications of textiles, known as technical textiles, which are growing roughly at twice rate of textiles for clothing applications and now account for more than half of total textile production.

The present global economic scenario provides ample opportunities for strong integrated textile companies such as like your company. Over the years the Company has built up capacities of scale by installing state-of-art production facilities. By reinforcing its position across the value chain and presenting customers with diversified range of products, the company has developed sustainable business model with strength and resilience to combat any down turn in demand.

#### **Strengths:**

- ❖ Self reliant industry producing the entire supply-chain i.e., cotton and fibres.
- ❖ Highly competitive spinning sector.
- ❖ Large and growing domestic market.
- ❖ Second-largest textile producer in the world.
- ❖ Abundant Raw Material availability that helps industry to control costs and reduces the lead-time across the operation;
- ❖ Low labour cost and availability of skilled and technical labour force.
- ❖ Excellence in fabric and garment designing.
- ❖ Vast textile production capacity and efficient multi-fiber raw material manufacturing capacity.
- ❖ Availability of large varieties of cotton fiber and has a fast growing synthetic fiber industry;
- ❖ Promising export potential

#### **Weaknesses:**

- ❖ Small size and technologically outdated plants result in lack of economies scale, low productivity and weak quality control.
- ❖ Cotton availability is vulnerable to erratic monsoon and low per hectare yield.
- ❖ With the exception of spinning, other sectors are fragmented. Sectors such as knitted garments still remaining as a SSI domain
- ❖ Labour laws and policies lack reforms.
- ❖ Infrastructure bottlenecks for handling large volumes.
- ❖ India lacks in trade pact memberships, which leads to restricted access to the other major markets.
- ❖ Huge unorganized and decentralized sector.



## Opportunities:

- ❖ End of quota system and full integration of the textile industry.
- ❖ Low per-capita consumption of textile indicating significant potential growth.
- ❖ Increased use of CAD to develop designing capabilities and for developing greater options.
- ❖ Shift in domestic market towards readymade garments, and domestic textile consumption increasing with growing disposable income.
- ❖ Cheaper production and marketing costs and enormous opportunities have tempted Taiwanese Companies to work on Joint Ventures with the Indian Companies specially for the manufacture of manmade fabrics.

## Threats:

- Survival of the fittest-in term of quality, size delivery and cost. There is an increased global competition in the post 2005 trade regime under WTO.
- Pricing pressures.
- Stiff competition from other Asian countries.
- Increase in regional trade could reduce share of market opened for India, China and other countries.
- High production cost with respect to other Asian competitors.
- 

## GOVERNMENT INITIATIVES

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Some of initiatives taken by the government to further promote the industry are as under:

- Duty free entitlement to garment exporters for import of trimmings, embellishments and other specified items increased from 3 per cent to 5 per cent. This initiative is expected to generate an additional RMG exports estimated at Rs 10,000 crore (US\$ 1.61 billion).
- The government has also proposed to extend 24/7 customs clearance facility at 13 airports and 14 sea ports resulting in faster clearance of import and export cargo.
- The proposal for imposing duty on branded items was dropped providing relief to the entire value chain.
- The Ministry of Textiles has approved a 'Scheme for promoting usage of geotechnical textiles in North East Region (NER)' in order to capitalise on the benefits of geotechnical textiles. The scheme has been approved with a financial outlay of Rs 427 crore (US\$ 69.12 million) for five years from 2014-15.
- The Ministry of Textiles, Government of India plans to enter into an agreement with Flipkart to provide an online platform to handloom weavers to sell their products.
- The foundation stone of the Trade Facilitation Centre and Craft Museum was laid by Mr Narendra Modi, Prime Minister of India at Varanasi.
- Detailed arrangement for purchase of cotton from the farmers by the Cotton Corporation of India Ltd (CCI) under the Minimum Support Price Operation was monitored. 343 purchase centers were finalised in consultation with the State Governments after meetings with officers of CCI and the cotton producing states, resulting in streamlining of operations.
- 

## OUTLOOK

As the industrial and economic growth of the Country is showing steady improvement, the Company has drawn out and is implementing an action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and over-heads, optimizing inventory level, selective credit policy to customers and liquidation of slow-moving inventories and overdue receivables.

The Company with its superior product mix and higher value-addition, coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc., has benefitted significantly during the financial year 2014-2015 and is expected to do the same in the years to come.

## RISK AND CONCERN

There are no Major risk and concern to Company's Operation, however Some of the key issues and concerns analysed in the

## K-LIFESTYLE & INDUSTRIES LIMITED

report are:

1. Fragmented industry.
2. Lower productivity and cost competitiveness.
3. Tech obsolescence. Quality is not consistent.
4. Lac of trained manpower and low labour productivity due to lack of technological development.
5. The export-import policy of India changes too frequently due to which it becomes very difficult for importers to import goods.
6. Inefficient supply chain management
7. Lack of economies of scale and advance processing capabilities.
8. Certain Regional trade blocks and trade agreements can change competitive parameters.

