

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, 2015
3	Type of Audit Observation	No specific Observation
4	Frequency of Observation	Not Applicable
5	To be signed by-	
	CEO/MANAGING DIRECTOR	 (PHULCHAND AGARWAL)
	CFO	Not Applicable
	Auditor of the Company	Refer our Audit Report dated 29 th May, 2015 on the Financial Statements of the Company. For Dhiren Shah & Co., Chartered Accountants FRN 114633W  (DHIREN SHAH)- Partner Membership No.075874 Ahmedabad
	Audit Committee Chairman	 (S SRINIVASAN-AUDIT COMMITTEE)

ADVANCE LIFESTYLES LIMITED

CIN : L45309GJ1988PLC011139

Regd. Office: 4th Floor, 254B, Nirlon House, Dr Annie Besant Road, Worli, Mumbai - 400023, Maharashtra-INDIA. Ph: 022-42346900
Website: www.advance.net.in

26th ANNUAL REPORT 2014-2015

ADVANCE LIFESTYLES LIMITED

4TH FLOOR, 254B, NIRLON HOUSE, DR ANNIE BESANT ROAD, WORLI, MUMBAI 400030

Advance Lifestyles Limited

Annual Report 2014-15

BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR	PHULCHAND AGARWAL
INDEPENDENT NON EXECUTIVE DIRECTORS	S. SRINIVASAN
DIRECTOR	SUNDEEP AGARWAL (Upto 16-01-2015) SOM DUTT VYAS (From 16-01-2015)

BANKERS

KOTAK MAHINDRA BANK
CORPORATION BANK
ING VYSYA BANK LIMITED

REGISTERED OFFICE

(Upto 16.08.2015)
F F 21-22, Advance Plaza,
Outside Delhi Gate, Ahmedabad 380 004

(From 17.08.2015)
4TH FLOOR, 254B, NIRLON HOUSE,
DR ANNIE BESANT ROAD,
WORLI, MUMBAI 400030

REGISTRAR AND SHARE TRANSFER AGENTS

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

CONTENTS**PAGE NO.**

❖ NOTICE	03 - 05
❖ DIRECTORS' REPORT	06 - 09
❖ SECRETARIAL AUDIT REPORT	10 - 11
❖ MANAGEMENT DISCUSSION & ANALYSIS REPORT	12
❖ REPORT ON CORPORATE GOVERNANCE	13 - 22
❖ EXTRACT OF ANNUAL RETURN (MGT-9)	23 - 27
❖ C E O CERTIFICATION	28

STANDALONE ACCOUNTS – ADVANCE LIFESTYLES LIMITED

❖ AUDITORS' REPORT ON ACCOUNTS	29 - 32
❖ BALANCE SHEET	33
❖ PROFIT AND LOSS ACCOUNT	34
❖ CASH FLOW STATEMENT	35
❖ NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT	36 - 41
❖ SIGNIFICANT ACCOUNTING POLICIES	42 - 43
❖ NOTES ON ACCOUNTS	44 - 46
❖ PROXY FORM AND ATTENDANCE SLIP	47 - 49

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of Advance Lifestyles Limited will be held on Wednesday, 30th September, 2015 at 11.00 a.m. at 254-B, 4th Floor, Nirfon House, Dr Annie Besant Road, Worli, Mumbai-400 030 to transact the following businesses:

ORDINARY BUSINESS:**1. ADOPTION OF FINANCIAL STATEMENTS:**

To receive, consider and adopt Audited Balance Sheet as at 31st March, 2015 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. APPOINTMENT OF DIRECTOR:

To appoint a Director in place of **Shri Phulchand Agarwal** (DIN: 00026741) who retires by rotation and being eligible, offers himself for re-appointment.

3. APPOINTMENT OF AUDITORS:

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."

For and on behalf of the Board

Sd/-
Place : Mumbai
Date : 13-08-2015

Som Dutt Vyas
DIRECTOR
DIN-00026670

Regd. Office:
254-B, 4th Floor, Nirfon House,
Dr Annie Besant Road, Worli,
Mumbai-400 030
CIN- L17110GJ1988PLC011139

NOTES:

- 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.**
- 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.
- 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.**
- As per clause 49 of the listing agreement(s), information regarding Directors seeking re-appointment is annexed hereto.
- The Register of members and share transfer books of the Company will remain closed from 23rd September, 2015 to 30th September, 2015 (both days inclusive) for the purpose of 26th Annual General Meeting.
- 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.
- Members are requested to bring their copy of Annual Report at the meeting.
- 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.
- As per the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as amended and as per the provisions of Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting"). The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e- voting facility. Members who have cast their votes by remote e-voting prior to AGM may attend AGM but shall not be entitled to cast their votes again.

