







FORM A



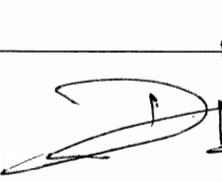

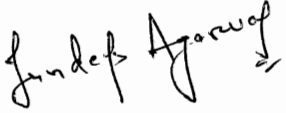
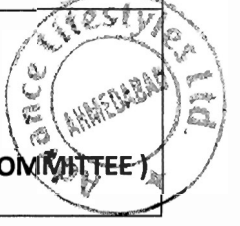
Format of covering letter of the Annual Report to be filed with Stock Exchange

1	Name of the Company	ADVANCE LIFESTYLES LIMITED (SCRIP CODE-521048)
2	Annual Financial Statements for the Year ended	31 st March, 2014
3	Type of Audit Observation	No specific Observation
4	Frequency of Observation	Not Applicable
5	To be signed by-	
	CEO/MANAGING DIRECTOR	 (SUNDEEP AGARWAL-DIRECTOR) 
	CFO	
	Auditor of the Company	 
	Audit Committee Chairman	 (SUNDEEP AGARWAL-AUDIT COMMITTEE MEMBER) 

6 April 2014

FORM B

Format of covering letter of the Annual Report to be filed with Stock Exchange

1	Name of the Company	ADVANCE LIFESTYLES LIMITED (SCRIP CODE-521048)
2	Annual Financial Statements for the Year ended	31 st March, 2014
3	Type of Audit Qualification	No Qualification
4	Frequency of Qualification	Not Applicable
5	To be signed by-	
	CEO/MANAGING DIRECTOR	  (SUNDEEP AGARWAL-DIRECTOR)
	CFO	
	Auditor of the Company	 
	Audit Committee Chairman	  (SUNDEEP AGARWAL-MEMBER-AUDIT COMMITTEE)

5 SEP 2014

5 SEP 2014

25th ANNUAL REPORT
2013-2014

ADVANCE LIFESTYLES LIMITED

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

AHMEDABAD - 380004

BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR PHULCHAND AGARWAL

INDEPENDENT NON EXECUTIVE
DIRECTORS

S. SRINIVASAN

M.S. BHARDWAJ (*upto 11.02.2014*)

DIRECTOR

SUNDEEP AGARWAL

BANKERS

CORPORATION BANK
ING VYSYA BANK LIMITED
KOTAK MAHINDRA BANK

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

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

<u>CONTENTS</u>	<u>PAGE NO.</u>
❖ NOTICE	1 - 12
❖ DIRECTORS' REPORT	13 - 23
❖ REPORT ON CORPORATE GOVERNANCE	24 - 35
❖ SHAREHOLDER INFORMATION	36 – 39
❖ C E O CERTIFICATION	40
 <u>STANDALONE ACCOUNTS – ADVANCE LIFESTYLES LIMITED</u>	
❖ AUDITORS' REPORT ON ACCOUNTS	41 - 45
❖ BALANCE SHEET	46
❖ PROFIT AND LOSS ACCOUNT	47
❖ CASH FLOW STATEMENT	48
❖ SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT	49 - 57
❖ SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	58 - 68
 <u>SUBSIDIARY ACCOUNTS</u>	
❖ STATEMENT UNDER SECTION 212	69
❖ CONSOLIDATED STATEMENT OF SUBSIDIARY COMPANIES	69
 <u>CONSOLIDATED ACCOUNTS</u>	
❖ AUDITORS' REPORT ON CONSOLIDATED ACCOUNTS	70 - 71
❖ CONSOLIDATED ACCOUNTS	72 - 87
❖ SIGNIFICANT ACCOUNTING POLICIES & NOTES ON CONSOLIDATED ACCOUNTS	88 - 97
❖ PROXY FORM AND ATTENDANCE SLIP	98 - 100

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of Advance Lifestyles Limited will be held on Tuesday, 30th September, 2014 at 11.00 a.m. at Advance Business Park, Opp Swaminarayan Temple, Shahibaug Road, Ahmedabad - 380 004 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Sundeep B Agarwal (DIN: 03168111) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification (s), the following resolution
as an Ordinary Resolution:

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

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri S Srinivasan (DIN: 00031845), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act 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 three consecutive years for a term upto the conclusion of Annual General Meeting that may be held for the financial year ending 31st March, 2017.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution **as a Special Resolution:**

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and corresponding applicable provisions of Companies Act, 1956 and applicable schedule(s) there under and subject to such sanctions and approvals as may be necessary, consent be and is hereby granted for the reappointment of Shri Phulchand Agarwal (DIN 00026741) as Managing Director, liable to retire by rotation, for a further period of 5 years commencing from the 31.10.2014.

RESOLVED FURTHER THAT in view of the losses, he will not draw any remuneration from the Company, and if any remuneration becomes payable, the same will be governed by the limits prescribed under Section II of Part II of the Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as are expedient, required and necessary to implement this decision.”

6. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Members of the Company be and is hereby accorded to the board of directors of the Company to mortgage and/or charge any immovable and movable properties, both present and future, of the whole or substantially the whole of the undertaking or undertakings of the Company for the purpose of securing: (i) any loan availed or obtained from any banks, companies, body corporates, financial institutions, mutual funds or other lending institutions, firms or person (s); and/or (ii) any debentures whether convertible or non-convertible which may be issued and/or allotted from time to time to any of the aforesaid or to the shareholders or to any other person (s) together with interest, cost, charges, expenses and any other money payable by the Company for an aggregate nominal value not exceeding Rs.300 Crores (Rupees Three Hundred Crores), i.e. the amount which the board is authorized to borrow in accordance with the resolution proposed to be passed by the members of the Company under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013.

RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorized to take all such other steps as may be necessary or desirable to give effect to this resolution.”

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

“RESOLVED THAT in supersession of all earlier resolutions passed in this regard and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the applicable provisions of the Companies Act, 1956, if any (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted or to be constituted to exercise its powers including the powers conferred by this resolution) for borrowing any sum or sums of money from time to time from any one or more of the Company’s bankers and/or financial or investment institutions and/or from anyone or more other persons, firms, companies, whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets and properties whether movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount upto which the moneys may be borrowed by the Board and outstanding at any time shall not exceed the sum of Rs.300 crores (Rupees Three Hundred Crores only) exclusive of interest.

RESOLVED FURTHER THAT the Board of Directors are hereby further authorised to execute such deeds of debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Board may think fit and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

8. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter

referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any subsidiary companies and / or give any guarantee or provide security in connection with a loan to any subsidiary company (ies) and / or acquire by way of subscription, purchase or otherwise, the securities of any subsidiary company (ies) upto an aggregate amount not exceeding Rs. 300 crore notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate.

9. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution:**

“**RESOLVED THAT** the consent of the Company be and is hereby accorded to the transactions to be entered or already entered into by the Company with the related parties under Section 188 of the Companies Act, 2013, rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and any other applicable provisions.

RESOLVED FURTHER THAT the above approval is given notwithstanding that the total amount of transactions to be entered either individually or cumulatively may increase the net worth or paid up share capital and reserves to enter into related party transaction is given notwithstanding the fact that the transactions may or may not be done at Arm’s Length price.”

For and on behalf of the Board

Sd/-

Sundeep Agarwal
DIRECTOR
DIN-03168111

Place : Ahmedabad
Date : 14-08-2014

Regd. Office:
F F 21-22, Advance Plaza,
Outside Delhi Gate,
Shahibag Road,
Ahmedabad - 380 0049 Gujarat, India
CIN- L17110GJ1988PLC011139

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER.**
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. **THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
4. As per clause 49 of the listing agreement(s), information regarding appointment / re-appointment of directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business to be transacted are annexed hereto.
5. The Register of members and share transfer books of the Company will remain closed from 23rd Septemebr, 2014 to 30th September, 2014 (both days inclusive) for the purpose of 25th Annual General Meeting.
6. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
7. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days between 11.00 a.m to 1.00 p.m prior to date of Annual General Meeting.
8. Members are requested to bring their copy of Annual Report at the meeting.
9. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

Details required to be furnished in terms of Clause no. 49 of the Listing Agreement with the Stock Exchange relating to the Corporate Governance in respect of the Directors being proposed for re-appointment at the ensuing Annual General Meeting of the Company, are given hereunder:

Shri S. Srinivasan

Shri S Srinivasan is 67 Years old. He is a Director of the Company since 2007.

Shri S Srinivasan is Post Graduate in Business Management from IIM, Kolkatta. He retired as a Chief General Manager from IDBI Bank. He had also served as joint Managing Director of Stock Holding Corporation of India Ltd (SHCIL). He has experience in Finance and Business Development, particularly in handling credit portfolio to varied Clients from small scale units to large sector investors. He had also been a Director of some of the Companies.

He is Chairman of the Audit Committee / Remuneration Committee. He is not Director of any other Public Limited Company. He does not hold any Shares in the Company.

Shri Sundeep B Agarwal

Shri Sundeep Agarwal, aged 40 years, Indian National, is a B.Com (Hons.), CA, CS and CFA with over 16 years of experience including 6 years in the Real Estate Sector. He is Director with the Company since January-2013.

Shri Sundeep Agarwal has a keen acumen for Business Development with a pronounced skill for resolving issues related to Government Policy and procedure, of which he has a deep understanding. Shri Sundeep has provided effective leadership and is on Board of many other Companies besides an Executive in a Real Estate Company.

He is a member of Audit Committee/Remuneration Committee and Stakeholders Committee of this Company. He does not hold any Shares in the Company.

Shri Phulchand Agarwal:

Shri Phulchand Agarwal is a promoter Director of Advance Lifestyles Limited and was lastly appointed as Managing Director with effect from 31.10.2009. Shri Phulchand Agarwal is in business for more than sixty years. He is also a Promoter Director of Phulchand Exports Limited, an organization which has presence in various sectors across the globe.

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

He is a member of Audit Committee/Remuneration Committee and Chairman of Stakeholders Committee of this Company. He is not Director of any other Public Limited Company. He holds 10,52,855 Equity Shares of the Company.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to items no. 4 to 8 contained in the accompanying Notice dated 14th August, 2014.

In respect of Item No. 4

The Company had, pursuant to the provisions and in compliance with the requirements of the clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Shri S Srinivasan as Independent Director in 2007.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from 1st April, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (to come into force w.e.f. 1st October, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Director is proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this Annual General Meeting.

Shri S Srinivasan, Independent Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Shri S Srinivasan fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and he is independent of the management.

Shri S Srinivasan is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri S Srinivasan for the office of Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of this director as Independent Director is now being placed before the Members for their approval.

Due to the present financial position of the Company, no other remuneration is proposed to be paid at present except the Fees for attending the Meetings of Board of Directors / Committee. A draft of the Appointment Letter to be issued to Mr S Srinivasan is available for inspection of Members during 11.00 am to 1.00 pm on any working day at the Regd. Office of the Company till the date of Annual General Meeting.

The period of office of Shri S Srinivasan will further be subject to his compliance with the requirements as prescribed under the Act with regard to an Independent Director and such other provisions as may be applicable, if any, from time to time, and further during the tenure of appointment, the said Independent Director shall not be liable to retire by rotation pursuant to Section 152 of the Act.”.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri S Srinivasan as an Independent Director. The Board of Directors recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel, is, in anyway, concerned or interested in the above resolutions, except Shri Srinivasan himself.

In respect of Item No. 5

The Ministry of Corporate Affairs (MCA) vide its Notification No. S.O. 902 (E) dated 26th March, 2014 has notified Section 203 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, which inter alia state that-

For a Company with Paid up Capital of Rs.10.00 Crores or above OR a Listed Company it is mandatory to have a whole time Key Managerial Personnel (KMP) i.e. Managing Director or Chief Executive Officer or Manager and in their absence, a whole time director;

The maximum age limit at the time of appointment is 70 years, however, if the age of the incumbent is more than 70 years, a Special Resolution is required to be passed with necessary clarification is to be incorporated in Explanatory Statement.

In view of the above, it is submitted that since the Company is a Listed Company, it must have a Managing Director or a Manager.

Shri Phulchand Agarwal is promoter and Managing Director of the Company. The term of Shri Phulchand Agarwal as the Managing Director of the Company would end on the 30.10.2014. The terms of re-appointment have been recommended by the Remuneration Committee at its meeting held on 14th August, 2014. The Board of Directors ("the Board") at its meeting held on 14th August, 2014 had considered and approved his reappointment for a period of further 5 years w.e.f the 31.10.2014. The Board at the said meeting also decided that in view of loss, he will not draw any remuneration however, if any remuneration would be there, it will be in accordance with and within the permissible limits of Schedule XIII and applicable provisions of the Companies Act, 1956 and corresponding provisions under Schedule V and applicable provisions of the Companies Act, 2013.

A copy of memorandum containing terms of appointment of Shri Phulchand Agarwal shall be open to inspection by any member of the Company without payment of any fee at the registered office of the Company.

Shri Phulchand Agarwal is a Promoter Director and this appointment is being made to comply with the provisions of the Companies Act, 2013 read with the Rules framed thereunder. The Board seeks your approval, to this Special Resolution, so that Shri Phulchand Agarwal can act as Chairman as well as the Managing Director of the Company.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed Resolution except, Shri Phulchand Agarwal, himself.

In respect of Item No. 6 & 7

As per Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the Company and its free reserve requires approval from the shareholders of the Company by way of Special Resolution. Section 180 (1) (a) accordingly authorizes the Board to mortgage etc. the property of the Company for such borrowings.

Members of the Company at its earlier Annual General Meeting held had authorised by an Ordinary Resolution to the Board under Section 293(1)(d) of the Companies Act, 1956 to borrow monies upto R 300 crores.

As you are aware, Section 180 of the Companies Act, 2013 has been notified with effect from 12th September, 2013 in place of corresponding Section 293 of the Companies Act, 1956. This new Section requires approval of the members by Special Resolution as against Ordinary Resolution under earlier Section.

In view of the above, Directors seek approval from shareholders for the borrowing powers / mortgaging the property in terms of Section 180(1)(c) and 180(1) (a) of the Companies Act, 2013.

The Directors accordingly recommend the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

In respect of Item No. 8

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if a special resolution is passed by the members of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure , this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing loans or give guarantee or provide security in connection with loans to subsidiary companies for an amount not exceeding Rs. 300 crore.

The investment (s), loan (s), guarantee (s) and security (ies), as the case may be, will be made in accordance with the applicable provisions of the Companies Act,2013 and relevant rules made there under. These investments are proposed to be made out of own/ surplus funds/internal accruals and or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives.

The Board accordingly recommends to pass the Special resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution except as members.

In respect of Item No. 9

The Company many a time have to enter into transactions with related parties during the course of business. As a practice, your Board of Directors always concludes such transactions at arm length's price, so that the Company does not suffer any loss on account of such transactions. But as a measure of good corporate governance, your Board of Directors propose to obtain permission from the Members for entering into all the related party transactions. None of the directors and key managerial personnel and their relatives is in any way interested or concerned in passing the aforesaid resolutions, except to the extent of shareholdings in concerned related party.

For and on behalf of the Board

Sd/-

Sundeep Agarwal

DIRECTOR

DIN-03168111

Place : Ahmedabad

Date : 14-08- 2014

Regd. Office:

F F 21-22, Advance Plaza,

Outside Delhi Gate,

Shahibag Road,

Ahmedabad - 380 0049 Gujarat, India

CIN- L17110GJ1988PLC011139

DIRECTORS' REPORT

To,
The Members,

ADVANCE LIFESTYLES LIMITED

Ahmedabad

Your Directors have pleasure in presenting herewith the **25th Annual Report** together with the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

The highlights of Financial Results of the Company for the financial year ended 31st March, 2014 are as under: **(Rs. in lacs)**

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Total Income	679.12	1082.48
Depreciation	2.29	1.96
Profit / (Loss) before Tax	(37.23)	30.20
Profit / (Loss) after Taxation	(30.43)	24.35
Profit / (Loss) brought forward from last year	(22.01)	(46.45)
Balance Profit / (Loss) carried forward to Balance Sheet	230.611	(22.01)

OPERATIONS AND FUTURE PLANS:

During the year under review, the Company has not carried out any activities in either segment (textile / real estate) and therefore there is a loss of Rs.37.23 lacs as against a pre-tax Profit of 30.20 lacs (*Previous Year*) .