### INTERNAL CONTROL SYSTEM

The Company has been marinating a well-established procedure for internal control system. For the purpose financial control, Company is adequately staffed with experienced and qualified personnel at all levels and play an important role in implementing and monitoring the statutory and Internal policy control environment. There has been a review conducted by M/s. Koshal Gupta & Co., the Internal Auditor, about the financial and operating controls.

The Audit Committee approves and reviews the audit plan for the year based on risk assessment as well as the Company's objectives and strategies. As with any element of business strategy, the key to targeting audit efforts has been to understand the opportunities and risks to the business from a sustainability standpoint.

### FUTURE OPPORTUNITIES

- Favourable demographics in the domestic market; increasing young population coupled with rising income levels.
- Emergence of retail industry as a whole and development of various malls provide huge opportunities for the apparel segment.
- Opportunities in product diversification (for e.g. Technical Textiles).
- Change in consumption pattern, including rising demand for high-quality premium fabrics and development of various products cater to global needs.
- Replacement of the Multi Fibre Agreement (MFA) and integration of the textile industry resulting in huge opportunities for exports. Moreover, gradual development in the technical side of the industry provides an opportunity

### ROAD AHEAD

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

Exchange Rate Used: INR 1 = US\$ 0.016 as on February 26, 2015

**References:** Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau

As the industrial and economic growth of the Country is showing steady improvement, the Company has drawn out and is implementing an action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and over-heads, optimizing inventory level, selective credit policy to customers and liquidation of slow-moving inventories and overdue receivables.

The Company with its superior product mix and higher value-addition, coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc., has benefitted significantly during the financial year 2014-2015 and is expected to do the same in the years to come.

As part of HR-initiatives, thrust is given for Leadership Development to meet the aspirations and long-term goals of the Company. The Company has also laid qualitative objectives to maximize overall growth. Emphasis was placed on building a cohesive

workforce to maximize returns to all stakeholders. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

The focus of Human resource is on building and developing intellectual capital through innovative ideas. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risk and uncertainties. Actual results and trend may differ materially from historical results, depending on variety of factors.

### **FINANCIAL PERFORMANCE VS. OPERATIONAL PERFORMANCE**

During the year, the Revenue from operations of Company has substantially increased to Rs. 73768.87 Lacs as against Rs. 69032.30 Lacs in respect of the previous Financial Year ended 31st March, 2014. The Company has earned during the year Net Loss of Rs. 20,597.83 Lacs as against Net Loss of Rs. 23677.52 Lacs in the previous Financial year ended 31st March, 2014. However, there is no cash loss during the year, the loss is due to heavy burden of Finance Cost and Depreciation

### **DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATION FRONT**

As part of HR-initiatives, thrust is given for Leadership Development to meet the aspirations and long-term goals of the Company. The Company has also laid qualitative objectives to maximize overall growth. Emphasis was placed on building a cohesive workforce to maximize returns to all stakeholders. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

The focus of Human resource is on building and developing intellectual capital through innovative ideas. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

### **CAUTIONARY STATEMENT**

Statements Made in this Report may be “forward looking statements” within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors like changes in economic conditions affecting demand/supply, price conditions in which the Company operates Government regulations, tax laws and other statutes and incidental factors.

# K-LIFESTYLE & INDUSTRIES LIMITED

## INDEPENDENT AUDITORS' REPORT

To the Members of **K-LIFESTYLE & INDUSTRIES LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **K-LIFESTYLE AND INDUSTRIES LIMITED**. ("the Company"), which comprise the Balance Sheet as on 31st March, 2015 the Statement of Profit and Loss for the period 1st April 2014 to 31st March 2015 and the Cash Flow Statement for the period ending, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

The management and Board of Directors of the Company are responsible for the matters stated 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 Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material Ms.tatement, whether due to fraud or error.

### Auditors' Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material Ms.tatement

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material Ms.tatement of the financial statements, whether due to fraud or error. in making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 31st March 2015.
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the period ending on that date: and
- (c) in the case of the Cash Flow Statement, of the Company for the period ending on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we further report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) (g) of the Act.

**For A.F.KHASGIWALA & Co**  
A.F. KHASGIWALA

Sd/-  
Partner

Membership No.:006491  
Firm Reg.No.:105114W

Place : Mumbai

Date :16/05/2015

## BALANCE SHEET AS AT 31ST MARCH , 2015

(Rs.in Lacs)

Particulars	Notes No.	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	10,178.04	10,178.04
(b) Reserves and Surplus	2.2	(15,071.42)	5,526.40
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	2.3	16,169.91	16,083.10
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	2.4	11,627.87	11,661.89
(b) Trade Payables	2.5	13.76	432.97
(c) Other Current Liabilities	2.6	8,859.49	6,987.13
(d) Short-Term Provisions	2.7	4,368.27	4,422.74
<b>Total Equity &amp; Liabilities</b>		<b>36,145.92</b>	<b>55,292.27</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>	2.8		
(i) Tangible Assets			
(i) Gross Block		66,051.62	66,051.62
(ii) Depreciation		46,802.06	41,617.79
(iii) Net Block		19,249.56	24,433.82
Capital work in Progress			
(ii) Intangible Assets			
(iii) Others	2.9	45.00	45.00
(b) Non-current investments	2.10	9,149.28	9,149.28
(c) Deferred tax assets (net)	2.11	3,985.57	3,081.41
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories	2.12	198.86	3,695.03
(c) Trade receivables	2.13	300.69	8,697.64
(d) Cash and cash equivalents	2.14	135.16	157.89
(e) Short-term loans and advances	2.15	3,081.80	6,032.18
(f) Other current assets		-	-
<b>Total Assets</b>		<b>36,145.92</b>	<b>55,292.27</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:**  
The accompanying notes are intergal part of the financial statements

This is the Balance Sheet referred to in our Report of even date.