The facility for voting through ballot will be made available at the AGM, and Members attending the AGM who have not cast their vote by remote e-voting will be able to exercise their right at the AGM.

The instructions for members for voting electronically are as under:- (EVSN - 150909065)

- Log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" tab.
- Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID) Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

- Now, both Demat and Physical holders shall fill up the following details in the appropriate boxes:
- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the relevant EVSN on which you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "Resolutions File Link" if you wish to view further description/entire Resolutions.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- If Demat account holder has forgotten the changed password, then Enter the User ID and Capcha Code click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com>, click on 'registration' and fill up the required details. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com for receiving their login details. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. Before casting vote, they should upload a scanned copy of the Board Resolution/Power of Attorney (POA) in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or email to helpdesk.evoting@cdslindia.com.
- The voting period begins on 26th September, 2015 (11:00 am) and ends on 29th September, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 29th September, 2015 (5:00 p.m).
- The Company has appointed Shri Dushyant Dholakia, a Practicing Company Secretary, Ahmedabad (Membership No.- 2169, COP No.- 12302), as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period not exceeding three working days from the conclusion of the meeting period unless the votes in the presence of at least two witnesses, not in the employment of the Company, and will make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.advance.net.in and on the website of CDSL www.cdslindia.com.

The results shall simultaneously be communicated to the Stock Exchange.

DIRECTORS' REPORT

To,

The Members,
ADVANCE LIFESTYLES LIMITED
Ahmedabad

Your Directors have pleasure in presenting herewith the **26th Annual Report** together with the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS:

The highlights of Financial Results of the Company for the financial year ended 31st March, 2015 are as under:

Particulars	(Rs. in lacs)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Total Income	595.67	679.12
Depreciation	4.52	2.29
Profit / (Loss) before Tax	133.30	(37.23)
Profit / (Loss) after Taxation	110.55	(30.43)
Profit / (Loss) brought forward from last year	230.61	(22.01)
Balance Profit / (Loss) carried forward to Balance Sheet	241.67	230.61

OPERATIONS AND FUTURE PLANS:

During the year under review, the Company has not carried out any major activities in either segment (textile / real estate) except some financing transactions and has showed Pre-Tax profit of 133.30 lacs as against a loss of Rs. 37.23 lacs (Previous Year).

DIVIDEND:

Your Directors have decided to plough back and retain the earnings and 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 of Hon'ble Gujarat High Court dated 11.2.2008, the Company has received further resignations from workers during the Year ended 31.03.2015.

SUBSIDIARY COMPANIES:

With the disinvestment from Grant Infrastructure Private Limited, there are no subsidiary of the Company.

CONSOLIDATED FINANCIAL STATEMENTS:

As stipulated by Clause 32 of Listing Agreement with Stock Exchanges, Consolidated Financial Statements of the Company and its Subsidiary Companies are required to be prepared. In the absence of any Subsidiary Company, only Stand Alone Accounts are prepared.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

6

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
- 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, 2015 and of the Profit or Loss of the Company for the year ended on that date.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts of the Company on a going concern basis.
- 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.
- 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

A report as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is presented separately and forms part of the Annual Report.

CORPORATE GOVERNANCE:

The Company has taken necessary measures to comply with the Listing Agreement with the Stock Exchanges including revised Clause 49 regarding Corporate Governance. A separate report on corporate Governance for the year ended on 31st March, 2015 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.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement/transaction with related parties which could be considered material in accordance with the provisions of the Act.

Your Directors draw the attention of the Members to Note No. 10 (A) & (B) to the Financial Statement.

PUBLIC DEPOSITS:

The Company has not accepted any Public Deposits.

CORPORATE SOCIAL RESPONSIBILITY(CSR):

The provisions relating to Corporate Social Responsibility are not applicable to the Company.

INTERNAL FINANCIAL CONTROL:

The Company has in place, looking to its activities, adequate internal financial controls with reference to financial statements. No weakness in the design or operation were observed.

7

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Phulchand Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Your Directors recommend his re-appointment as Director. Except Shri Phulchand Agarwal, himself, no other Director is interested in his appointment.