As already reported last year, the Company had selected Real Estate Sector amongst various business opportunities across sectors, however, due to continued sluggishness in housing and real estate sector, it decided to abstain to take any risk and did not venture into any project and as such, the Financial Results do not show any improvement .

DIVIDEND:

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

OLD TEXTILE DUES:

In terms of the agreement executed between the Textile Labour Association, a recognized representative Union of the Mill workers and the Order both dated 11.2.2008, the Company has received resignations from **18** workers during the Year ended 31.03.2014.

SUBSIDIARY COMPANIES:

During the Year under review, the Company disinvested from two Subsidiaries viz. Advance Infraspaces Private Limited and Advance Spacelink Private Limited. Grant Infrastructure Private limited only remained a subsidiary of the Company as on 31st March, 2014.

After the Financial Year under review, your Directors have decided to disinvest and sell the shareholdings in Grant Infrastructure Private limited also and as such it ceased to be the Subsidiary from the date of such transfer of holdings.

As per the General Circular No.1/2011 dated 8.2.2011 issued by the Ministry of Corporate Affairs, Govt of India, a Consolidated Statement of the subsidiary company viz. Grant Infrastructure Private limited showing the required details for the period from 01.04.2013 to 31.03.2014 is attached to and forms part of this Annual Report and hence furnishing other documents as per Section 212 of the Companies Act, 1956 is exempted. Any member desirous of having full Annual Report of the said subsidiary Companies may write to the Registered Office of the Company and a copy of such Report will be sent by post.

CONSOLIDATED FINANCIAL STATEMENTS:

As stipulated by Clause 32 of Listing Agreement with Stock Exchanges, Consolidated Financial Statements of the Company and its Subsidiary Companies namely Grant Infrastructure Private limited for the year ended 31st March, 2014 have been prepared by the Company in accordance with the requirements of Accounting Standard – 21 “Consolidated Financial Statements” and Accounting Standard – 23 “Accounting for investments in Associates” issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements form part of the Annual Report.

MEETINGS HELD DURING THE YEAR UNDER REVIEW:

The Board met five times during the year under review on 13th June, 2013, 27th June, 2013, 14th August, 2013, 15th November, 2013 and 11th February, 2014. The full details are given in Corporate Governance Report, annexed to this Report.

CORPORATE GOVERNANCE:

The Company has taken necessary measures to comply with the Listing Agreement with the Stock Exchanges including revised Clause 49 regarding Corporate Governance. A separate report on corporate Governance for the year ended on 31st March, 2014 is attached herewith as a part of this Annual Report. A certificate from Statutory Auditors of the Company regarding compliance of Corporate Governance as stipulated under the revised

Clause 49 of Listing Agreement is obtained by the Company and annexed to the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of The Companies Act, 1956 / 134(3)(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company as at March 31, 2014 and of the Profit or Loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956/2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts of the Company on a going concern basis.
5. The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Provisions of the Section 217 (e) of The Companies Act, 1956 for disclosure of information on Conservation of Energy and Technology Absorption are presently not applicable to the Company. There is no Foreign Exchange earning or outgo during the year under review.

PARTICULARS OF EMPLOYEES:

There were no employees drawing salaries in excess of limits prescribed under Section 217 (2A) of The Companies Act, 1956 read with Companies (Particulars of Employees Rules, 1975) as amended and hence no information is furnished thereto.

FIXED DEPOSITS

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

DIRECTORS:

Shri M S Bhardwaj, Independent Director ceased to be a Director of the Company w.e.from 11.2.2014, by resignation. The Board has placed on record their appreciation for the contribution made and services rendered by Shri M S Bhardwaj, as a Director.

The term of all the existing directors is subject to retirement by rotation. The Companies Act, 2013 (The Act) provides that the independent directors are not liable to retire by rotation and their term of appointment can be up to five consecutive years.

The Company has received necessary declaration from Shri S Srinivasan, the Independent Director of the Company confirming that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

In view of the change in the terms of the appointment of Independent Director, as aforesaid, Shri S Srinivasan, Independent Director of the Company shall retire at the forthcoming Annual General Meeting and being eligible be re-appointed under the new terms for three years i.e. up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31, 2017. His brief resume, as required under Clause 49 of the Listing Agreement, is covered under Annexure to the Notice for 25th AGM of the Company. Necessary resolutions have been placed for your approval. Your Directors recommend his re-appointment as Independent Director.

None of the Directors of the Company is disqualified from being appointed as a Director as specified under Section 164 of the Companies Act, 2013.

In terms of Section 152 of the Act, out of remaining two Non-Independent Directors, Shri Sundeep Agarwal is liable to retire by rotation and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment as Director. Except Shri Sundeep Agarwal, himself, no other Director is interested in his appointment.

In terms of Listing Agreement, your Company must have whole time official i.e. Managing Director, Manager or CEO. Shri Phulchand Agarwal was appointed in 2009 for a term of 5 Years as Managing Director of the Company as required. His term expires on 31.10.2014. Necessary resolution for Members' approval have been placed. Your Directors recommend his re-appointment as Managing Director.

RELATED PARTY TRANSACTIONS:

The details of such Transactions are given in the Annual Report which is self explanatory.

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

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

AUDITORS' OBSERVATIONS:

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

AUDITORS:

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

ACKNOWLEDGEMENT:

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

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

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

For and on behalf of the Board

Place: Mumbai
Date: 14th August, 2014

**PHULCHAND AGARWAL
CHAIRMAN**

ANNEXURE TO THE REPORT OF BOARD OF DIRECTORS

DUSHYANT B DHOLAKIA
Company Secretary

COMPLIANCE CERTIFICATE

To

The Members

ADVANCE LIFESTYLES LIMITED

(Formerly known as The Ahmedabad Advance Mills Ltd)

Ahmedabad

I have examined the registers, records, books, and papers of ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Ltd) (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company as well as their Registrar and Share transfer Agents, its officers and agents, I certify that in respect of the aforesaid financial year:

1. the company has kept and maintained all registers as stated in the Annexure "A" to this certificate, as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. the company has filed forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time with normal filing fees and in case of late filing with additional fees prescribed under the Act and the rules made there under.
3. the company being a limited company, restrictive provisions applicable to private limited company are not applicable and therefore comments are not required.
4. I am informed that the Board of Directors duly met 5 (FIVE) times on 13th June, 2013, 27th June, 2013, 14th August, 2013, 15th November, 2013 and 11th February, 2014. The maximum time-gap between any two consecutive meetings did not exceed 4 months. The proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.
5. the company closed its Register of Members and Share Transfer Books from 16/07/2013 to 22/07/2013 (both days inclusive) as required under the provisions of Section 154 of the Act.
6. As informed, the Annual General Meeting for the financial year ended on 31/03/2013 was held on 22/07/2013 and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. no Extra Ordinary General Meeting was held during the financial year, however a Special Resolution was passed through Postal Ballot for alteration of Memorandum of Association- Situation Clause, which was declared as duly PASSED.
8. as informed, the company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act However, the company

- has advanced inter corporate loans to the companies under the same management as reported in the Related Party Transactions in the Audited Balance sheet subject to compliance of law by the company.
9. as informed, the company has not entered into transactions falling within the provisions of section 297 of the Act in respect of contracts specified in that section.
 10. the company has made necessary entries in the register maintained under section 301 of the Companies Act, 1956 where ever required for the transactions entered into by the company u/s 299 of the Companies Act, 1956.
 11. there were no instances requiring approval under section 314 of the Act.
 12. the company has appointed registrar and Share transfer Agents and all applications for issuance of duplicate share certificates are being dealt with by the said agents during the financial year.
 13. the company :
 - (i) and its R & T agents had generally delivered all the certificates on lodg ment thereof for transfer, transmission or any other purpose in accordance with the provisions of the Act as informed by R & T Agents of the company
 - (ii) has not deposited any amount of dividend in a separate bank account as no dividend was declared;
 - (iii) has not paid/posted any divided warrants as no dividend was declared and therefore there was no question of transferring unclaimed/ unpaid dividend to unpaid Dividend Account;
 - (iv) there being no unpaid dividends, application money, due for refund, matured deposits, matured debenture and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years, there was no occasion to transfer any such amounts to Investor Education and Protection Fund.
 14. the Board of Directors of the company is duly constituted.
 15. the Company has not appointed any Managing Director during the year under review.
 16. the Company has not appointed any sole selling agents during the year.
 17. The company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act, except Petition to approve alteration in Memorandum of Association- situation Clause, which is Pending before Regional Director.
 18. the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. the company has not issued any securities during the financial year.
 20. the company has not bought back any shares during the year under review.
 21. the company has not redeemed any preference shares or debentures during financial year.
 22. the company wherever necessary generally keeps in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.

23. we are informed that the company has not invited/accepted any deposits from public falling within purview of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975.
24. the amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31/03/2014 is/are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual general meeting.
25. the company has given inter corporate loans and made inter corporate investments, or given guarantees or provided securities to other Bodies Corporate which is within limits prescribed in section 372A of the Act.
26. the Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered office from one state to another during the year under scrutiny.
27. The company has passed, during the year under scrutiny, Special Resolution by Postal Ballot to alter the situation clause No. II (from Gujarat to Maharashtra) of the Memorandum of Association with a view to shift the Regd. Office, approval to which, is pending before the Regional Director.
28. the Company has not altered the provisions of Memorandum of Association with respect to the name / objects of the company during the year under scrutiny.
29. the Company has not altered provisions of Memorandum of Association with respect to the Share Capital of the company during the year under scrutiny, (See 27 above- approval pending before RD).
30. the Company has not altered Articles of Association during the year under scrutiny. (See 27 above- approval pending before RD)
31. no prosecutions were initiated against the company and no show cause notices were received by the company for alleged offences under the Act and no fines, penalties and no punishments were imposed on the company in any cases (**except notices from SEBI for not reducing Promoters' Holding to 75 % of the Paid Up Capital- which was complied by the Promoters/ Management during the Year**) as informed by the management.
32. the company has not received any amount as security from its employees during the year under certification and therefore was not required to deposit as per provisions of section 417(1) of the Act.
33. the Company had not deposited both employees and employers contributions to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place: AHMEDABAD
Date : 13/08/2014

SIGNATURE: Sd/-
NAME OF COMPANY SECRETARY: DUSHYANT B DHOLAKIA
C.O.P. NO.: 12302

Annexure A
Registers maintained by Company.

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

Annexure B

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

Sr. No.	Description of the Document	Section	Particulars of Form/Return	Date of filing and ROC Receipt No.
01	Compliance Certificate issued by Practicing Company Secretary	383-A	Form 66	18-09-2013 Q11346954
02	Annual Return as on 22/07/2014 in Schedule V	159	Form-20B	18-09-2013 Q11347242
03	Petition to Regional Director-North Western Region for approval of alteration in Memo. Of Ass. Etc.	17(2)	Form 24AAA	06-02-2014 B95512828
04	Copy of Petition to ROC, Gujarat	17(2)	Form-61	15-02-2014 B96203328
05	Information by Auditor to the Company	224(1) (a)	Form-23B	02-09-2013 S2207819
06	Resignation of Shri M S Bhardwaj, Independent Director	303	Form -32	07-03-2014 B97974117
07	Filing of Annual Accounts in XBRL format	166-210	Form 23AC XBRL	14-03-2014 Q29616877

SIGNATURE:

Sd/-

Place: AHMEDABAD
Date : 13/08/2014

NAME OF COMPANY SECRETARY: **DUSHYANT B DHOLAKIA**
C.O.P. NO.: **12302**

CERTIFICATE

The Members of
Advance Lifestyles Limited,
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by **Advance Lifestyles Limited**, for the year ended on **31st March, 2014**, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

Place: Ahmedabad

Date : 11-08-2014

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

Dhiren Shah
Proprietor
Membership No. 35824

CORPORATE GOVERNANCE REPORT

Company's philosophy on code of governance

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

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

Board of Directors

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

Composition and Category of the Board:

The Board of Directors of the Company as on 31st March, 2014 comprises of THREE directors. There is One Promoter Director, who is Chairman & Managing Director of the Company. The two other Directors include Shri S Srinivasan, the Independent Director No Director is related to each other.

Details of memberships of the Directors in other Boards and in Board Committees as on 31st March, 2014 are as under:

None of the Directors on the Company's Board is a Director in more than 15 public companies and Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding position held by them in Committees of other Companies and also directorship on other Companies. The same is within the permissible limits as provided by the Companies Act, 1956 and clause 49 of the Listing Agreement.

Other directorship include directorship of private limited companies.

Number of Board Meetings held and the dates on which held

The Board met five times during the year under review on 13th June, 2013, 27th June, 2013, 14th August, 2013, 15th November, 2013 and 11th February, 2014. The maximum time-gap between any two consecutive meetings did not exceed 4 months.

Attendance of Directors:

The attendance of each Director at the Board Meetings held during the year under review are as under:

Name of the Director	No of Meetings during the Year	Attended
	Held	
Mr.Phulchand Agarwal	4	4
Mr.S Srinivasan	4	2
Mr. M S Bhardwaj* <i>(upto 11.2.2014)</i>	4	1
Mr. Sundeep Agarwal	4	2
*Ceased to be a member of BOD/Audit Committee w.e.f. 11 th February, 2014		

Circulation of Information and Board material:

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at Board Meetings. The agenda alongwith relevant papers for all the Meeting are circulated in advance to facilitate the Board members to take the informed decision. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. However, in case of urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the next Board Meeting. The Minutes of the proceedings of the Meetings of the Board of Directors are noted, approved and signed by the Chairman in the next Meeting of Board. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman.

Disclosures regarding appointment/re-appointment of Directors:

The brief resume of the directors proposed to be appointed/re-appointed are given in the explanatory statement annexed to the notice of convening the Annual General Meeting.

Code of Conduct

Company's Board has laid down a Code of Business Conduct and Ethics (the "Code") for all the Board Members and Senior Management of the Company. All Board Members and Senior Management personnel have affirmed compliance of the Code.

The Managing Director has confirmed the compliance of the Code and as required under sub-clause I (D) of clause 49 of the listing agreement given a declaration as under:

"In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics applicable to them, for the year 2013-14."

Place: Ahmedabad

Phulchand Agarwal

Date: 14th August, 2014

Managing Director

Committees of the Board :**Audit Committee:**

Audit Committee of the Board comprises of three members, out of which two members namely Mr. S Srinivasan (Chairman) and Mr. M S Bhardwaj (upto 11.02.2014) were Independent Directors and Shri Phulchand Agarwal & Mr. Sundeep Agarwal (from 11.02.2014) are Non Independent Director.

Terms of reference of Audit Committee are being modified by the Board to comply with Section 177 of Companies Act 2013 and clause 49 of Listing Agreement.

The composition and terms of reference Audit Committee of the Company would be in compliance with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

Terms of reference:

The terms of reference of Audit Committee are as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section 2(AA) of Companies Act, 1956 and clause (c) of sub section 3 of section 134 of the Companies Act, 2013
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by the management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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;

- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;

- Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Discussion with internal auditors of any significant findings and follow up there on;
- 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;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To review the functioning of the Whistle Blower mechanism;

- Approval of appointment of Senior Finance Executive, whenever, need arises (i.e., the CFO, 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;

- Reviewing financial statements, in particular the investment made by Company's unlisted subsidiaries.