**FOR A.F.KHASGIWALA & CO**  
**CHARTERED ACCOUNTANTS**

Sd/-  
**A.F.KHASGIWALA**  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

PLACE : MUMBAI  
DATE :16.05.2015

Sd/-  
**SHIVPRASAD SHRIVASTAV**  
(DIRECTOR)  
DIN:01455458

Sd/-  
**NARAYAN RAMCHANDRA GHUMATKAR**  
(DIRECTOR)  
DIN:01717979

Sd/-  
**RAJENDRA PATHAK**  
(CHIEF FINANCIAL OFFICER)

# K-LIFESTYLE & INDUSTRIES LIMITED

## STATEMENT OF PROFIT & LOSS A/C FOR THE PERIOD ENDING 31ST March , 2015

(Rs.in Lacs)

Sr. No	Particulars	Notes No.	Year ending 31.03.2015	Year ending 31.03.2014
I	Revenue from operations	2.16	73,768.87	69,033.49
	<b>I. Total Revenue</b>		<u>73,768.87</u>	<u>69,033.49</u>
II	<b>Expenses:</b>			
	Cost of Sales	2.17	80,467.38	82,263.87
	Finance Cost	2.18	3,349.92	3,595.79
	Depreciation and Amortization Expense	2.19	5,189.41	6,174.29
	Other Administrative Expenses	2.20	6,264.15	1,664.72
	Total Expenses (II)		<u>95,270.86</u>	<u>93,698.67</u>
III	<b>Profit before exceptional and extraordinary items and tax</b>	(I - II)	<u>(21,501.99)</u>	<u>(24,665.18)</u>
IV	Exceptional Items		-	-
V	Profit before extraordinary items and tax		(21,501.99)	(24,665.18)
VI	Extraordinary Items		-	-
VII	Profit before tax		<u>(21,501.99)</u>	<u>(24,665.18)</u>
VIII	<b>Tax expense:</b>			
	(1) Current tax		-	-
	(2) Deferred tax Liabilities/(Assets)		(904.16)	(987.66)
IX	Profit(Loss) from continuing operations		(20,597.83)	(23,677.52)
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discontinuing operations		-	-
XII	Profit/(Loss) from Discontinuing operations		-	-
XIII	Profit/(Loss) for the year		<u>(20,597.83)</u>	<u>(23,677.52)</u>
XIV	Earning per equity share:			
	Equity shares of per value Rs.1/-each			
	(1) Basic		(2.11)	(2.41)
	(1) Diluted		(2.11)	(2.41)
	No. of share used in computing earning per share		1,022,382,960	1,022,382,960

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

The accompanying notes are intergal part of the financial statements

This is the Balance Sheet referred to in our Report of even date.

**FOR A.F.KHASGIWALA & CO**  
**CHARTERED ACCOUNTANTS**

Sd/-  
**A.F.KHASGIWALA**  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

PLACE : MUMBAI  
DATE :16.05.2015

Sd/-  
**SHIVPRASAD SHRIVASTAV**  
(DIRECTOR)  
DIN:01455458

Sd/-  
**NARAYAN RAMCHANDRA GHUMATKAR**  
(DIRECTOR)  
DIN:01717979

Sd/-  
**RAJENDRA PATHAK**  
(CHIEF FINANCIAL OFFICER)

Notes Forming Integral Part of the Balance Sheet as on 31st March,2015

Note : 2.1(a) Share Capital

(Rs.in Lacs)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
1	<b>AUTHORIZED CAPITAL</b> 213,00,00,000 Equity Shares of Rs. 1/- each. (Previous Year 213,00,00,000 Equity Shares of Rs. 1/-each) 1,20,00,000 Redeemable Preference Shares of Rs.10/- each (Previous year 1,20.00,000 Red. Preference Shares of Rs.10/- each)	21,300.00 1,200.00	21,300.00 1,200.00
2	<b>ISSUED &amp; SUBSCRIBED</b> 102,23,82,960 Equity Shares of Rs. 1/- each (Previous Year 102,23,82,960 Equity Shares of Rs. 1/- each)	10,223.82	10,223.82
3	<b>PAID UP CAPITAL</b> 102,23,82,960 Equity Shares of Rs. 1/- each (Previous Year 102,23,82,960 Equity Shares of Rs. 1/- each)	10,178.04	10,178.04
	<b>Total</b>	<b>10,178.04</b>	<b>10,178.04</b>

2.1(b) Details of share holders holding morethan 5 % shares

Name of Shareholders	As on 31st March,2015		As on 31st March,2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Akash Fabrics Pvt. Ltd.	75967420	7.43	75967420	7.43
Delux Polymers Pvt. Ltd.	53090820	5.19	53090820	5.19
Jayshree Petrochemicals Pvt. Ltd.	71741219	7.02	71741219	7.02
Shanti Synthetics & Processors Pvt. Ltd.	83520460	8.17	83520460	8.17
Navin Kumar Tayal	70902100	6.93	70902100	6.93

2.1( c) Reconciliation of Number of Shares Outstanding as at 1st April 2014 and 31st March ,2015 :

EQUITY SHARES :

Particulars	Number	(Rs. in Lacs)
Shares outstanding as at the 1st April,2014	1022382960	10178.04
Add : Shares issued during the period	NIL	NIL
Shares outstanding as at 31 st March ,2015	1022382960	10178.04

Note : 2.2 Reserve & Surplus

(Rs.in Lacs)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
	<b>(a) Reserves</b>		
	General Reserve	15,079.17	15,079.17
	Add:Transfer from Non Convertible Debenture Redemption Reserve	-	-
		15,079.17	15,079.17
	Subsidy	11.45	11.45
	Securities Premium Account	27,873.61	27,873.61
	Capital Reserve	364.23	364.23
	<b>Total (a)</b>	<b>43,328.46</b>	<b>43,328.46</b>
	<b>(b) Surplus</b>		
	Profit & Loss Account		
	Balance brought forward from previous year	(37,802.06)	(14,124.54)
	Add: Net Profit/(Net Loss) for the period	(20,597.83)	(23,677.52)
	<b>Total (b)</b>	<b>(58,399.89)</b>	<b>(37,802.06)</b>
	<b>Total</b>	<b>(15,071.43)</b>	<b>5,526.40</b>

## K-LIFESTYLE & INDUSTRIES LIMITED

### Note : 2.3 Long Term Borrowings

(Rs.in Lacs)

Sr. No Particulars	As at 31.03.2015	As at 31.03.2014
<b>Secured</b>		
Term Loan*		
From Banks	9,636.25	9,549.44
Mortgage Loan**		
From Banks	1,772.63	1,772.63
FITL (Working Capital)***		
From Banks	-	-
Unsecured	4,761.01	4,761.02
<b>Total</b>	<b>16,169.89</b>	<b>16,083.09</b>

\*Secured by 1st Charge on all Fixed Assets both movable & immovable on paripassu basis and Personal guarantee of promoters/directors of the Company.

\*\* Secured by Mortgage of property owned by two relative of directors (Terms of Repayment 5 Years)

\*\*\*Accumulated interest facility under CDR mechanism on Working Capital Loan.

### Note : 2.4 Short Term Borrowings

(Rs.in Lacs)

Sr. No Particulars	As at 31.03.2015	As at 31.03.2014
Secured		
Working Capital Loan*		
From Banks	11,627.87	11,661.89
FITL (Term Loan)**		
From Banks	-	-
<b>Total</b>	<b>11,627.87</b>	<b>11,661.89</b>

\*Secured by first charge on all Current Assets & Second charge on pari passu basis with other banks and personal guarantee of Promoters/Directors

[Terms of Repayment 1 Years (Renewal every year)]

\*\*Accumulated interest facility under CDR mechanism on Term Loan

### Note : 2.5 Trades Payable

(Rs.in Lacs)

Sr. No Particulars	As at 31.03.2015	As at 31.03.2014
1 Sundry Creditors for Material/Supplies	13.76	432.97
<b>Total</b>	<b>13.76</b>	<b>432.97</b>

### Note : 2.6 Other Current Liabilities

(Rs.in Lacs)

Sr. No Particulars	As at 31.03.2015	As at 31.03.2014
1 Interest Accured & due	28.15	34.77
2 Advances received from customers	-	-
3 Other Liabilities	8,831.34	6,952.36
<b>Total</b>	<b>8,859.49</b>	<b>6,987.13</b>

### Note : 2.7 Short Term Provisions

(Rs.in Lacs)

Sr. No Particulars	As at 31.03.2015	As at 31.03.2014
1 outstanding Expenses payable	1,563.75	1,066.03
2 Other Provisions	2,804.52	3,356.71
<b>Total</b>	<b>4,368.27</b>	<b>4,422.74</b>