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by Audit Committee:

- Management discussion and analysis of financial condition and results of Operations;

- Statement of significant related party transaction submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor.

Number of Audit Committee meetings held and dates on which held:

During the year under review Audit Committee meeting was held four times on 13th June, 2013, 14th August, 2013, 15th November, 2013 and 11th February, 2014..

Attendance of each member at the Audit Committee meetings held during the year :

Name of Director	Meetings		Attended at Last AGM held on 22-07-2013
	Held	Attended	
Mr.Phulchand Agarwal	5	5	Yes
Mr.S Srinivasan	5	3	No
Mr. M S Bhardwaj (upto 11.2.2014)	5	1	No
Mr. Sundeep Agarwal	5	3	Yes

Representatives of Statutory Auditors and Internal Auditors, Chief Financial Officer (CFO), if any, are invited to the meeting of the Audit Committee.

The Chairman of the Committee was not present at the last Annual General Meeting held on 22nd July, 2013.

Nomination and Remuneration Committee:

Remuneration Committee of the Board comprises of three members, out of which two members namely Mr. S Srinivasan (Chairman) and Mr. M S Bhardwaj (upto 11.02.2014) were Independent Directors and Shri Phulchand Agarwal & Mr. Sundeep Agarwal (from 11.02.2014) are Non Independent Directors.

Remuneration Committee has been renamed as Nomination and Remuneration Committee and its terms of reference were modified by the Board to comply with Section 178 of Companies Act 2013 and clause of Listing Agreement

The composition and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

Terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;

- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s)/Executive Director(s) based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

- **Number of meetings held and dates on which held:**

Nil

Remuneration Policy:

Non-Executive Directors/ Executive Directors :

Due to the existing financial Position, no Executive/Non Executive Director is claiming / being paid any remuneration. The Sitting fees of Rs.10,000 per meeting is paid to Independent Directors for attending meetings of the Board and Committees of the Board. (Rs.3000/- per meeting till 14th August, 2013).

Details of Remuneration:

Executive Directors:

No remuneration paid to Managing Director during the financial year 2013-14.

Non-Executive Directors:

The details of sitting fees paid to Independent Directors during the financial year 2013-14 is as under:

Name	Sitting Fees
Mr. S Srinivasan	0.46
Mr. M S Bhardwaj	0.20

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

iii) **Details of shares of the Company held by Directors as on 31st March, 2014 are as under:**

Name	No. of shares held
Mr. Phulchand Agarwal	1052855
Mr. S Srinivasan	0
Mr. Sundeep Agarwal	0

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

Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee of the Board comprises of two members, viz. Shri Phulchand Agarwal & Mr. Sundeep Agarwal who are Non Independent Directors.

Shareholder/Investor Grievance and Share Transfer Committee has been renamed as Stakeholders' Relationship Committee to comply with Section 178 of Companies Act 2013 and clause 49 of Listing Agreement.

The composition and terms of reference Stakeholders' Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

Terms of reference:

Investor relations and redressal of shareholders grievances in general and relating to non-receipt of dividends, interest, non- receipt of balance sheet etc.

Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

To approve request received for transfer, transmission, demat etc. of securities of the Company.

Number of meetings held and dates on which held:

During the year under review Stakeholders' Relationship Committee meetings were held as and when required.

Investor Grievance Redressal:

Details of complaints received and redressed during the year:

Number of complaints received and resolved during the year under review and their breakup are as under: Nature of complaint	Complaint received	Complaint resolved
Non receipt of Annual Report	1	1
Total	1	1

Subsidiary Companies: Monitoring Framework

All subsidiary companies of the Company are Board managed with their Board having the rights and obligation to manage such companies in the best interest of their stakeholders.

None of the subsidiaries of the Company comes under the purview of the Material Non-Listed

Subsidiary as per criteria given in clause 49 of Listing Agreement. The Audit Committee of the Company reviews the Financial Statements and Investments made by unlisted subsidiary companies and the minutes of the unlisted subsidiary companies are placed at the Board Meeting of the Company.

During the year under Review, Advance Infraspace Pvt. Limited and Advance Spacelink Pvt. Limited ceased to be the subsidiaries. After the close of Financial Year, Grant Infrastructure Pvt.Limited also ceased to be a subsidiary. Hence, now Company has no subsidiary.

General Body Meetings:

The last three Annual General Meetings were held as under:

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2012-13	22.07.2013	Ground Floor, Advance Business Park,Opp. Swaminarayan Temple, Shahibaug Road, Ahmedabad 380004.	11.00 am	-
2011-12	28.09.2012	Registered Office	11.00 am	-
2010-11	22.09.2011	Registered Office	11.00 am	-

Special resolution passed through postal ballot:

The Company obtained the approval of its member on the Special Resolution under section 17(2) of the Companies Act, 1956 for Change in Registered Office of the Company. In accordance with Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011, the Postal Ballot Forms were sent to all the members whose names appear in the Members Register / Records as on 25th October, 2013 along with Notice and the Explanatory Statement.

The postal ballot exercise was conducted by Mr.Dushyant B Dholakia, Practising Company Secretary, who was appointed as Scrutinizer by the Board. The result of the postal ballot was announced by the authorized Director on 2nd January-2014 and same was submitted to Stock Exchange. The result of the postal ballot as per the Scrutinizer's Report are provided below:

Thus, the resolution was passed with requisite majority.

Disclosures:

There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The details of related party transactions are disclosed in financial section of this Annual Report.

In the preparation of the financial statements, the Company has followed the Accounting Policies and Practices as prescribed in the Accounting Standards and has been consistently applied except for the changes, if any, mentioned in Notes forming part of Account.

The implementation of the risk assessment and minimization procedure containing the project/potential risk areas, its intensity, its effects, causes and measures taken by the Company are reviewed by the Audit Committee periodically.

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

As per the directions by SEBI, the Promoters Shareholding could not be reduced within the stipulated time, which was done little later. Excepting this, there has been no instance of any non-compliance by the Company on any matter related to capital markets since revived listing (i.e. October-2012) and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

The Managing Director has furnished a Certificate to the Board for the year ended on 31st March, 2014 in compliance with Clause 49 of Listing Agreement.

A Practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

There are no materially significant related party transactions which have personal conflict with the interest of the Company at large.

Means of Communication:

Financial Results:

The quarterly, half-yearly and annual results are published in English / Gujarati dailies / newspapers as required and are displayed on the website of the Company.

News Releases, Presentation etc. :

There were no Official news releases, press releases and presentation to be made.

Website:

The Company's website www.advance.net.in contains a separate dedicated section namely "Investors Relationship" where shareholders information is available. The Annual Report of the Company is also available on the website of the Company in a downloadable form.

General Shareholders Information:**Company Registration Details**

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L45309GJ1988PLC011139**.

Day, date, time and venue of the 25th Annual General Meeting:

Tuesday, 30th September, 2014 at 11.00 a.m. at Ground Floor, Advance Business Park, Opp. Swaminarayan Temple, Shahibaug Road, Ahmedabad 380004.

Registered Office: F F 21-22, Advance Plaza Shahibaug Road, Ahmedabad 380 004

Financial Year:

The financial year of the Company is 1st April to 31st March and financial results will be declared as per the following schedule.

Particulars	:	Tentative Schedule
Quarterly Unaudited Results		
Quarter ending 30 th June, 2014	:	On or before 14 th August, 2014
Quarter ending 30 th September, 2014	:	On or before 14 th November, 2014
Quarter ending 31 st December, 2014	:	On or before 14 th February, 2015
Annual Audited Results	:	
Year ending 31 st March, 2015	:	Within 60 days from 31 st March, 2015

The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 23rd September, 2014 to 30th September, 2014 (both days inclusive) for the purpose of 25th Annual General Meeting.

e) Book closure date:**f) Market Price Data:**

The highest Price of the Share during 52 week from 01/04/2013 to 31/03/2014 was Rs.49.60 and lowest Rs.9.51

Listing on Stock Exchanges:

The Company's shares are listed on the following Stock Exchanges:

Name of Stock Exchange	Address	Code
BSE Limited	Floor 25, P. J Towers, Dalal Street, Mumbai -400001	521048
Ahmedabad Stock Exchange	Kamdhenu Complex, Polytechnic Cross Roads, Ambawadi,Ahmedabad 380015	2000

Annual Listing Fees for the year 2013-14 have been paid by the Company to BSE/ASE.

Registrar & Transfer Agents:

Name & Address : M/s Sharepro Services Pvt Limited
417-420 Devnanadan Complex
Opp Sanyas Ashram, Ahmedabad 380 009

Share Transfer Procedure:

As on 31st March, 2014, 81.00 % of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories without intervention of the Company. For transfer of physical shares, the transfer document should be lodged with M/s Sharepro Services Pvt Limited at the address mentioned in this Annual Report. Stakeholders' Relationship Committee is empowered to approve transfer.

All the transactions related to share transfer, change of address, share certificate etc., should be addressed to R&T Agent of the Company at the address mentioned in this Annual Report.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company obtained a certificate from a Practicing Company Secretary on half yearly basis, for compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, Certificates have also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchange as required .

Shareholding (as on 31st March, 2014):

Shareholding Pattern as on 31st March, 2014:

CATEGORY	NO OF SHARES	% HOLDING
A.PROMOTER SHAREHOLDING		
INDIVIDUALS	1560052	54.29
BODIES CORPORATE	774604	24.88
FOREIGN	NIL	NIL
TOTAL PROMOTER HOLDING (A)	2334656	75.00
B. PUBLIC SHAREHOLDING		
FINANCIAL INST. / BANKS	265	0.01

INSURANCE COMPANIES	238	0.01
BODIES CORPORATE	55306	1.78
INDIVIDUALS:(INCLUDING NRI)	722410	23.20
TOTAL PUBLIC (B)	778219	25.00
GRAND TOTAL	3112875	100.00

Distribution of Shareholding as on 31st March, 2014:

Category (Shares)	As on 31-03-2014			As on 31-03-2013		
	Total			Total		
	Holders	Shares	% to total shares	Holders	Shares	% to total shares
1-500	6610	408431	13.13	6612	407833	13.11
501-1000	125	89733	2.88	123	86794	2.79
1001-2000	26	36153	1.16	27	37653	1.21
2001-3000	17	42329	1.36	10	23216	0.75
3001-4000	1	4000	0.13	2	7800	0.25
4001-5000	9	42360	1.36	7	32460	1.04
5001-10000	7	54530	1.75	2	19032	0.61
10001-& above	9	2435339	78.23	6	2498087	80.25
TOTAL	6804	3112875	100.00	7689	3112875	100.00

Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. The dematerialization facility is available from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 81 % of the share capital are dematerialized as on 31st March, 2014.

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

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

Nil

Site location and Address for Correspondence:

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

CEO CERTIFICATION

The Board of Directors

Advance Lifestyles Limited

F.F. 21-22, Advance Plaza,

Shahibaug, Ahmedabad – 380004

Certification of Financial Statements for the year 2013-2014

I, Phulchand Agarwal, Chairman & Managing Director of the company on the basis of the review of Financial Statements and Cash Flow Statements for the financial year ending 31.03.2014 and to the best of my knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of my knowledge and belief, no transactions entered into by the company during the year ended 31.03.2014 which are fraudulent, illegal or in violation of the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting, I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.
5. I further certify that:
 - (a) There have been no significant changes in the internal control over financial reporting during this year.
 - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - (c) There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: Mumbai

Phulchand Agarwal

Date : 14th August, 2014

Chairman and Managing Director

Independent Auditor's Report

To the Members of
Advance Lifestyles Limited.

Report on the Financial Statements:

We have audited the accompanying financial statements of **Advance Lifestyles Limited (Formerly Known as The Ahmedabad Advance Mills Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2014 the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (which for the time being, are deemed to be the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 (which for the time being, are deemed to be the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Place: Ahmedabad

Sd/-

Date: 11-08-2014

Dhiren Shah
(Partner)
Membership No. : 035824

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

1. In respect of its Fixed Assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) The Company has given unsecured loans to its subsidiary company. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs. 55,76,12,719/- and the year end balance is Rs. 55,66,35,658/-.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company are, prima facie, not prejudicial to the interest of the Company.
 - (c) As per the information and explanations give to us, there are no stipulation for receipt of principal amount of loans or interest. However, the Company is charging the interest at the year end.
 - (d) Since, there are no stipulations in respect of receipt of principal amount of loans, we are not in a position to comment whether any amount is over due or not.
 - (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken unsecured loans from 3 companies listed in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loans, the maximum amount outstanding at any time during the year and the yearend balance is as follows:

Sr. No.	Particulars	Maximum Amt. O/s at any time during the Year	Closing balance
1.	Prateek Spintex Ltd.	31,51,36,357	30,12,89,458
2.	Advance Spacelink Pvt. Ltd.	3,53,66,242	NIL
3.	Phulchand Exports Pvt. Ltd.	9,46,23,524	NIL

- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company are, prima facie, not prejudicial to the interest of the Company.
- (g) As per the information and explanations give to us, there are no stipulation for repayment of principal amount of loans or interest.
- (h) Since, there are no stipulations in respect of repayment of principal amount of loans, we are not in a position to comment whether any amount is over due or not.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
 5. In our opinion and according to the information and explanations given to us, the Company has not carried out any contract or arrangements referred to in Section 301 of the Companies Act, 1956. Hence, Clause 4(v) of the Order is not applicable to the Company.
 6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
 7. Company's internal audit is carried out by a Chartered Accountant. In our opinion and according to the information & explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.
 8. In our opinion and according to the information and explanations given to us, the cost records as prescribed under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 have not been maintained by the Company during the year, as there was no manufacturing activity except trading of cloth and property development activities.
 9. In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess other statutory dues to the extent applicable have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty.
 10. In our opinion, the company has accumulated losses at the end of the financial year, which are not more than its net worth and has incurred cash losses during the financial year covered by our audit and has not incurred any cash losses during the immediately preceding financial year.
 11. The Company has not taken loan from bank or financial institutions and has also not issued debenture. Hence, clause 4(xi) of the Order is not applicable to the Company.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Order is not applicable to the Company.
14. According to information and explanations given to us, the Company is not dealing in or trading in Shares, securities, debentures and other Investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. The Company has not taken any term loan during the year under audit. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

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

Place: Ahmedabad

Date: 11-08-2014

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Standalone Balance Sheet as at 31st March 2014
CIN : L45309GJ1988PLC011139

Particulars		Note No.	As At 31.03.2014	As At 31.03.2013
			(Rs.)	(Rs.)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	31,128,750	31,128,750
	(b) Reserves and surplus	2	259,574,205	26,762,161
	(c) Money received against share warrants		-	-
			290,702,955	57,890,911
2	Share application money pending allotment			-
3	Non-current liabilities			
	(a) Long-term borrowings	3	738,820,440	707,239,462
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities	4	1,518,489	1,934,576
	(d) Long-term provisions	5	575,000	1,255,000
			740,913,929	710,429,038
4	Current liabilities			
	(a) Short-term borrowings			
	(b) Trade payables	6	1,025,531	2,043,501
	(c) Other current liabilities	7	6,129,729	8,282,486
	(d) Short-term provisions	8	41,696,887	42,930,750
			48,852,147	53,256,737
	TOTAL		1,080,469,031	821,576,686
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	1,744,921	1,974,300
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
			1,744,921	1,974,300
	(b) Non-current investments	10	10,394,967	10,594,947
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	11	733,649,908	781,772,677
	(e) Other non-current assets		-	-
			744,044,875	792,367,624
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	12	1,424,943	1,424,943
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	13	308,090,423	4,020,883
	(e) Short-term loans and advances	14	25,163,869	21,788,936
	(f) Other current assets		-	-
			334,679,235	27,234,762
	TOTAL		1,080,469,031	821,576,686
	Significant Accounting Policies & Notes on Accounts.	"24"		

As per our report of even date attached herewith.

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

For and on behalf of the Board of Directors

Sd/-
Dhiren Shah
Partner
Memb.No. 035824

Sd/-
Phulchand Agarwal
Managing Director
DIN : 00026741

Sd/-
Sundeep Agarwal
Director
DIN : 03168111

Place : Ahmedabad
Date : 11th August 2014

Place : Mumbai
Date : 29th May-2014

Advance Lifestyles Ltd.

(Formerly known as The Ahmedabad Advance Mills Limited)

Standalone Statement of Profit and Loss for the year ended 31.03.2014

CIN : L45309GJ1988PLC011139

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2014	31 March, 2013
		(Rs.)	(Rs.)
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	15	-	5,061,260
Less: Excise duty		-	-
Revenue from operations (net)		-	5,061,260
2 Other income	16	67,912,317	103,197,575
4 Total revenue (1+2+3)		67,912,317	108,258,835
5 Expenses			
(a) Cost of materials consumed		-	-
(b) Purchases of stock-in-trade	17	-	610,954
(c) Direct Expenses	18	-	277,562
(d) Indirect Expenses	19	2,748,362	5,689,750
(e) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	-	(3,691,002)
(f) Employee benefits expense	21	1,099,250	1,008,954
(g) Finance costs	22	66,776,205	97,993,149
(h) Depreciation and amortisation expense	9	229,379	196,980
(i) Other expenses	23	782,235	3,152,859
Total expenses		71,635,431	105,239,206
6 Profit / (Loss) before exceptional and extraordinary items and tax (4-5)		(3,723,114)	3,019,629
7 Exceptional items		-	-
8 Profit / (Loss) before extraordinary items and tax (6 ± 7)		(3,723,114)	3,019,629
9 Extraordinary items		-	-
10 Profit / (Loss) before tax (8 ± 9)		(3,723,114)	3,019,629
11 Tax expense:			
(a) Current tax expense for current year		-	575,000
(b) Excess Provision of Income Tax written off		(680,000)	-
(c) Deferred tax		-	-
12 Profit / (Loss) from continuing operations (10±11)		(3,043,114)	2,444,629
B DISCONTINUING OPERATIONS			
12.i Profit / (Loss) from discontinuing operations (before tax)		-	-
13 Profit / (Loss) from discontinuing operations (12.i)		-	-
14 Profit / (Loss) for the year (12 ± 14)		(3,043,114)	2,444,629
15.i Earnings per share (of Rs.10/- each):			
(a) Basic			
(i) Continuing operations		(0.98)	0.79
(ii) Total operations		(0.98)	0.79
(b) Diluted			
(i) Continuing operations		(0.98)	0.79
(ii) Total operations		(0.98)	0.79
15.ii Earnings per share (excluding extraordinary items) (of Rs.10/- each):			
(a) Basic			
(i) Continuing operations		(0.98)	0.79
(ii) Total operations		(0.98)	0.79
(b) Diluted			
(i) Continuing operations		(0.98)	0.79
(ii) Total operations		(0.98)	0.79
Significant Accounting Policies & Notes on Accounts.	"24"		

In terms of our report attached.

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

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

Place : Ahmedabad
Date : 11th August 2014

For and on behalf of the Board of
Directors

Sd/- Sd/-
Phulchand Agarwal Sundeep Agarwal
Managing Director Director
DIN : 00026741 DIN : 03168111

Place : Mumbai
Date : 29th May-2014

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Limited) CIN : L45309GJ1988PLC011139 Cash Flow Statement for the year ended 31 March, 2014				
Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and Tax		(3,723,114)		2,444,629
<u>Adjustments for:</u>				
Depreciation and amortisation	229,379		196,980	
Finance costs	66,776,205		97,993,149	
Interest income	(67,911,116)		(99,887,306)	
Profit on sale of investment	-		(3,309,669)	
Liabilities / provisions no longer required written back	-		101,204	
		(905,532)		(4,905,642)
Operating profit / (loss) before working capital changes		(4,628,646)		(2,461,013)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	-		28,228,729	
Trade receivables	-		10,630,624	
Long-term loans and advances	48,122,769		396,224,314	
Short-term loans and advances	(3,374,933)		(601,868)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(1,017,970)		(12,273,158)	
Other current liabilities	(2,152,757)		(1,150,123)	
Other long-term liabilities	(416,087)		(23,312,711)	
Short-term provisions	(1,233,862)		(2,748,171)	
		39,927,159		394,997,636
Cash flow from / (used in) operating activities		35,298,513		392,536,623
Cash flow from extraordinary items		-		-
Cash generated from operations		35,298,513		392,536,623
Net income tax (paid) / refunds		-		(3,378,558)
Net cash flow from / (used in) operating activities (A)		35,298,513		389,158,065
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-		(58,800)	
Proceeds on sale of Investments			3,309,669	
Capitalization Granted by Hon'ble Settlement Commission vide order dt. 27-02-2014 pursuant to Additional income offered (Net off)	235,855,158			
<u>Purchase of long-term investments</u>				
- Subsidiaries	-		(10,494,957)	
Sale of Long-term investments				
- Subsidiaries	199,980			
<u>Interest received</u>				
- Subsidiaries	67,702,730		71,837,648	
- Others	208,386		28,049,657	
Net cash flow from / (used in) investing activities (B)		303,966,254		92,643,217
C. Cash flow from financing activities				
Proceeds from long-term borrowings (Net)	31,580,978		(380,107,375)	
Net increase / (decrease) in working capital borrowings	-		-	
Finance cost	(66,776,205)		(97,993,149)	
Net cash flow from / (used in) financing activities (C)		(35,195,227)		(478,100,524)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		304,069,540		3,700,758
Cash and cash equivalents at the beginning of the year		4,020,883		320,125
Cash and cash equivalents at the end of the year		308,090,423		4,020,883
Reconciliation of Cash and cash equivalents with the Balance				
Cash and cash equivalents as per Balance Sheet		308,090,423		4,020,883
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		307,632,077		26,075
(b) Balances with banks				
(i) In current accounts		443,229		570,032
(ii) In deposit accounts		15,117		15,117
(c) Cheques on Hand		-		3,409,659
		308,090,423		4,020,883
Notes:				
(i) The Cash flow statement has been prepared by Indirect Method as prescribed in AS-3 "Cashflow Statement"				
(ii) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
In terms of our report attached.				
For, Dhiren Shah & Co.	For and on behalf of the Board of Directors			
Chartered Accountants				
Firm Reg. No. 114633W				
Sd/-	Sd/-	Sd/-		
(Dhiren Shah)	Phulchand Agarwal	Sundeep Agarwal		
Partner	Managing Director	Director		
(Mem. No. 035824)	DIN : 00026741	DIN : 03168111		
Place : AHMEDABAD	Place : Mumbai			
Date : 11-08-2014	Date : 29th May-2014			

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 1 Share Capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	(Rs.)	Number of shares	(Rs.)
(a) Authorised				
Equity shares of Rs. 10/- each with voting rights	25,000,000	250,000,000	25,000,000	250,000,000
(b) Issued				
Equity shares of Rs.10/- each with voting rights	3,112,875	31,128,750	3,112,875	31,128,750
Total	3,112,875	31,128,750	3,112,875	31,128,750
(c) Subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	3,112,875	31,128,750	3,112,875	31,128,750
Total	3,112,875	31,128,750	3,112,875	31,128,750

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

Particulars	31/03/2014		31/03/2013	
	No. of Share	Amounts(Rs.)	No. of Share	Amounts(Rs.)
At The Beginning Of The Year	3,112,875	31,128,750	3,112,875	31,128,750
ADD:				
Issue During the Year	-	-	-	-
Outstanding At The End Of The Year	3,112,875	31,128,750	3,112,875	31,128,750

(b) Rights, preferences and restrictions attached to shares

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

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Mr. Phulchand Agarwal	1,052,855	33.82	1,182,652	37.99
Mr. Pradeep Agarwal	507,197	16.29	507,197	16.29
Phulchand Exports Pvt. Ltd.	708,613	22.76	708,613	22.76

Note 2 Reserves and surplus

Particulars	As at 31 March, 2014	As at 31 March, 2013
	(Rs.)	(Rs.)
(a) Capital reserve		
Opening balance	28,962,983	28,962,983
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	28,962,983	28,962,983
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(2,200,822)	(4,645,451)
Add: Capitalisation granted by the Hon'ble Settlement Commission vide order dt. 27-02-2014 pursuant to Additional Income offered (Net off tax paid).	235,855,158	
Add: Profit / (Loss) for the year	(3,043,114)	2,444,629
Amounts transferred from:		
General Reserve	-	-
Other Reserves	-	-
Closing Balance	230,611,222	(2,200,822)
Total (a+b)	259,574,205	26,762,161

Advance Lifestyles Ltd.
 (Formerly known as The Ahmedabad Advance Mills Limited)
 Notes forming part of the financial statements

Note 3 Long-term borrowings

Particulars	As at 31 March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
Loans		
Unsecured :		
From Related Parties	301,289,458	168,491,743
From Inter corporate deposits	437,530,982	536,047,719
From others	-	2,700,000
Total	738,820,440	707,239,462

Note 4 Other long-term liabilities

Particulars	As at 31 March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
(a) Trade Payables:	-	-
(b) Others:		
(i) Acceptances	-	-
(ii) Property Development	105,269	105,269
(iii) Other than Acceptances	1,413,220	1,829,307
Total	1,518,489	1,934,576

Note 5 Long-term provisions

Particulars	As at 31 March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
Other Long Term Provisions		
Provision for Taxation (A.Y. 2007-08)	-	680,000
Provision for Taxation (A.Y. 2013-14)	575,000	575,000
Total	575,000	1,255,000

Advance Lifestyles Ltd.
 (Formerly known as The Ahmedabad Advance Mills Limited)
 Notes forming part of the financial statements
 Note 6 Trade payables

Particulars	As at 31st March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
Trade payables:		
Creditors for Traded Goods	-	641,501
Creditores for Expenses	1,025,531	1,402,000
TOTAL	1,025,531	2,043,501

Note 7 Other current liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
(a) Other payables		
<u>Statutory remittances</u>		
Unpaid TDS	5,964,355	7,974,402
Service Tax Payable	-	303,887
VAT Payable	-	2,397
Professional Tax Payable	400	1,800
(b) Current account over drawn		
Kotak Mahindra Bank Ltd.	164,974	-
Total	6,129,729	8,282,486

Note 8 Short Term Provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
Provision for employee benefits :		
Gratuity	7,735,818	8,310,818
Other employee benefits	33,961,069	34,619,932
Total	41,696,887	42,930,750

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

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Limited)
NOTES FORMING PART OF ACCOUNTS FOR THE NINE MONTHS ENDED 31.03.2014

NOTE NO.- 9
FIXED ASSETS

NAME OF ASSET	RATE OF DEP	GROSS BLOCK			ACCUMULATED DEPRECIATION & IMPAIRMENT			NET BLOCK		
		AS ON 01/04/2013	ADDITION	SALES	AS ON 31/03/2014	AS ON 01/04/2013	DEPRECIATION FOR THE YEAR	AS ON 31/03/2014	AS ON 31/03/2014	AS ON 31/03/2013
TANGIBLE ASSETS										
Land	0%	181,489	-	-	181,489	-	-	-	181,489	181,489
Building	1.63%	961,747	-	-	961,747	339,438	15,676	355,114	606,633	622,309
Plant & Machinery	4.75%	393,844	-	-	393,844	149,198	18,708	167,906	225,938	244,646
Furniture & Fixtures	6.33%	741,488	-	-	741,488	317,975	46,936	364,911	376,577	423,513
Motor Car & Motor Cycle	9.50%	781,554	-	-	781,554	471,621	74,248	545,869	235,685	309,933
Computer	16.21%	455,343	-	-	455,343	262,934	73,811	336,745	118,598	192,409
TOTAL		3,515,465	-	-	3,515,465	1,541,166	229,379	1,770,545	1,744,921	1,974,299
PREVIOUS YEAR		3,456,665	58,800	-	3,515,465	1,344,186	196,980	1,541,166	1,974,299	2,112,479

NOTE:

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

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 10 Non-current investments

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Investments (At cost):						
<u>Investment in equity instruments</u>						
<u>(i) of subsidiary</u>						
9999 Equity shares [March 31,2013: 9,999] of Rs. 10 each held in Advance Infraspaces Pvt. Ltd.	-	-	-	-	99,990	99,990
3,14,999 Equity Shares [March 31,2013 : 3,14,999] of Rs. 33 held in Grant Infrastructue Pvt. Ltd.	-	10,394,967	10,394,967	-	10,394,967	10,394,967
9999 Equity shares [March 31,2013 : 9,999] of Rs. 10/- each held in Advance Spacelink Pvt. Ltd	-	-	-	-	99,990	99,990
Total		10,394,967	10,394,967		10,594,947	10,594,947

Note 11 Long-term loans and advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
	(Rs.)	(Rs.)
<u>Loans and advances to related parties</u>		
Unsecured, considered good		
To Subsidiary Companies	556,635,658	571,231,349
To Inter corporate	130,894,166	60,634,419
<u>Advance Income Tax</u>		
Advance Tax Paid	1,396,269	-
Tax Deducted at Sources Receivable	199,826	7,138,115
Balances with government authorities	145,999	149,284
<u>Other loans and advances</u>		
Unsecured, considered good		
(Advance recoverable in cash or in kind or for vale to be received)	44,377,990	142,619,510
Total	733,649,908	781,772,677

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 12 Inventories

Particulars	As at 31 March, 2014 (Rs.)	As at 31 March, 2013 (Rs.)
Stock-in-trade (acquired for trading) Shops	1,424,943	1,424,943
Work-In-Progress (As per Note 12(a))	-	-
Total	1,424,943	1,424,943

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

Law Garden Project

Expenditure	As at 31 March, 2014 (Rs.)	As at 31 March, 2013 (Rs.)
Opening Work in progress (a)	-	23,993,911
Allocated Project Expenses		
Electricity Charges	-	9,805
Interest Expense	-	6,047,946
Legal Expenses	-	26,000
Legal and Professional fees	-	1,685,400
Petrol Expenses	-	1,500
Travelling Expenses	-	44,300
Land Development Expenses	-	101,840
Security Charges	-	53,009
Office maintainance expenses	-	1,904
Miscellenaous Expenses	-	10,000
Total Expenses Incurred for the Project (b)	-	7,981,704
Opening Work in progress + Expense of the period (a+b)	-	31,975,615
Less: Excess Salary Recovered (c)	-	(55,884)
Closing Work in Progress (a+b-c)	-	31,919,731
Less: Balance of Work in Progress transferred to Grant Infra. Pvt. Ltd. as on 01.10.2012 (d)	-	(31919731)
Net Closing Work in Progress transferred to Balance Sheet (a+b-c-d)	-	-

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 13 Cash and cash equivalents

Particulars	As at 31 March, 2014	As at 31 March, 2013
	(Rs.)	(Rs.)
(a) Cash on hand		
-Cash on Hand (Ahmedabad)	67,632,077	2,080
-Cash on Hand (Workers)	-	23,995
-Cash Deposit Against Cheques	240,000,000	-
Total (a)	307,632,077	26,075
(b) Balances with banks		
(i) In current accounts		
- Corporation Bank (CBCA01000412)	32,005	28,847
- Corporation Bank (CA0125110)	100,264	147,179
- Kotak Mahindra Bank (CA 6111234426)	-	83,039
- ING Vysya Bank (524011006273-Ahmedabad)	60,215	60,215
-Vysya Bank (5690- Mumbai)	250,745	250,752
(ii) In deposit accounts		
-Vysya Bank (Maharashtra VAT)	15,117	15,117
Total (b)	458,346	585,149
(c) Cheques on Hand	-	3,409,659
Total (c)	-	3,409,659
Total (a+b+c)	308,090,423	4,020,883