**NOTE 2.8**

**FIXED ASSETS FOR THE PERIOD ENDING 31-03-2015**

Sr. No.	PARTICULARS	GROSS BLOCK					DEPRECIATION		NET BLOCK	
		AS ON 01.04.2014	ADDITION 4th quarter	ADDITION FOR THE YEAR	DEDUCTION	AS ON 31.03.2015	UP TO 01.04.2014	UP TO 31.03.2015	AS ON 31.03.2015	AS ON 31.03.2014
1	LAND	606.35	0.00	0.00	0.00	606.35	0.00	0.00	606.35	606.35
2	BUILDING	10461.33	0.00	0.00	0.00	10461.33	3385.72	3735.13	6726.20	7075.61
3	PLANT & MACHINERY	54559.20	0.00	0.00	0.00	54559.20	37998.02	42817.57	11741.63	16561.18
4	OFFICE EQUIPMENTS	122.49	0.00	0.00	0.00	122.49	76.98	84.74	37.75	45.51
5	FURNITURE & FIXTURES	72.81	0.00	0.00	0.00	72.81	48.09	52.06	20.75	24.72
6	VEHICLE	59.54	0.00	0.00	0.00	59.54	59.22	59.29	0.26	0.32
7	OFFICE PREMISES	133.90	0.00	0.00	0.00	133.90	30.70	32.89	101.02	103.20
8	AIR CONDITIONERS	18.97	0.00	0.00	0.00	18.97	14.40	15.60	3.37	4.57
9	RESIDENTIAL FLAT	17.02	0.00	0.00	0.00	17.02	4.51	4.78	12.24	12.52
10	ELEVATOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>TOTAL</b>	<b>66051.62</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>66051.62</b>	<b>41617.64</b>	<b>46802.06</b>	<b>19249.56</b>	<b>24433.96</b>
	Capital WIP	0.00	42.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>TOTAL</b>	<b>66051.62</b>	<b>42.60</b>	<b>0.00</b>	<b>0.00</b>	<b>66051.62</b>	<b>41617.64</b>	<b>46802.06</b>	<b>19249.56</b>	<b>24433.96</b>

**Notes Forming Integral Part of the Balance Sheet as on 31st March , 2015**

**Note : 2.9 Miscellaneous Expenditure**

(Rs.in Lacs)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
1	(To the extent not adjusted or written off) Deferred revenue Expenditure	45.00	45.00
	<b>Total</b>	<b>45.00</b>	<b>45.00</b>

**Note : 2.10 Non Current Investment**

(Rs.in Lacs)

Sr. No	Particulars	No.of share	As at 31.03.2015	As at 31.03.2014
	(a) Investment in Equity Instruments ;			
	(i) Quoted Shares			
	(ii)Unquoted Shares (In Associate Companies)			
	Krishna Knitwear Technology Ltd.of Rs.10/- each fully paid up	36298756	6,929.88	6,929.88
	Giriganga Investment Pvt.Ltd of Rs.100/- each fully paid up	210	0.21	0.21
	(b) Investment in Preference Shares ;			
	Actif Corporation Ltd. of Rs.100/- each fully paid up	2219000	2,219.00	2,219.00
	Giriganga Investment Pvt.Ltd of Rs.100/- each fully paid up	190	0.19	0.19
	<b>Total</b>	<b>38,518,156</b>	<b>9,149.28</b>	<b>9,149.28</b>

Aggregate Book Value of Quoted Investments	0.00	0.00
Aggregate Market Value of Quoted Investments	0.00	0.00
Aggregate Book Value of Unquoted Investments	6,929.88	6,929.88

# K-LIFESTYLE & INDUSTRIES LIMITED

## Notes Forming Integral Part of the Balance Sheet as on 31st Marc,2015

### Note : 2.11 Differed Tax Liabilities/Assets

(Rs.in Lacs)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
	Differed Tax Assets : Depreciation on Fixed Assets	3,985.57	3,081.41
	<b>Total</b>	<b>3,985.57</b>	<b>3,081.41</b>

### Note : 2.12 Inventories

(Rs.in Lacs)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
1	Raw Material	26.57	2,367.23
2	Work-in-Progress	76.94	568.00
3	Finished Goods	93.55	732.97
4	Consumables	1.80	26.83
	<b>Total</b>	<b>198.86</b>	<b>3,695.03</b>

### Note : 2.13 Trade Recievables

(Rs.in Lacs)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
<b>1</b>	<b>Outstanding for more than six months</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	84.24	105.33
	c) Doubtful	-	-
<b>2</b>	<b>Others</b>		
	a) Secured, Considered Good :	216.45	8,592.31
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	<b>Total</b>	<b>300.69</b>	<b>8,697.64</b>

### Note : 2.14 Cash & Cash Equivalent

(Rs.in Lacs)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
	<b>(a) Cash-in-Hand</b>		
	Cash Balance	12.31	33.56
	<b>Sub Total (a)</b>	<b>12.31</b>	<b>33.56</b>
	<b>(b) Bank Balance</b>		
	In Current Account	101.15	102.63
	Sub Total (b)	101.15	102.63
	(c)Fixed Deposit	21.70	21.70
	Sub Total (c)	21.70	21.70
	<b>Total [ A + B +C ]</b>	<b>135.16</b>	<b>157.89</b>

### Note :2.15 Short Terms Loans and Advances

(Rs.in Lacs)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
<b>1</b>	<b>Others</b>	1,401.32	4,322.06
	Advance Recoverable in cash or in kind or for value to be considered good		
<b>2</b>	<b>Subsidiary receivable</b>	1,680.47	1,710.13
	<b>Total</b>	<b>3,081.80</b>	<b>6,032.19</b>