Note 14 Short-term loans and advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
	(Rs.)	(Rs.)
<u>Loans and Advances</u>		
Unsecured, considered good		
Deposits	43,260	43,260
Prepaid expenses	7,905	6,033
Balances with government authorities	13,734	15,111
Vat receivable	3,285	-
Cenvat credit receivable	43,260	-
IT Refund Receivable	3,990,029	-
Advances for Property Purchase	21,000,000	21,000,000
Other Advances	62,396	724,532
Total	25,163,869	21,788,936

Advance Lifestyles Ltd.
 (Formerly known as The Ahmedabad Advance Mills Limited)
 Notes forming part of the financial statements

Note 15 Revenue from operations

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Sale of Yarn	-	650,478
Sale of Fabric	-	4,410,782
<u>Less:</u>		
Excise duty	-	-
Total	-	5,061,260

Note 16 Other income

(a) Interest income comprises:		
<u>Interest from banks on:</u>		
deposits	-	162,910
<u>Interest from Others:</u>		
Interest from Loans & Advances	67,702,730	99,724,396
Interest on income tax refund	208,386	-
Total (a)	67,911,116	99,887,306
(b) Profit on sale of Investment	-	3,309,669
(c) Miscellaneous Income	1,201	600
Total - Other non-operating income (a+b+c)	67,912,317	103,197,575

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 17 Purchase of traded goods

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Traded good Textile Yarn	-	610,954
Total	-	610,954

Note 18 Direct Expenses

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Designing Charges	-	21,550
Land Development Expenses	-	101,840
Power and fuel	-	93,812
Rates and taxes(Property Tax)	-	7,351
Security Charges	-	53,009
Total	-	277,562

Note 19 Indirect Expenses

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Advertisement Expenses	38,338	44,028
Books & Periodicals	-	880
Communication (Telephone,Internet & Postage)	107,468	114,236
Conveyance Expenses	22,810	58,118
Property tax	9,201	-
Guest House Rent	-	35,000
Insurance	9,762	12,572
Legal and professional expenses	2,257,252	5,056,163
Legal Expenses	26,566	67,122
Petrol Expenses	-	49,799
Plaza Maintainance Charges	-	31,306
Printing and stationery	64,769	46,792
Repairs and maintenance - Buildings(Office)	-	12,445
Repairs and maintenance - Vehicles	112,192	54,067
Reimbursement of Expense	22,500	-
Travelling and conveyance	77,504	107,222
Total	2,748,362	5,689,750

Advance Lifestyles Ltd.
 (Formerly known as The Ahmedabad Advance Mills Limited)
 Notes forming part of the financial statements

Note 20 Changes in inventories of Finished Goods work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
<u>Inventories at the end of the year:</u>		
Stock-in-trade (Shops)	1,424,943	1,424,943
Total (a)	1,424,943	1,424,943
<u>Inventories at the beginning of the year:</u>		
Finished goods	-	4,234,818
Work-in-progress (Project)	-	23,993,911
Less: WIP Transferred to Grant Infra. Pvt. Ltd. (Refer Note 12(a))	-	-31919731.00
Stock-in-trade (Shops)	1,424,943	1,424,943
Total (b)	1,424,943	-2,266,059
Net increase / (decrease) (b-a)	-	(3,691,002)

Note 21 Employee benefits expense

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Salaries and wages	940,442	814,966
Retrenchment Exp.	68,423	53,691
Staff welfare expenses	-	3,935
Leave Travel Allowance	35,000	52,133
Bonus Expense	55,385	62,928
Medical expenses	-	21,301
Total	1,099,250	1,008,954

Note 22 Finance costs

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
(a) Interest expense on:		
(i) Borrowings	66,776,205	96,467,671
(iii) Interest paid as Commitment Charges	-	1,525,478
Total	66,776,205	97,993,149

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 23 Other expenses

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Bank Charges	1,833	10,579
Annual custodian fees	6,741	-
designing Charges	18,738	-
Hotel Charges	24,890	38,954
Late Payment Interest on Statutory Dues (TDS, Professional Tax, Property Tax)	61,093	44,067
Penalty paid for Late Filing of Service Tax Return	14,100	-
Listing Fees	33,708	34,108
Membership & Subscription	-	12,930
Miscellaneous expenses	4,423	28,262
Office Maintainance Exp.	12,008	46,684
Payments to auditors (Refer Note 23(a))	449,395	449,395
Pooja Expenses	100	15,740
Repairs and maintenance - Others	12,360	27,479
Sundry Balances Written off	-	101,204
Service Tax	76,846	299,921
Bad debts	-	2,025,536
Sitting Fees	66,000	18,000
Total	782,235	3,152,859

Note 23 (a) Payment to Auditors

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
As auditors - statutory audit	449,395	449,395
Total	449,395	449,395

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

A-1: SIGNIFICANT ACCOUNTING POLICIES :

- (i) **Basis of Accounting:**
The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the generally accepted accounting principles (GAAP) and applicable accounting standards issued by Institute of Chartered Accountants of India referred in Section 211(3C) of the Companies Act, 1956 (which for the time being, are deemed to be the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (ii) **Use of Estimates:**
The preparation of financial statements in conformity with generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of the revenue and expenses during the reporting period. Actual results could differ from these estimates and the difference between actual results and estimates are recognized in the period in which the results are known/materialize.
- (iii) **Inventories:**
Inventories are valued at the lower of cost and net realizable value after providing for obsolescence, if any. The cost of inventories is arrived at based on first-in-first-out method.
- (iv) **Cash and Cash Equivalents**
(i) Cash Comprises of cash on hand. Cash equivalents are short term balances with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(ii) Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular generating, financing and investing activities of the company are segregated.
- (v) **Fixed Assets and Depreciation:**
Fixed assets including structural changes/major improvements are stated at cost of acquisition including incidental expenses related to acquisition and installation less accumulated depreciation.
Depreciation is provided on the straight-line method at the rates and method specified in Schedule XIV to the Companies Act, 1956.
- (vi) **Revenue recognition:**
a. Interest Income is recognized on a time proportion basis.
- vii) **Investments:**

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

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

(viii) Employee Benefits:

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

(ix) Retrenchment Expenses:

Retrenchment compensation and salary for the closure period is required to be paid on receipt of resignation from the employees and vacating the hut /chhapra / room / quarter in the mill premises occupied by them in terms of Order dated 15/02/2008 passed by the Honorable Gujarat High Court. Accordingly, the company has already made provisions for retrenchment compensation and salary for the closure period in past.

(x) Borrowing cost:

General and Specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing cost are recognized in Statement of profit and Loss in the period in which they are incurred.

(xi) Provision for Current & Deferred Tax :

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

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

Provision for taxation has not been made due to loss in current year.

(xii) Earnings per share:

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

(xiii) Contingent Liabilities:

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Contingent liabilities as defined in Accounting Standard 29 on "Provision, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Provision is made if it is probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

(xiv) **Impairment of Assets:**

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

(xv) **Applicability Of Other Accounting Standards**

Though other Accounting Standards also apply to the company by virtue of the Accounting Standards Rules 2006 (as amended), no disclosure for the same is being made as the company has not done any transaction to which the said Accounting Standards apply.

B-1 OTHER NOTES :

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

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

2. During the previous year 2012-13, the Company has acquired 3,14,999 Equity Shares of Rs. 10/- each at a premium of Rs. 23/- of M/s. Grant Infrastructure Pvt. Ltd. and thereby the said company became the subsidiary company. In past, the Company has paid advance for acquiring the land as well as has incurred the project construction expenses with the consent of the said company Grant Infrastructure Pvt. Ltd. On becoming Grant Infrastructure Pvt. Ltd., the subsidiary company, the project construction expenses of Rs. 3.19 Crores standing in the books of account of the Company has been transferred to the said subsidiary company Grant Infrastructure Pvt. Ltd.

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

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

3. During the year, Advance Spacelink Pvt. Ltd. and Advance Infraspace Pvt. Ltd. ceases to be the subsidiary company as the company has sold 9,999 Equity Shares of each Advance Spacelink Pvt. Ltd. and Advance Infraspace Pvt. Ltd.
4. Other liabilities, which include worker's dues have been ascertained on the basis of available records with the Company and are subject to adjustments. Pending final settlement of dues, the payments to workers included in advance to employees, as per court order amounting to Rs. 17,37,506/- (Previous period Rs. 19,12,006/-) made in earlier years has been adjusted against liability provided/paid in pursuance of the Order.
5. The company had vide its letter dated September 19,2005 applied to the Income-tax Department for granting relief and concessions in accordance with the sanctioned Revival Scheme of BIFR vide their Order dated January 23, 2004. Further the BIFR vide its discharge Order dated August 22, 2006, issued directives to the Income tax department to exempt the Company from payment of capital gain tax and permit the Company to set off the capital gains, if any, against accumulated losses of the Company. However, the Income tax department filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the said directives of BIFR which was rejected by AAIFR vide its order dated 10th June 2008. In the financial year 2006-07 relevant to A.Y. 2007-08 the Assessing Officer has interpreted the order of BIFR and AAIFR that set-off of accumulated business loss against the Capital Gain beyond 8 years is not allowable and accordingly the demand was raised by the Income Tax Department. The said demand was challenged by the company by filing appeal before the CIT(Appeal). The CIT(Appeal) has decided the appeal in favor of the company, and the Income Tax Department has preferred an appeal before the ITAT which is pending before the ITAT. In the financial year 2007-08 relevant to A.Y. 2008-09, the Assessing Officer has levied the tax on book profit u/s 115JB of the Income Tax Act, 1961. Against the said order of the Assessing Officer, the Company has filed an appeal before CIT (A). The CIT (Appeals) has decided the appeal in favour of the company.
6. The Company and the Textile Labour Union arrived at a settlement in respect of employees' dues on 11/02/2008 and the same has been modified by the Honorable High Court of Gujarat on 15/02/2008, as a result of which the Company is liable to pay in respect of such settlement, an amount aggregating Rs. 15 crores (approx.) to 848 employees on the condition precedent, that the payment will be made to the concerned employee within sixty days after his resignation is received and in respect of the employees concerned having hut/chhapra/room/quarter in the mill premises and he is a beneficiary of the settlement/order, he shall have to first vacate the hut/chhapra/room/quarter occupied by him in the mill premises and shall have to first handover possession thereof to the Mill Management and thereafter, within sixty days period, the Mill Management will pay the amount to the concerned employee as per the consent terms. The Honorable High Court further held that the closure declared by the Mill Management is legal and valid.
7. Consequent to Honorable High Court's order dated 15/02/2008, the company has already made the provision for gratuity relating to all employees in earlier years of the closure of the

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

years 01/04/1997 to 31/03/2007. The liability (other than gratuity) in respect of retrenchment compensation and salary, the company has made the payment to the workers on the basis of resignation received from the employees and accounted for in the books in earlier years. Similarly, the company had also made the provisions for all unresigned employees including employees from whom resignations are yet to be received in terms of the order of High Court dated 15/02/2008 which is amounting to Rs. 3,04,73,417/- as on 31/03/2014 (Rs.3,32,71,288/- as on 31/03/2013).

8. Contingent Liabilities not provided for:

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

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

9. The survey proceedings u/s.133A of the Income-tax Act, 1961 was carried out at the business premises of the associate group company Phulchand Exports Pvt. Ltd. on 11/12/2012. In pursuance of the said survey proceedings, the company and associate group company Phulchand Exports Pvt. Ltd. had filed an application before the Hon'ble Settlement Commission, Mumbai, wherein the company had disclosed additional income of Rs.31,07,36,874/- for F.Y.2012-13 relevant to A.Y.2013-14 including capital gain on sale of shares of Advance Lifespace Pvt. Ltd. for an amount of Rs.30,88,83,060/-. During the year the Hon'ble Settlement Commission has passed the final order u/s.245D(4) of the I.T. Act, 1961 accepting the additional income offered by the company as assessed income. In the order passed by the Hon'ble Settlement Commission u/s.245D(4) of the Act, capitalization of the income earned by the company has been granted. The capitalization effect has been taken for an amount of Rs. 30,76,11,930/-. The company has paid the Income-tax on the additional income offered before the Hon'ble Settlement Commission for an amount of Rs. 7,17,56,772/-. The necessary accounting entries have been passed in the books of account. The capitalization in the form of cash balance for an amount of Rs. 6,76,11,930/- has been shown as on 31st March,2014 has included in cash on hand balance and Rs. 24,00,00,000/- shown as cash deposit against cheques and the additional income offered before the Hon'ble Settlement Commission after setting off tax paid has been shown under the head "Reserves & Surplus" for an amount of Rs. 23,58,55,158/-.

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

9. Earnings per share (EPS):

Particulars	Current Year	Previous Year
(Loss) / Profit after tax available to equity shareholders (*)	(30,43,114)	24,44,629
Weighted average number of equity shares for Basic EPS	31,12,875	31,12,875
Weighted average number of equity shares for Diluted	31,12,875	31,12,875
EPS (considering Share Application Money)	Rs.(0.98)	Rs.0.79
Basic EPS – (*)	Rs.(0.98)	Rs.0.79
Diluted EPS –(*)	Rs.(0.98)	Rs.0.79
Face value per share	Rs.10.00	Rs.10.00

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

10 (A). Transactions with Related parties:

Transactions	Year ended 31.03.2014			Year ended 31.03.2013		
	Subsidiary Company	Associate Promoter	Other enterprises under common control	Subsidiary Company	Associate Promoter	Other enterprises under common control
Repayment of Inter corporate unsecured loan taken :						
1)Phulchand Exports Pvt. Ltd.	--	14,32,28,139	--	--	1,100,684,979	--
2) Prateek Spintex Limited	--	--	4,36,06,915	--	--	28,857,534
Inter corporate unsecured Loan received:						
1) Phulchand Exports Pvt.Ltd.	--	5,06,85,484	--	--	242,310,000	--
2) Prateek Spintex Limited	--	--	24,28,00,000	--	--	7,675,000

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Inter Corporate Deposit (ICDs) Placed repaid by the Parties.	11,37,61,083	--	--	2,16,00,000	--	--
1) Grant Infrastructure Pvt. Ltd.	--	--	--	2,099,980	--	--
2) Advance Infraspace Pvt. Ltd.	--	--	--	--	--	--
Inter corporate Deposits (ICDs) placed:	6,83,45,206	--	--	441,209,978	--	--
1) Grant Infrastructure Pvt. Ltd.	--	--	--	15,600,700	--	--
2) Advance Infraspace Pvt. Ltd.	--	--	--	470	--	--
3) Advance Spacelink Pvt. Ltd.	--	--	--	--	--	--
Interest on unsecured loan taken :	--	19,19,131	--	--	49,192,804	--
1) Phulchand Exports Pvt. Ltd.	--	--	2,18,05,340	--	--	9,592,902
2) Prateek Spintex Limited	--	--	--	--	--	--
Inter corporate unsecured loans taken & outstanding as at the end of the period:	--	--	--	--	90,623,524	--
1) Phulchand Exports Pvt. Ltd.	--	--	30,12,89,458	--	--	77,868,218
2) Prateek Spintex Limited	--	--	--	--	--	--

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Inter Corporate unsecured loans placed & O/S as at the end of the period (including accrued interest):						
1) Grant Infrastructure Pvt. Ltd.	55,66,35,658	--	--	5,76,12,512	--	--
2) Advance Infraspace Pvt. Ltd.	--	--	--	1,36,18,834	--	--
4) Advance Spacelink Pvt. Ltd.	--	--	--	470	--	--

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

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

Sr. No.	Nature of Relationship	Name of the Parties
1.	Subsidiary Company	Grant Infrastructure Pvt. Ltd.
2.	Associate Promoter	Phulchand Exports Pvt. Ltd.
3.	Other enterprise under common control	PrateekSpintex Limited
4.	Key Management Personnel (Directors)	1. PhulchandAgarwal (Mng. Director) 2. SundeepAgrawal (Director) 3. S. Srinivasan (Non-Ex. Director)

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

12. Figures of the previous year have been rearranged / regrouped wherever necessary.

13. Segment reporting:

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

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment asset and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as "Unallocable".
- c) Information given in accordance with the requirements of Accounting Standard 17 on Segment Reporting notified under the Companies Act, 1956.
- d) The Company has two reportable primary segments i.e. Textile Mill and Property Construction.
- e) Unallocated represents all unallocable items not included in segments.
- f) There are no inter-segment transactions during the period.

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Ltd.)**NOTE NO: 24**

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

- g) Information about Secondary Segments:
Since all the activities of the Company in relation to the abovementioned Business segments are situated only at Ahmedabad, disclosure requirement under this segment are not applicable.

Information about Primary Business Segments		
Particulars	Year ended on 31.03.2014	Year ended on 31.03.2013
<u>Segment Revenue</u>		
Textile Mill	-	5,061,260
Property Construction	-	-
Total	-	5,061,260
Less : Inter Segment Revenue	-	-
Net sales/Income from Operations	-	5,061,260
<u>Segment Results</u>		
[Profit/(Loss) before tax and interest]		
Textile Mill	-	(7,715,500)
Property Construction	-	-
Unallocated	-	27,93,026
Total	-	(49,22,474)
Less :		
Interest Income /(Interest Expense) (Net)	-	7,942,103
Total Profit/ (Loss) Before Tax	-	30,19,629
Capital Employed		
(Segment assets - Segment Liabilities)		

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

NOTE NO: 24

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Textile Mill	-	(42,669,441)
Property Construction	-	(124,570,831)
Unallocated	-	22,51,21,183
Total	-	5,78,80,911

SIGNATURES TO SCHEDULES 1 TO 24

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

For and on behalf of the Board of Directors

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

Sd/-
PhulchandAgarwal
Director
DIN : 00026741

Sd/-
SundeepAgarwal
Director
DIN :03168111

Place : Ahmedabad.
Date : 11-08-2014

Place : Mumbai.
Date : 29-05-2014

Independent Auditors' Report

To,

The Board of Directors of

Advance Lifestyles Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Advance Lifestyles Limited** and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 (which for the time being, are deemed to be the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Loss of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

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

Place : Ahmedabad
Date : 11-08-2014

Advance Lifestyles Ltd. (Formerly known as The Ahmedabad Advance Mills Limited) Consolidated Balance Sheet as at 31st March 2014				
Particulars		Note No.	As At 31.03.2014	As At 31.03.2013
			(Rs.)	(Rs.)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	31,128,750	31,128,750
	(b) Reserves and surplus	2	267,074,204	34,203,445
	(c) Money received against share warrants		-	-
			298,202,954	65,332,195
2	Share application money pending allotment			
				-
	Minority Interest		10	30
3	Non-current liabilities			
	(a) Long-term borrowings	3	832,004,413	783,089,509
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities	4	1,518,489	1,934,574
	(d) Long-term provisions	5	575,000	1,255,000
			834,097,902	786,279,083
4	Current liabilities			
	(a) Short-term borrowings			
	(b) Trade payables	6	1,569,739	2,170,442
	(c) Other current liabilities	7	6,578,464	9,185,140
	(d) Short-term provisions	8	41,696,887	42,930,750
			49,845,090	54,286,332
	TOTAL		1,182,145,956	905,897,640
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets	9		
	(i) Tangible assets		81,170,140	1,974,299
	(ii) Intangible assets		7,244,977	7,244,977
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
			88,415,117	9,219,276
	(b) Non-current investments	10	-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	11	177,014,250	210,540,858
	(e) Other non-current assets		-	-
			177,014,250	210,540,858
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	12	1,424,943	610,267,019
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	13	308,177,993	4,527,997
	(e) Short-term loans and advances	14	25,296,327	70,899,246
	(f) Other current assets	15	581,817,326	443,244
			916,716,589	686,137,506
	TOTAL		1,182,145,956	905,897,640
	Significant Accounting Policies & Notes on Accounts	"25"		
As per our report of even date attached herewith.				
For, Dhiren Shah & Co. Chartered Accountants (Firm Reg. No. 114633W)		For and on behalf of the Board of Directors		
Sd/- Dhiren Shah Partner (Mem. Ship No. 035824)		Sd/- Managing Director	Sd/- Director	
Place : Ahmedabad Date : 11-08-2014		Place : Mumbai Date : 29th May-2014		

Advance Lifestyles Ltd.			
(Formerly known as The Ahmedabad Advance Mills Limited)			
Consolidated Statement of Profit and Loss for the Year ended 31.03.2014			
Particulars	Note No.	For the year ended	For the year ended
		31st March 2014	31 March, 2013
		(Rs.)	(Rs.)
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	16	-	5,061,260
Less: Excise duty		-	-
Revenue from operations (net)		-	5,061,260
2 Other income	17	67,912,317	75,542,170
4 Total revenue (1+2+3)		67,912,317	80,603,430
5 Expenses			
(a) Cost of materials consumed		-	-
(b) Purchases of stock-in-trade	18	-	610,954
(c) Direct Expenses	19	-	480,494,823
(d) Indirect Expenses	20	2,748,362	5,716,598
(e) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	-	(511,676,787)
(f) Employee benefits expense	22	1,099,250	1,008,954
(g) Finance costs	23	66,776,205	97,993,149
(h) Depreciation and amortisation expense	9	229,379	196,980
(i) Other expenses	24	782,235	3,297,846
Total expenses		71,635,431	77,642,517
6 Profit / (Loss) before exceptional and extraordinary items and tax (4-5)		(3,723,114)	2,960,913
7 Exceptional items		-	-
8 Profit / (Loss) before extraordinary items and tax (6 ± 7)		(3,723,114)	2,960,913
9 Extraordinary items		-	-
10 Profit / (Loss) before tax (8 ± 9)		(3,723,114)	2,960,913
11 Tax expense:			
(a) Current tax expense for current year		-	575,000
(b) Excess Provision of Income Tax written off		680,000	-
(c) Deferred tax		-	-
		680,000	575,000
12 Profit / (Loss) from continuing operations (10±11)		(3,043,114)	2,385,913
B DISCONTINUING OPERATIONS			
12.i Profit / (Loss) from discontinuing operations (before tax)		-	-
13 Profit / (Loss) from discontinuing operations (12.i)		-	-
14 Profit / (Loss) for the year (12 ± 14)		(3,043,114)	2,385,913
15.i Earnings per share (of Rs.10/- each):			
(a) Basic			
(i) Continuing operations		(0.98)	0.77
(ii) Total operations		(0.98)	0.77
(b) Diluted			
(i) Continuing operations		(0.98)	0.77
(ii) Total operations		(0.98)	0.77
15.ii Earnings per share (excluding extraordinary items) (of Rs.10/- each):			
(a) Basic			
(i) Continuing operations		(0.98)	0.77
(ii) Total operations		(0.98)	0.77
(b) Diluted			
(i) Continuing operations		(0.98)	0.77
(ii) Total operations		(0.98)	0.77
Significant Accounting Policies & Notes on Accounts	"25"		
As per our report of even date attached herewith.			
For, Dhiren Shah & Co.,		For and on behalf of the Board of	
Chartered Accountants		Directors	
(Firm Reg. No. 114633W)			
Sd/-			
Dhiren Shah		Sd/-	Sd/-
Partner		Managing Director	Director
(Mem. Ship No. 035824)			
Place : Ahmedabad		Place : Mumbai	
Date : 11-08-2014		Date : 29th May-2014	

ADVANCE LIFESTYLES LIMITED
(Formerly known as The Ahmedabad Advance Mills Limited)
Consolidated Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(3,723,114)		2,385,913
<i>Adjustments for:</i>				
Depreciation and amortisation	229,379		196,980	
Finance costs	66,776,205		97,993,149	
Interest income	(67,911,116)		(72,231,901)	
Profit on sale of investment	-		(3,309,669)	
Liabilities / provisions no longer required written back	-		101,204	
		(905,532)		22,749,763
Operating profit / (loss) before working capital changes		(4,628,646)		25,135,676
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	608,842,076		764,065,966	
Trade receivables	-		10,630,624	
Long-term loans and advances	33,526,608		(1,646,352)	
Short-term loans and advances	45,602,919		(49,462,178)	
Other Current Assets	(581,374,082)		(411,407)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(580,969)		(12,315,901)	
Minority Interest	(20)		20	
Other current liabilities	(2,606,676)		(1,552,792)	
Short Term Provisions	(1,233,863)		(2,709,772)	
Other long-term liabilities	(416,085)		(191,581,971)	
Long-term provisions	(680,000)		-	
		101,079,908		515,016,237
		96,451,262		540,151,913
Cash flow from extraordinary items		-		-
Cash generated from operations		96,451,262		540,151,913
Net income tax (paid) / refunds		-		(3,378,558)
Net cash flow from / (used in) operating activities (A)		96,451,262		536,773,355
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(79,425,220)		(7,303,777)	
Profit on sale of investment	-		3,309,669	
Capitalization Granted by Hon'ble Settlement Commission vide order dt. 27-02-2014 pursuant to Additional income offered (Net off tax paid).	235,855,158			
Reduction in loss of erstwhile Subsidiary	58,715		62,371	
Interest received				
- Others	67,911,116		72,231,901	
Net cash flow from / (used in) investing activities (B)		224,399,769		68,300,164
C. Cash flow from financing activities				
Proceeds from long-term borrowings (Net)	48,914,904		(510,459,871)	
Security Premium A/c. balance of subsidiary	-		7,500,000	
Net increase / (decrease) in working capital borrowings	-		-	
Finance cost	(66,776,205)		(97,993,149)	
Net cash flow from / (used in) financing activities (C)		(17,861,301)		(600,953,020)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		302,989,730		4,120,499
Cash and cash equivalents at the beginning of the year		4,527,997		407,499
Cash and cash equivalents at the end of the year		307,517,727		4,527,998
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		308,177,993		4,527,997
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		307,644,401		82,683
(b) Balances with banks				
(i) In current accounts		518,475		1,020,538
(ii) In deposit accounts		15,117		15,117
(c) Cheques on Hand		-		3,409,659
		308,177,993		4,527,997

Notes:

- (i) The Cash flow statement has been prepared by Indirect Method as prescribed in AS-3 "Cashflow Statement"
(ii) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

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

For and on behalf of the Board of Directors

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

Sd/-
Managing Director

Sd/-
Director

Place : AHMEDABAD
Date : 11-08-2014

Place : MUMBAI
Date : 29th May, 2014

Note 1 Share Capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	(Rs.)	Number of shares	(Rs.)
(a) Authorised				
Equity shares of Rs. 10/- each with voting rights	25,000,000	250,000,000	25,000,000	250,000,000
(b) Issued				
Equity shares of Rs.10/- each with voting rights	3,112,875	31,128,750	3,112,875	31,128,750
	3,112,875	31,128,750	3,112,875	31,128,750
(c) Subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	3,112,875	31,128,750	3,112,875	31,128,750
Total	3,112,875	31,128,750	3,112,875	31,128,750

(a) RECONCILIATION OF NO OF SHARES OUT STANDING AT THE BEGINNING OF THE YEAR AND AT CLOSING OF THE YEAR

Particulars	31/03/2014		31/03/2013	
	NO OF SHARES	AMOUNT (RS.)	NO OF SHARES	AMOUNT (RS.)
AT THE BEGINNING OF THE YEAR	3,112,875	31,128,750	3,112,875	31,128,750
ADD:				
ISSUED DURING THE YEAR	-	-	-	-
OUTSTANDING AT THE END OF THE YEAR	3,112,875	31,128,750	3,112,875	31,128,750

(b) Rights, preferences and restrictions attached to shares

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

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. Phulchand Agarwal	1,052,885	33.82	1,182,652	37.99
Mr. Pradeep Agarwal	507,197	16.29	507,197	16.29
Phulchand Exports Pvt. Ltd.	708,613	22.76	708,613	22.76

Note 2 Reserves and surplus

Particulars	As at 31st March, 2014	As at 31 March, 2013
	(Rs.)	(Rs.)
(a) Capital reserve		
Opening balance	28,962,983	28,962,983
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	28,962,983	28,962,983
(b) Securites Premium		
Opening balance	7,500,000	7,500,000
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance (b)	7,500,000	7,500,000
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(2,259,538)	(4,707,822)
Add: capitalisation granted by the Hon'ble Settlement Commission vide order dt. 27-02-2014 pursuant to Additional Income offered (Net off tax paid).	235,855,158	
Less: Loss Of Advance Lifespace Pvt.Ltd. Reduced	-	(62,371)
Less: Loss Of Advance Infraspace Pvt.Ltd. and Advance Space Link Pvt. Ltd. Reduced as no more subsidiary	(58,715)	
As No More Subsidiary	-	
Balance	233,654,335	(4,645,451)
Add: Profit / (Loss) for the year	(3,043,114)	2,385,913
Amounts transferred from:		
General reserve	-	-
Other reserves	-	-
Closing balance	230,611,221	(2,259,538)
Total (a+b+c+d)	267,074,204	34,203,445

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 3 Long-term borrowings

Particulars	As at 31st March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
Loans		
<u>Unsecured</u>		
From related parties	301,289,458	203,738,456
From Inter corporate deposit	472,330,982	573,687,386
From Other deposits	58,383,973	5,663,667
Total	832,004,413	783,089,509

Note 4 Other long-term liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
<u>Others:</u>		
(i) Property development	105,269	105,269
(ii) Other than Acceptance	1,413,220	1,829,305
Total	1,518,489	1,934,574

Note 5 Long-term provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
<u>Other Long Term Provisions</u>		
Provision for Taxation (A.Y. 2013-14)	575,000	575,000
Provision for Taxation (A.Y. 2007-08)	-	680,000
Total	575,000	1,255,000

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements
Note 6 Trade payables

Particulars	As at 31st March 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
Trade payables:		
Creditors for Traded Goods	-	641,501
Creditors for Expenses	1,569,739	1,528,941
Total	1,569,739	2,170,442

Note 7 Other current liabilities

Particulars	As at 31st March 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
(a) Other payables		
<u>(i) Statutory remittances</u>		
Unpaid TDS	6,413,090	8,796,898
Service Tax Payable	-	384,045
VAT Payable	-	2,397
Professional Tax Payable	400	1,800
(b) Current account over drawn		
Kotak Mahindra Bank Ltd.	164,974	-
Total	6,578,464	9,185,140

Note 8 Short Term Provisions

Particulars	As at 31st March 2014	As at 31st March, 2013
	(Rs.)	(Rs.)
Provision for employee benefits:		
Provision for gratuity	7,735,818	8,310,818
Other employee benefits	33,961,069	34,619,932
Total	41,696,887	42,930,750

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

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Limited)
NOTES FORMING PART OF ACCOUNTS FOR THE NINE MONTHS ENDED 31.03.2014