Notes Forming Part of the Statement of Profit & Loss Accounts for the year ending 31st March, 2015

Note : 2.16 Revenue from Operations

(Rs.in Lacs)

Sr. No Particulars	Year ending 31.03.2015	Year ending 31.03.2014
(a) sale of Product :	58,539.67	69,032.30
Less : Rebate/Discount	-	-
(b) Sales of Rejected Material	15,223.20	-
	73,762.87	69,032.30
(c) Sale of Services :	-	1.19
(d) other Income :	6.00	-
	-	-
<b>Total</b>	<b>73,768.87</b>	<b>69,033.49</b>

Note : 2.17 Cost of Sales

(Rs.in Lacs)

Sr. No Particulars	Year ending 31.03.2015	Year ending 31.03.2014
<b>a) MATERIALS AND GOODS CONSUMED</b>		
Opening Stock	2,367.23	9,239.21
Add : Purchases	62,330.30	52,007.80
	64,697.53	61,247.01
Less : Closing Stock	26.57	2,367.23
<b>Raw Material Consumed</b>	<b>64,670.96</b>	<b>58,879.78</b>
<b>b) Change in inventories</b>		
Opening Stock :		
Finished goods	732.97	1,097.38
Stores & Consumables	26.83	13.28
Work in progress	568.00	2,437.37
<b>Total (i)</b>	<b>1,327.80</b>	<b>3,548.03</b>
Closing Stock :		
Finished goods	93.55	732.97
Stores & Consumables	1.80	26.83
Work in progress	76.94	568.00
<b>Total (ii)</b>	<b>172.29</b>	<b>1,327.80</b>
<b>Sub total (b)(i-ii)</b>	<b>1,155.51</b>	<b>2,220.23</b>
<b>c) DIRECT/PRODUCTIONS EXPENSES</b>		
Power & Fuel	7,224.50	10,056.64
Oil, Lubricants, Dyes & Chemicals Consumed	44.97	854.99
Labour & Processing Charges	4,616.27	8,038.05
Packing Material Consumed	0.56	55.71
Machinery Spare Parts & Repairs	0.48	2.96
Repairs -Electricals & others	2,667.12	2,039.39
Factory Rent	1.56	1.56
Loss on sale of Machinery	-	0.60
Water Charges	85.45	113.96
<b>Sub total ( c)</b>	<b>14,640.91</b>	<b>21,163.86</b>
<b>Total (a+b+c)</b>	<b>80,467.38</b>	<b>82,263.87</b>

## K-LIFESTYLE & INDUSTRIES LIMITED

### Notes Forming Part of the Statement of Profit & Loss Accounts for the year ending 31st March, 2015

#### Schedule : 2.18 FINANCE COST

(Rs.in Lacs)

Sr. No Particulars	Year ending 31.03.2015	Year ending 31.03.2014
Interest Cost	3,349.82	3,594.72
Bank Charges & Other borrowing cost	0.10	1.07
<b>Total</b>	<b>3,349.92</b>	<b>3,595.79</b>

#### Schedule : 2.19 Depreciation & Amortization Expenses

(Rs.in Lacs)

Sr. No Particulars	Year ending 31.03.2015	Year ending 31.03.2014
Depreciation	5,184.41	6,169.29
Miscellaneous Expenses Write Off	5.00	5.00
<b>Total</b>	<b>5,189.41</b>	<b>6,174.29</b>

#### Schedule : 2.20 Other Administrative Expenses

(Rs.in Lacs)

Sr. No Particulars	Year ending 31.03.2015	Year ending 31.03.2014
Advertisement Expenses	99.77	0.75
Auditors Fees	1.01	1.01
Directors Remuneration	6.00	6.00
Directors Sitting Fees	3.20	3.70
Discount	11.50	-
Electrical Exp	2.09	3.31
General & Misc Expenses	1.66	6.38
Insurance Charges	3.00	15.32
Legal,Professional & Consultancy Charges	19.18	12.09
Listing Fees	1.90	1.43
Motor Car Expenses	0.85	1.44
Postage & Telegram	0.01	0.14
Printing & Stationery	99.72	1.81
Registration & filling Fees	1.93	2.23
Rent,Rates and Taxes	6.06	8.69
Repairs & Maintenance - Building	99.00	301.00
Repairs & Maintenance - Computer	0.25	101.00
Salary & Staff Welfare Expenses	5,300.24	559.11
Sales Promotion Expenses	58.77	0.69
Telephone Charges	0.05	201.00
Transportation Charges	389.21	332.05
Travelling & Conveyance	158.75	105.57
<b>Total</b>	<b>6,264.15</b>	<b>1,664.72</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**1) SIGNIFICANT ACCOUNTING POLICIES :**

**1.1 Accounting Concepts:**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles (“GAAP”), and in compliance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Companies Act, 2013

The preparation of financial statements in conformity with Indian GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets etc. Actual results could differ from these estimates.