NOTE NO.- 9
FIXED ASSETS

NAME OF ASSET	RATE OF DEP	GROSS BLOCK				ACCUMALATED DEPRECIATION & IMPAIRMENT				NET BLOCK		
		AS ON 01/04/2013	ADDITION	SALES	AS ON 31/03/2014	AS ON 01/04/2013	DEPRECIATION FOR THE YEAR	AS ON 31/03/2014	AS ON 31/03/2014	AS ON 31/03/2014	AS ON 31/03/2013	
<u>TANGIBLE ASSETS</u>												
Land	0%	181,489	-	-	181,489	-	-	-	-	-	181,489	181,489
Land	0%	79,425,220	-	-	79,425,220	-	-	-	-	-	79,425,220	79,425,220
Building	1.63%	961,747	-	-	961,747	339,438	15,676	355,114	606,633	622,309	622,309	622,309
Plant & Machinery	4.75%	393,844	-	-	393,844	149,198	18,708	167,906	225,938	244,646	244,646	244,646
Furniture & Fixtures	6.33%	741,488	-	-	741,488	317,975	46,936	364,911	376,577	423,513	423,513	423,513
Motor Car & Motor Cycle	9.50%	781,554	-	-	781,554	471,621	74,248	545,869	235,685	309,933	309,933	309,933
Computer	16.21%	455,343	-	-	455,343	262,934	73,811	336,745	118,598	192,409	192,409	192,409
TOTAL (a)		82,940,685	-	-	82,940,685	1,541,166	229,379	1,770,545	81,170,140	1,974,299	1,974,299	1,974,299
(b) INTANGIBLE ASSETS												
Goodwill	0%	7,244,977	-	-	7,244,977	-	-	-	7,244,977	7,244,977	7,244,977	7,244,977
TOTAL (b)		7,244,977	-	-	7,244,977	-	-	-	7,244,977	7,244,977	7,244,977	7,244,977
TOTAL (a+b)		90,185,662	-	-	90,185,662	1,541,166	229,379	1,770,545	88,415,117	9,219,276	9,219,276	9,219,276
PREVIOUS YEAR		97,430,639	7,303,777	-	104,734,416	1,541,166	196,980	1,738,146	102,996,270	16,464,253	16,464,253	16,464,253

NOTE:

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

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 10 Non-current investments

Particulars	As at 31st March 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Investments (At cost):						
<u>Investment in equity instruments</u>						
(i) of subsidiary						
9999 Shares of Rs. 10 each fully paid up in Advance Lifespaces Pvt. Ltd.	-	-	-	-	99,990	99,990
Less: Balance Reduced due to Consolidation	-	-	-	-	-	-
Less: Sold During the Year		-	-		99,990	99,990
Net Balance (a)	-	-	-	-	-	-
9999 Shares of Rs. 10 each fully paid up in Advance Infraspaces Pvt. Ltd.	-	99,990	99,990	-	99,990	99,990
Less: Sold During the Year		(99,990)	-			
Less: Balance Reduced due to Consolidation	-	-	(99,990)	-	(99,990)	-99,990
Net Balance (b)	-	-	-	-	-	-
9999 Shares of Rs.10 each fully paid up in Advance Spacelink Pvt.Ltd.		99,990	99,990		99,990	99,990
Less: Sold During the Year		(99,990)	-99,990			
Less: Balance Reduced due to Consolidation		-			(99,990)	-99,990
Net Balance (c)	-	-	-	-	-	-
3,14,999 Shares of Rs. 33 each fully paid up in Grant Infrastructue Pvt. Ltd.	-	10,394,967	10,394,967	-	10,394,967	10,394,967
Less: Balance Reduced due to Consolidation	-	3,149,990	3,149,990	-	3,149,990	3,149,990
Balance	-	7,244,977	7,244,977	-	7,244,977	7,244,977
Less: Balance transferred to Goodwill	-	(7,244,977)	(7,244,977)	-	(7,244,977)	(7,244,977)
Net Balance (d)	-	-	-	-	-	-
Total (a+b+c+d)	-	-	-	-	-	-

Note 11 Long-term loans and advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
	(Rs.)	(Rs.)
<u>Loans and advances</u>		
Unsecured, considered good to related party	130,894,166	60,634,419
<u>Advance Income Tax</u>		
Tax deducted at Sources	1,596,095	7,138,115
Balance with government authorities	145,999	149,284
<u>Unsecured, considered good</u>		
(Advance recoverable in cash or in kind or for value to be received)	44,377,990	142,619,040
Total	177,014,250	210,540,858

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 12 Inventories

Particulars	As at 31st March 2014 (Rs.)	As at 31 March, 2013 (Rs.)
(a) Work-in-progress- Law Garden Project (Refer Note 12(a))	-	-
(b) Work in Progress - GIPL Law Gardan (Refer note 12(b))	-	608,842,076
(d) Stock-in-trade (acquired for trading) Shops	1,424,943	1,424,943
(e) Work in Progress of New Manek chowk Mill (Refer Note 12(c))	-	-
Total	1,424,943	610,267,019

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

Law Garden Project

Expenditure	As at 31st March 2014 (Rs.)	As at 31 March, 2013 (Rs.)
Opening Work in progress (a)	-	23,993,911
Allocated Project Expenses		
Electricity Charges	-	9,805
Interest Expense	-	6,047,946
Legal Expenses	-	26,000
Legal and Professional fees	-	1,685,400
Petrol Expenses	-	1,500
Travelling Expenses	-	44,300
Land Development Expenses	-	101,840
Security Charges	-	53,009
Office maintainance expenses	-	1,904
Miscellenaous Expenses	-	10,000
Total Expenses incurred for the Project (b)	-	7,981,704
Opening Work in progress + Expense of the period (a+b)	-	31,975,615
Less: Excess Salary Recovered (c)	-	-55,884
Closing Work in Progress (a+b-c)	-	31,919,731
Less: Balance of Work in Progress transferred to Grant Infra. Pvt. Ltd. as on 01.10.2012 (d)	-	-31,919,731
Net Closing Work in Progress transferred to Balance Sheet (a+b-c-d)	-	-

Advance Lifestyles Ltd.
 (Formerly known as The Ahmedabad Advance Mills Limited)
 Notes forming part of the financial statements

Note 12(b) Working for Work-in-Progress
Law Gardan Project - (Grant Infrastructure Pvt. Ltd.)

Expenditure	As at 31th March 2014 (Rs.)	As at 31 March, 2013 (Rs.)
Opening Work in Progress	-	100,856,291
ADD :		
Direct Expenses	-	480,217,261
Finance Cost	-	27,655,405
Other Expenses	-	113,119
Closing Work in Progress	-	608,842,076

Note 12(c) Working for Work-in-Progress
New Manekchowk Project (Advance Lifespace Pvt. Ltd.)

Expenditure	As at 31th March 2014 (Rs.)	As at 31 March, 2013 (Rs.)
Opening Work in progress (a)	-	1,344,679,314
Allocated Project Expenses		
Consultancy Charges	-	-
Expenses to get the land rights relinquished	-	-
Land Development Expenses	-	-
Lease Hold Rights of the Land	-	-
Power & Fuel Charges	-	-
Security Charges	-	-
Site Expenses	-	-
Legal Expenses	-	-
Legal & Professional Expenses	-	-
Interest Expenses	-	-
Total Expenses Incurred for the Project (b)	-	-
Add: Pre-Operative Expenses of Previous Year now transferred to Work In Progress (c)	-	-
Sub Total (a+b+c)	-	1,344,679,314
Less: Amt. reduced as Advance Lifespace Pvt. Ltd. is no more Subsidiary Company as on 31-03-2013	-	1,344,679,314
Closing Work in Progress (a+b+c)	-	-

Advance Lifestyles Ltd.
 (Formerly known as The Ahmedabad Advance Mills Limited)
 Notes forming part of the financial statements

Note 13 Cash and cash equivalents

Particulars	As at 31st ar. 2014	As at 31 March, 2013
	(Rs.)	(Rs.)
(a) Cash on hand		
-Cash on Hand	67,644,401	58,688
-Cash on Hand (Workers)	-	23,995
-Cash Deposit Against Cheques	240,000,000	-
Total (a)	307,644,401	82,683
(b) Balances with banks		
(i) In current accounts		
- Corporation Bank (CBCA01000412)	32,005	28,846
- Corporation Bank (CA0125110)	100,264	147,179
- Kotak Mahindra Bank (CA 6111234426)	-	83,039
- Indian overseas bank (3823)	4,944	4,944
- Kotak Mahindra Bank-(8911270253)	70,302	89,980
- Kotak Mahindra Bank (4711233894)	-	245,451
- Kotak Mahindra Bank (6611230829)	-	110,132
- ING Vysya Bank (524011006273-Ahmedabad)	60,215	60,215
-Vysya Bank (5690- Mumbai)	250,745	250,752
(ii) In deposit accounts		
-Vysya Bank (Maharashtra VAT)	15,117	15,117
Total (b)	533,592	1,035,655
(c) Cheques on Hand		
Total (c)	-	3,409,659
Total (a+b+c)	308,177,993	4,527,997

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 14 Short-term loans and advances

Particulars	As at 31st March 2014	As at 31 March, 2013
	(Rs.)	(Rs.)
Loans and advances		
Unsecured considered good		
Deposits	43,260	43,260
Prepaid expenses	7,905	6,033
Balance with Government Authorities	13,734	15,111
Other Advance	147,396	1,834,842
Advance for Property Purchase	21,000,000	69,000,000
Vat Receivable	3,285	-
Cenvat Credit Receivable	43,260	-
IT Refund Receivable	3,990,029	
TDS Receivable	47,458	
Total (a)	25,296,327	70,899,246

Note 15 Other Current Assets

Particulars	As at 31st March 2014	As at 31 March, 2013
	(Rs.)	(Rs.)
Preliminary Expenses	-	31,837
Less: Amount pertaining to Advance Lifespace Pvt.Ltd. (reduced) as no more subsidiary.	-	-31,837
Balance	-	-
Add : Expenses during the current financial year	-	57,912
Less: 1/5th Written off during the year	-	8,920
Total (a)	-	48,992
Capital Expenses pending for allocation	-	394,252
Less: Transferred to Work in Progress	-	0
Total (b)	-	394,252
Acquisition of Development Rights in Land	445,000,000	-
Total (c)	445,000,000	-
Misc. Expenses (Pending allocation to Project)		
Opening Balance	84,416,856	-
Less: Adjustment	(80,340)	-
Add: Addition during the year	52,480,810	-
Total (d)	136,817,326	-
Total (a+b+c+d)	581,817,326	443,244

Advance Lifestyles Ltd.
 (Formerly known as The Ahmedabad Advance Mills Limited)
 Notes forming part of the financial statements

Note 16 Revenue from operations

Particulars	For the year ended 31st March 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Sale of Yarn	-	650,478
Sale of Fabric	-	4,410,782
<u>Less:</u>		
Excise duty	-	-
Total	-	5,061,260

Note 17 Other income

Particulars	For the year ended 31st March 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
(a) Interest income comprises:		
<u>Interest from banks on :</u>		
Deposits	-	162,910
<u>Interest from Others:</u>		
Interest from Loans & Advances	67,702,730	72,068,991
Interest on income tax refund	208,386	-
Total (a)	67,911,116	72,231,901
(b) Profit On sale Of Investment	-	3,309,669
(c) Miscellaneous Income	1,201	600
Total - Other non-operating income (a+b+c)	67,912,317	75,542,170

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

Note 18 Purchase of traded goods

Particulars	For the year ended 31st March 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Traded good Textile Yarn	-	610,954
Textile Fabric	-	-
Total	-	610,954

Note 19 Direct Expenses

Particulars	For the year ended 31st March 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Consulting Charges	3,067,110	3,151,509
Designing Charges	-	21,550
Land Development Expenses	26,216	134,077
Power and fuel	16,635	123,478
Rates and taxes(Property Tax)	-	7,351
Panchayat Tax	-	10,294
Security Charges	112,244	126,833
Work In progress transferred as on 01.10.2012	-	31,919,731
From Venus Infra. & Development Ltd.	-	289,000,000
From Swapna Co-Op Housing Society	-	156,000,000
Less: Transfer to Misc. Expenses (Pending Allocation to Project)	-3,222,205	
Total	-	480,494,823

Note 20 Indirect Expenses

Particulars	For the year ended 31st March 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Advertisement Expenses	38,338	44,028
Books & Periodicals	-	880
Communication (Telephone,Internet & Postage)	107,468	114,236
Conveyance Expenses	22,810	58,218
Property Tax	9,201	-
Guest House Rent	-	35,000
Insurance	9,762	12,572
Legal and professional expenses	2,257,252	5,072,863
Legal Expenses	26,566	71,697
Petrol Expenses	-	49,799
Plaza Maintainance Charges	-	31,306
Printing and stationery	64,769	52,265
Repairs and maintenance - Buildings(Office)	-	12,445
Repairs and maintenance - Vehicles	112,192	54,067
Reimbursement of Expense	22,500	-
Travelling and conveyance	77,504	107,222
Total	2,748,362	5,716,598

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

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

Particulars	For the year ended 31st March 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Inventories at the end of the year:		
WIP (GIPL - Law Garden)	-	608,842,076
Stock-in-trade (Shops)	1,424,943	1,424,943
Total (a)	1,424,943	610,267,019
Inventories at the beginning of the year:		
Finished goods	-	4,234,818
Law Garden Project WIP	-	23,993,911
Less: CWIP Transferred TO grant Infra	-	-31,919,731
Add: Opening WIP of Grant infrastructure pvt.ltd.	-	100,856,291
Stock-in-trade (Shops)	1,424,943	1,424,943
Total (b)	1,424,943	98,590,232
Net (increase) / decrease (a-b)	-	(511,676,787)

Note 22 Employee benefits expense

Particulars	For the year ended 31st March 2013	For the year ended 31 March, 2014
	(Rs.)	(Rs.)
Salaries and wages	940,442	814,966
Retrenchment Expenses	68,423	53,691
Staff welfare expenses	-	3,935
Leave Travel Allowance	35,000	52,133
Bonus Expense	55,385	62,928
Medical expenses	-	21,301
Total	1,099,250	1,008,954

Note 23 Finance costs

Particulars	For the year ended 31st March 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
(a) Interest expense on:		
(i) Borrowings	115,881,844	96,861,923
Less: Tr. To Current Assets as Pre-Op. Expenses	49,105,639	-394,252
Total (i)	66,776,205	96,467,671
(ii) Interest paid as Commitment Charges	-	1,525,478
Total	66,776,205	97,993,149

Advance Lifestyles Ltd.
(Formerly known as The Ahmedabad Advance Mills Limited)
Notes forming part of the financial statements

Note 24 Other expenses

Particulars	For the year ended 31st March 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
Bank Charges	2,226	10,893
Annual Custodian Fee	6,741	-
Designing Charges	18,738	-
Legal Expenses	28,530	-
Hotel Charges	24,890	38,954
Conveyance Charges	1,470	-
Interest on late payment of Government dues.	127,706	44,067
Service Tax Penalty	26,380	-
Bad Debts	-	2,025,536
Listing Fees	33,708	34,108
Membership & Subscription	-	12,930
Miscellaneous expenses	16,838	29,519
Office Maintainance Exp.	12,008	46,684
Payments to auditors (Refer Note 25(a))	466,249	511,339
Pooja Expenses	100	15,740
Preliminary Expenses Written off	-	12,248
Repairs and maintenance - Others	12,360	27,479
Sundry Balances Written off	-	101,204
Service Tax	91,257	384,045
Sitting Fees	66,000	18,000
Less: Sundry Balance Written Off:	-	-14,900
Less: Tr. To Current Assets as Pre-Op. Expenses	-152,966	
Total	782,235	3,297,846

Note 24 (a) Payment to Auditors

Particulars	For the year ended 31st March 2014	For the year ended 31 March, 2013
	(Rs.)	(Rs.)
As auditors - statutory audit	466,249	511,339
Total	466,249	511,339

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

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

A. Principles of Consolidation

The consolidated financial statements relate to Advance Lifestyles Limited ('the Company') and its subsidiary company Grant Infrastructure Pvt. Ltd. The consolidated financial statements have been prepared on following basis :

- (a) The financial statement of the Company and its subsidiary companies are combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements"
 - (b) Minority interest's share of net loss of consolidated subsidiary company for the year has been identified and adjusted against the income of the Company in order to arrive at the net income attributable to shareholders of the company.
 - (c) Minority interest's share of net assets of the consolidated subsidiary company has been identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
 - (d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
 - (e) In view of the losses suffered by the Subsidiary companies, minority's share of loss of Rs. 5/- has been absorbed by the majority. If the subsidiary company reports profits in future, all such profits will be allocated to the majority interest until the minority's share of losses previously absorbed by the majority is recovered.
- B.** Investments other than in subsidiaries, if any, have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

C. Other significant accounting policies

(i) Basis of Accounting:

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the generally accepted accounting principles (GAAP) and applicable accounting standards issued by Institute of Chartered Accountants of India referred in Section 211(3C) of the Companies Act, 1956

(ii) Use of Estimates:

The preparation of financial statements in conformity with generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (contd.)

the reported amount of the revenue and expenses during the reporting period. Actual results could differ from these estimates and the difference between actual results and estimates are recognized in the period in which the results are known/materialize.