**1.2 Fixed Assets :-**

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all identifiable expenditure to bring the assets to its present location and condition

**1.3 Inventories:-**

Inventories are valued at cost or net realizable value, whichever is lower.

**1.4 Depreciation:-**

Depreciation on Fixed Assets has been provided at Straight Line Method and at the rates prescribed in schedule XIV of the companies Act, 2013.

**1.5 Revenue Recognition :-**

Revenue on sale of products is recognized when the products are dispatched to customers,

**1.6 Expenses Recognition:-**

Expenses are charged to revenue on accrual basis.

**2.18) NOTES ON ACCOUNTS :**

<b>a Auditors Remuneration</b>	<b>31-03-15</b>	<b>31-03-14</b>
	Rs.	Rs.
i) As Auditors	95506.00	95506.00
ii) In other capacity other matter	Nil	Nil
<b>Total</b>	<b>95506.00</b>	<b>95506.00</b>
<b>b. Managing Directors Remuneration</b>	<b>6.00 Lacs</b>	<b>6.00 Lacs</b>
<b>c</b> Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.		
<b>d.</b> There is no payment due to small scale industries.		
<b>e.</b> Deferred tax Assets / Liabilities has been provided in a accordance with the Accounting Standard-22 – “Accounting for taxes on income” issued by the ICAI applicable with effect from 1st April 2001.The Deferred tax Assets/ (Liabilities) as on 31st March, 2015 amounting to 3985.57 Lacs is the tax on the difference between the book depreciation and tax depreciation.		
<b>g.</b> Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business.		
<b>h.</b> The figures of the previous year are regrouped / rearranged whenever necessary to correspond with current year figure.		
<b>i.</b> 1.. AS-18 Related Party Disclosure: Nil		
2. Other parties with whom the company has entered into transaction during the year.		
i) Associates where key management personnel and their relatives have significant influence;- Nil		

## K-LIFESTYLE & INDUSTRIES LIMITED

ii) Key Management Personnel:- Shivpratap Sitaram Jolly (Managing Director)

iii) Relative of Key Management Personnel:- Nil

j.a	Value of Imports of CIF basis in respect of:	2014-2015	2013-2014
	Capital Goods	Nil	Nil
	Stores & Spares	Nil	Nil
b	Expenditure in Foreign Currency on Account Of:		
	Interest in rupee on foreign Currency	Nil	Nil
	Loans payable		
c.	F.O.B. Value of Exports	Nil	Nil.

### k. Contingent Liabilities and Commitments (to the extent not provided for) :

(Rs.in Lacs)

Particular	As at 31st March 2015	As at 31st March 2014
<b>(i) Contingent Liabilities :</b>		
(a) Claims against the company not acknowledge as debt		
(b) Guarantees		
(i) Bank Guarantee		
(ii) Corporate Guarantee Given :		
(c ) Other money for which the company is contingently liable :	12895.00	12895.00
	2013	550.00

### As per Our Report of Even Date

FOR A.F.KHASGIWALA & CO  
CHARTERED ACCOUNTANTS

Sd/-  
A.F.KHASGIWALA  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

PLACE : MUMBAI  
DATE :16.05.2015

Sd/-  
SHIVPRASAD SHRIVASTAV  
(DIRECTOR)  
DIN:01455458

Sd/-  
NARAYAN RAMCHANDRA GHUMATKAR  
(DIRECTOR)  
DIN:01717979

Sd/-  
RAJENDRA PATHAK  
(CHIEF FINANCIAL OFFICER)

## CASH FLOW STATEMENT AS AT 31st MARCH,2015

Rs.in Lacs

	PARTICULARS	2014-2015	2013-2014
<b>I</b>	<b>CASH INFLOWS</b>		
	From Operating activities		
	( a )Profit from operating activities		
	Adjustments :		
	Depreciation and amortization	5184.26	6174.29
	( b ) Working capital changes :		
	Decrease in other current assets	0.00	
	Decrease in inventories	3496.17	9092.21
	Decrease in trade receivable	8396.95	545.33
	Increase in trade payables	0.00	0.00
	Increase in other current liabilities	1872.35	5756.30
	Increase in provisions	0.00	3374.09
	<b>Total of ( 1 )</b>	<b>18949.73</b>	<b>24942.22</b>
<b>(2)</b>	<b>From Investing activities</b>		
	(a) Proceeds from sale of fixed assets		378.74
	(b) Proceeds from sale of investments		
	(c) Realisation of long-term loans and advances from subsidiaries / associates / business ventures		
	(d) Decrease in other long-term loans and advances	2950.39	10.70
	(e) Decrease in other non-current assets		
	(f) Dividend received		
	(g) Interest received		
	(h) Other income		
	<b>Total of ( 2 )</b>	<b>2950.39</b>	<b>389.44</b>
<b>(3)</b>	<b>From Financing activities</b>		
	(a) Proceeds from issue of share capital		
	(b) Share application money pending allotment		
	(c) Proceeds from long-term borrowings	86.81	39.35
	(d) Proceeds from short-term borrowings	0.00	0.00
	<b>Total of ( 3 )</b>	<b>86.81</b>	<b>39.35</b>
	<b>Total cash inflows ( 1+2+3 )</b>	<b>21986.93</b>	<b>25371.01</b>
<b>II</b>	<b>CASH OUTFLOWS</b>		
	From Operating activities		
	( a )Loss from operating activities	20597.82	24665.18
	Adjustments :		
	Depreciation and amortization		
	( b ) Working capital changes :		
	Increase in inventories		
	Increase in trade receivables		
	Increase in short-term loans and advances		
	Increase in other current assets	904.16	0.00
	Decrease in trade payables	419.22	19.99
	Decrease in other current liabilities		
	Decrease in provisions	54.47	0.00
	( c ) Direct taxes paid (Net of refunds)		
	<b>Total of ( 1 )</b>	<b>21975.67</b>	<b>24685.17</b>