(iii) Fixed Assets and Depreciation:

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

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

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

(iv) Inventories:

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

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

(V) CASH AND CASH EQUIVALENTS

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

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

(v) Revenue recognition:

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

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

c. Interest Income is recognized on a time proportion basis in case of the Holding Company.

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (contd.)

d. There is no interest income in case of Subsidiary Companies.

(vi) **Employee Benefits:**

The Company's contribution paid/payable during the year to the Provident Fund/Gratuity Fund is charged to the Statement of Profit and Loss. The gratuity liability, as per Payment of Gratuity Act is payable up to 13.3.1995 to all eligible workers.

In terms of the Order dated 23.01.2004, of the Honorable BIFR, and order dated 15/02/2008, of the Honorable High Court of Gujarat, provision for Gratuity to all the eligible workers have been provided for on an arithmetic calculation basis.

(vii) **Borrowing cost :**

General and Specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing cost are recognized in Statement of profit and Loss in the period in which they are incurred.

(viii) **Retrenchment Expenses:**

Retrenchment compensation and salary for the closure period is required to be paid on receipt of resignation from the employees and vacating the hut /chhapra / room / quarter in the mill premises occupied by them in terms of Order dated 15/02/2008 passed by the Honorable Gujarat High Court. Accordingly, the company has already made provisions for retrenchment compensation and salary for the closure period in past.

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

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

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

(x) **Earnings per share:**

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

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (contd.)

(xi) **Contingent Liabilities:**

Contingent liabilities as defined in Accounting Standard 29 on "Provision, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Provision is made if it is probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

(xiii) **Impairment of Assets:**

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

(ix) **Applicabilty Of Other Accounting Standards**

Though other Accounting Standards also apply to the company by virtue of the Accounting Standards Rules 2006 (as amended), no disclosure for the same is being made as the company has not done any transaction to which the said Accounting Standards apply.

B-1 OTHER NOTES :

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

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

2. During the previous year 2012-13, the Company has acquired 3,14,999 Equity Shares of Rs. 10/- each at a premium of Rs. 23/- of M/s. Grant Infrastructure Pvt. Ltd. and thereby the said company became the subsidiary company. In past, the Company has paid advance for acquiring the land as well as has incurred the project construction expenses with the consent of the said company Grant Infrastructure Pvt. Ltd. On becoming Grant Infrastructure Pvt. Ltd., the subsidiary company, the project construction expenses of Rs. 3.19 Crores standing in the books of account of the Company has been transferred to the said subsidiary company Grant Infrastructure Pvt. Ltd.

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

3. Other liabilities, which include worker's dues have been ascertained on the basis of available records with the Company and are subject to adjustments. Pending final settlement of dues, the payments to workers included in advance to employees, as per court order amounting to Rs.17,37,506/- (Previous period Rs.19,12,006/-) made in earlier years has been adjusted against liability provided/paid in pursuance of the Order.

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (contd.)

4. The company had vide its letter dated September 19,2005 applied to the Income-tax Department for granting relief and concessions in accordance with the sanctioned Revival Scheme of BIFR vide their Order dated January 23, 2004. Further the BIFR vide its discharge Order dated August 22, 2006, issued directives to the Income tax department to exempt the Company from payment of capital gain tax and permit the Company to set off the capital gains, if any, against accumulated losses of the Company. However, the Income tax department filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the said directives of BIFR which was rejected by AAIFR vide its order dated 10th June 2008. In the financial year 2006-07 relevant to A.Y. 2007-08 the Assessing Officer has interpreted the order of BIFR and AAIFR that set-off of accumulated business loss against the Capital Gain beyond 8 years is not allowable and accordingly the demand was raised by the Income Tax department. The said demand was challenged by the company by filing appeal before the CIT(Appeal). The CIT(Appeal) has decided the appeal in favor of the company, and the Income Tax Department has preferred an appeal before the ITAT. This is pending before the ITAT.

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

5. The Company and the Textile Labour Union arrived at a settlement in respect of employees' dues on 11/02/2008 and the same has been modified by the Honorable High Court of Gujarat on 15/02/2008, as a result of which the Company is liable to pay in respect of such settlement, an amount aggregating Rs. 15 crores (approx.) to 848 employees on the condition precedent, that the payment will be made to the concerned employee within sixty days after his resignation is received and in respect of the employees concerned having hut/chhapra/room/quarter in the mill premises and he is a beneficiary of the settlement/ order, he shall have to first vacate the hut/chhapra/room/quarter occupied by him in the mill premises shall have to first handover possession thereof to the Mill Management and thereafter, and within sixty days period, the Mill Management will pay the amount to the concerned employee as per the consent terms. The Honorable High Court further held that the closure declared by the Mill Management is legal and valid.
6. Consequent to Honorable High Court's order dated 15/02/2008, the company has already made the provision for gratuity relating to all employees in earlier years of the closure of the years 1/4/1997 to 31/3/2007. The liability (other than gratuity) in respect of retrenchment compensation and salary, the company has made the payment to the workers on the basis of resignation received from the employees and accounted for in the books in earlier years. Similarly, the company had also made the provisions for all unresigned employees including employees from whom resignations are yet to be received in terms of the order of High Court dated 15/02/2008 which is amounting to Rs. 3,04,73,417/- as on 31/03/2014 (Rs.3,32,71,288/- as on 31/03/2013).
7. **Contingent Liabilities not provided for:**

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

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (contd.)

-The Income Tax assessments of the Company have been completed upto Assessment Year 2009-10. The demand of Rs.4,08,07,057/- for Assessment Year 2007-08 has been reduced to Rs. Nil as a result of Appellate Order of CIT(A) in favour of the Company. Against the said Appellate Order, the Income Tax Department has preferred second appeal before Tribunal which is pending to be decided. Similarly, the demand of Rs.2,77,620/- for Asst.Year 2008-09 has been reduced to Nil as a result of appellate order of CIT(A) in favour of the company.

8. The survey proceedings u/s.133A of the Income-tax Act, 1961 was carried out at the business premises of the associate group company Phulchand Exports Pvt. Ltd. on 11/12/2012. In pursuance of the said survey proceedings, the company and associate group company Phulchand Exports Pvt. Ltd. had filed an application before the Hon'ble Settlement Commission, Mumbai, wherein the company had disclosed additional income of Rs.31,07,36,874/- for F.Y.2012-13 relevant to A.Y.2013-14 including capital gain on sale of shares of Advance Lifespace Pvt. Ltd. for an amount of Rs.30,88,83,060/-. During the year the Hon'ble Settlement Commission has passed the final order u/s.245D(4) of the I.T. Act, 1961 accepting the additional income offered by the company as assessed income. In the order passed by the Hon'ble Settlement Commission u/s.245D(4) of the Act, capitalization of the income earned by the company has been granted. The capitalization effect has been taken for an amount of Rs. 30,76,11,930/-. The company has paid the Income-tax on the additional income offered before the Hon'ble Settlement Commission for an amount of Rs. 7,17,56,772/-. The necessary accounting entries have been passed in the books of account. The capitalization in the form of cash balance for an amount of Rs. 6,76,11,930/- has been shown as on 31st March,2014 has included in cash on hand balance and Rs. 24,00,000,00/- shown as cash deposit against cheques and the additional income offered before the Hon'ble Settlement Commission after setting off tax paid has been shown under the head "Reserves & Surplus" for an amount of Rs. 23,58,55,158/-.

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

	Current Year	Previous Year
(Loss) / Profit after tax available to equity shareholders (*)	(30,43,114)	29,28,514
Weighted average number of equity shares for Basic EPS	3,112,875	3,112,875
Weighted average number of equity shares for Diluted EPS (considering Share Application Money)	3,112,875	3,112,875
Basic EPS – (*)	Rs.(0.98)	Rs. 0.94
Diluted EPS –(*)	Rs.(0.98)	Rs. 0.94
Face value per share	Rs.10.00	Rs.10.00

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

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (contd.)

10 (A). Transactions with Related parties:

Transactions	Year ended 31.03.2014			Year ended 31.03.2013		
	Subsidiary Company Rs.	Associate Promoter Rs.	Other enterprises under common control (Rs.)	Subsidiary Company Rs.	Associate Promoter Rs.	Other enterprises under common control (Rs.)
Repayment of Inter corporate unsecured loan taken :						
1)Phulchand Exports Pvt. Ltd.	--	14,32,28,139	--	--	1,10,06,84,979	--
2) Prateek Spintex Limited	--	--	4,36,06,915	--	--	2,88,27,534
Inter corporate unsecured Loan received:						
1) Phulchand Exports Pvt.Ltd.	--	5,06,85,484	--	--	24,23,10,000	--
2)Prateek Spintex Limited	--	--	24,28,00,000	--	--	76,75,000
Inter Corporate Deposit (ICDs) Placed repaid by the Parties.						
1) Phulchand Exports Pvt.Ltd	--	--	--	--	--	--

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

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (contd.)

Inter corporate Deposits (ICDs) placed: 1)Phulchand Exports Pvt. Ltd	--	--	--	--	--	--
Interest on unsecured loan taken : 1) Phulchand Exports Pvt. Ltd. 2) Prateek Spintex Limited	--	19,19,131 --	-- 2,18,05,340	-- --	4,91,92,804 --	-- 95,92,902
Inter corporate unsecured loans taken & outstanding as at the end of the period: 1)Phulchand ExportsPvt. Ltd. 2)Prateek Spintex Limited	--	--	-- 30,12,89,458	-- --	9,06,23,524 --	-- 7,78,68,218

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (contd.)

10 (B) List of related party and their nature of relationship:

Sr. No.	Nature of Relationship	Name of the Parties
1.	Associate Promoter	Phulchand Exports Pvt. Ltd.
2.	Other enterprise under common control	Prateek Spintex Limited
3.	Key Management Personnel (Directors)	1. Phulchand Agarwal (Mng. Director) 2. S. Srinivasan (Non-Ex. Director) 3. Sundeep Agrawal (Director)

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

12. Figures of the previous year have been rearranged / regrouped wherever necessary.

13. Segment reporting:

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

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

Significant Notes for Segment Reporting :

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

NOTE NO: 25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (contd.)

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

Information about Primary Business Segments

Particulars	Year ended on	Year ended on
	31.03.2014	31.03.2013
	Rs.	Rs.
<u>Segment Revenue</u>		
Textile Mill	-	50,61,260
Property Construction	-	--
Total	-	50,61,260
Less : Inter Segment Revenue	-	--
Net sales/Income from Operations	-	50,61,260
<u>Segment Results</u>		
[Profit/(Loss) before tax and interest]		
Textile Mill	-	(12,73,302)
Property Construction	-	(58,716)
Unallocated	-	27,93,026
Total	-	14,61,008
Less :		
Interest Income /(Interest Expense) (Net)	-	14,99,905
Total Profit/ (Loss) Before Tax	-	29,60,913
Capital Employed		
(Segment assets - Segment Liabilities)		
Textile Mill	-	(4,26,69,441)
Property Construction	-	(12,45,70,831)
Unallocated	-	22,51,21,183
Total	-	5,78,80,911

SIGNATURES TO SCHEDULES 1 TO 25

For, Dhiren Shah & Co.
Chartered Accountants,
(Firm Reg.No.114633W)
Sd/-
(Dhiren Shah)
PartnerManaging
Membership No.035824
Place : Ahmedabad.
Date : 11-08-2014

For and on behalf of the Board of Directors

Sd/-
Phulchand Agarwal
Director
DIN : 00026741
Place : Mumbai.
Date : 29-05-2014

Sd/-
Sundeep Agarwal
Director
DIN :03168111

Advance Lifestyles Limited

F F 21-22, Advance Plaza, Outside Delhi Gate, Shahibag Road, Ahmedabad - 380 004

CIN L17110GJ1988PLC011139

Form No. MGT-11

Proxy Form

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

CIN : CIN L17110GJ1988PLC011139

Name of the Company : **Advance Lifestyles Limited**

Registered Office : F F 21-22, Advance Plaza, Outside Delhi Gate, Shahibag Road, Ahmedabad - 380 004 Gujarat, India

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

I / We, being the member(s) of shares of the above named Company, hereby appoint:

1. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ , or failing him
2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ , or failing him
3. Name : _____
Address : _____
E-mail Id : _____
Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Tuesday, the 30th day of September, 2014 at 11.00 a.m. at Advance Business Park, Opp. Swaminarayan Temple, Shahibag, Ahmedabad – 380 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business :

1. Adoption of Annual Accounts of the Company as on 31st March, 2014 (Ordinary Resolution).
2. Re-appointment of Mr. Sundeep B Agarwal who retires by rotation (Ordinary Resolution).
3. Appointment of M/s. Dhiren Shah & CO., Chartered Accountants, Ahmedabad as Auditors of the Company and fixing their remuneration (Ordinary Resolution).

Special Business :

4. Appointment of Mr. S Srinivasan as an Independent Director (Ordinary Resolution).
5. Re-Appointment of Shri Phulchand Agarwal as Managing Director (Special Resolution).
6. Approval under Section 180 (1) (a) of the Companies Act, 2013 (Special Resolution).
7. Approval under Section 180 (1) (c) of the Companies Act, 2013(Special Resolution).
8. Approval under Section 186 of the Companies Act, 2013 (Special Resolution).
9. Approval to related Party Transactions. (Special Resolution).

Signed this day of 2014.

Signature of shareholder: _____



Signature of Proxy holder(s): _____

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

Advance Lifestyles Limited

F F 21-22, Advance Plaza, Outside Delhi Gate, Shahibag Road, Ahmedabad - 380 004

CIN L17110GJ1988PLC011139

■ **ATTENDANCE SLIP**

Full name of the member attending

Full name of the joint-holder

(To be filled in if first named Joint – holder does not attend meeting)

Name of Proxy

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

I hereby record my presence at the Annual General Meeting held at Advance Business Park, Opp. Swaminarayan Temple, Shahibag, Ahmedabad – 380 004 on Tuesday, the 30th day of September, 2014 at 11.00 a.m.

Folio No

DP ID No. *

Client ID No.*

* Applicable for members holding shares in electronic form.

No. of Share(s) held

Member's / Proxy's
Signature

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If undelivered, please return to:

**ADVANCE LIFESTYLES LIMITED
F F 21-22, ADVANCE PLAZA,
SHAHIBAUG ROAD,
AHMEDABAD 380 004**