## K-LIFESTYLE & INDUSTRIES LIMITED

(2)	<b>From Investing activities</b>		
	(a) Purchase of tangible assets / capital work -in-progress		
	(b) Purchase of intangible assets /assets under development		
	(c) Purchase of investments	0.00	0.40
	(d) Investment in subsidiaries / associates / business ventures		
	(e) Payment of long-term loans and advances to subsidiaries / associates / business ventures		
	(f) Increase in other long-term loans and advances		
	(g) Increase in other non-current assets		
	<b>Total of ( 2 )</b>	<b>0.00</b>	<b>0.40</b>
(3)	<b>From Financing activities</b>		
	(a) Repayment of long-term borrowings	0.00	0.00
	(b) Repayment of short-term borrowings	34.02	680.23
	(c) Dividends paid (including distribution tax )		
	(d) Interest and other finance costs		
	(e) Share issue expenses		
	<b>Total of ( 3 )</b>	<b>34.02</b>	<b>680.23</b>
	<b>Total cash inflows ( 1+2+3 )</b>	<b>22009.69</b>	<b>25365.80</b>
III	<b>Net (decrease) / increase in cash and cash equivalents ( 1 - II )</b>	<b>(22.75)</b>	<b>5.21</b>
	Add : Cash and cash equivalents at the beginning of the period	157.89	152.68
IV	Cash and cash equivalents at the end of the period	135.16	157.89

**FOR A.F.KHASGIWALA & CO  
CHARTERED ACCOUNTANTS**

Sd/-  
**A.F.KHASGIWALA**  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

**PLACE : MUMBAI  
DATE :16.05.2015**

Sd/-  
**SHIVPRASAD SHRIVASTAV**  
(DIRECTOR)  
DIN:01455458

Sd/-  
**NARAYAN RAMCHANDRA GHUMATKAR**  
(DIRECTOR)  
DIN:01717979

Sd/-  
**RAJENDRA PATHAK**  
(CHIEF FINANCIAL OFFICER)

### AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of K-Lifestyle & Industries Limited For the period ending 31st March,2015. The Statement has been prepared by the company in accordance with the requirements of Listing Agreement Clause 32 with various Stock Exchanges and is based on and is in Agreement with the corresponding Statement of Profit and Loss Balance Sheet of the company by our report to the members of the company.

**For A.F.KHASGIWALA & CO.**  
**Chartered Accountants**  
Sd/-  
**A.F.Khasgiwala**  
Partner  
Membership no.6491  
Firm Regn No.105114W

Place : Mumbai  
Date :16/05/2015



**ATTENDANCE SLIP**  
**K-LIFESTYLE & INDUSTRIES LIMITED**

CIN : L74999DN1987PLC000035

Registered Office: Plot No.58-A, Danu Udyog Industrial Area, Piperia, Silvassa (U.T.)

(Please complete this slip and hand it over at the entrance of the Meeting Hall)

(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

**28TH ANNUAL GENERAL MEETING**

Member's Name (in capital letters) .....

Folio No. .... No. of Shares held .....

DP ID*	
--------	--

Client ID*	
------------	--

I hereby record my presence at the 28th Annual General Meeting of the Members of the Company being held on Saturday, 5th September, 2015 at 11:15 a.m. at 65, Krishna Nagar, Samarvani, Silvassa, (U.T.).

\_\_\_\_\_  
Signature of the Shareholder or Proxy

\* Applicable for investors holding shares in electronic form

----- CUT HERE -----

**PROXY FORM**  
**K-LIFESTYLE & INDUSTRIES LIMITED**

CIN : L74999DN1987PLC000035

Registered Office: Plot No.58-A, Danu Udyog Industrial Area, Piperia, Silvassa (U.T.)

DP ID*	
--------	--

Regd. Folio No.	
-----------------	--

Client ID*	
------------	--

I/We ..... of.....

..... being a member/members of the Company, hereby appoint .....

..... of..... in the District

of ..... or failing him.....

of ..... in the District of.....

as my/our Proxy to vote for me/us on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company to be held on Saturday 5th September, 2015 at 11.15 a.m. of at any adjournment thereof.

Signed this ..... Day of ..... 2015

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

\* Applicable for investors holding shares in electronic form.

**Note:** The Proxy form duly completed and signed must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.