During the year under review, Shri Sundeep Agarwal has demitted office of Director effective from 16th January-2015. Shri Som Dutt Vyas has been appointed as Director, effective from 16th January-2015 to fill the casual vacancy caused by his resignation. The Board has placed its sincere appreciation for the services and valuable contribution made by Shri Sundeep Agarwal during his tenure as Director of the Company.

The Company has received a Declaration from Shri S Srinivasan, Independent Director, (whose term expires on 31st March, 2017), confirming that he meets with criteria of Independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges.

A formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors, which is satisfactory. The Board has decided to widen the scope and enhance the volume of activities during the coming Year/ in future.

AUDITORS' OBSERVATIONS:

The Auditors' Report does not contain any qualification, reservation or adverse remark. 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.

SECRETARIAL AUDITOR:

The Board has appointed Shri Dushyant B Dholakia, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2014-2015. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith as Annexure to this Report.

MEETINGS HELD DURING THE YEAR UNDER REVIEW:

The Board met six times during the year under review. For further details, please refer report on Corporate Governance annexed to this Report.

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

Provisions of the Companies Act, 2013 for disclosure of information on Conservation of Energy and Technology Absorption are presently not applicable to the Company. There was 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 197(12) of The Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 apply.

8

EXTRACT OF ANNUAL RETURN:

Extract of Annual Return of the Company is annexed herewith as separate Annexure and forms part of this Report.

GENERAL DISCLOSURES:

- The Particulars of loans, guarantees or investments under Section 186 are given in the Financial Statements (Please refer Schedule 11 A & C read with Note No.10 to the Accounts)
- As no major activities were undertaken by the Company during the year under review, there are no elements of risks which in the opinion of the Board may threaten the existence of the Company.
- The Company is not making any payment of managerial Remuneration as envisaged under section 197(12) read with Rule 5 of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 except the payment of Fees for attending Meetings of Board/Committee to Independent Director and as such there is nothing to disclose. In view thereof, there is also nothing to disclose on Ratio of remuneration of each director to the median employee's remuneration and other prescribed details as required under Section 197(12) of the Companies Act read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules -2014;
- The Company has no female employee, and as such there is nothing to disclose under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- The Company has framed Vigil Mechanism which incorporates the Whistle Blower Policy in terms of the Listing Agreement. Since the Company has not accepted any Public Deposits / Borrowings, there is nothing to disclose.
- The Company has not issued any Equity Shares with Differential Rights, Sweat Equity, ESOS, etc. during the Year under review.
- In terms of the provisions of the Companies Act, 2013 and Listing Agreement, an Audit Committee as per the composition required is in place. The Board of Directors have accepted the recommendation, if any, of the Audit Committee.
- No significant or material orders were passed by the Regulators or courts or Tribunals which impact the going concern status and Company's operations in future.

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

Sd/-

PHULCHAND AGARWAL
CHAIRMAN

Place: Mumbai
Date: 29th May, 2015

9

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

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

To,
The Members,
Advance Lifestyles Limited
Ahmedabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Advance Lifestyles Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2015, ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange and Ahmedabad Stock Exchange.

I am informed that the Company is making sincere endeavor to fill the vacant post (since February-2013) of Company Secretary, as is required, the Company being a Listed Company, under Section 204 of the Companies Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

10

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board / Committee, as the case may be.

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

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / Amalgamation / reconstruction etc.
- (v) Foreign technical collaborations

Sd/-
(Dushyant B Dholakia)
FCS No.: 2169
CP No.: 12302

Place : Mumbai
Date : 29.05.2015

11

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT**Mr. Phulchand Agarwal****Chairman and Managing Director**

Mr. Phulchand Agarwal is a promoter Director of Advance Lifestyles Limited and has experience in business for more than sixty years. He has incorporated Phulchand Exports Limited, a trading organization which has spread wings in various sectors across the globe.

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

Shri Phulchand Agarwal is a Director in Phulchand Exports Private Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The growth in Real Estate Sector is at a very slow pace than expected few years ago and has slowed down. Risk factors also seem to be emerging. In textile, only Spinning Units have succeeded. Composite Units have failed to improve their performance.

b. OPPORTUNITIES AND THREATS: The Real Estate market has reached to a saturation point. Much will depend on how the Sector reacts to REAL ESTATE REGULATORY Framework, proposed by the Govt. of India. In textile, the vagaries of monsoon will decide the Cotton prices and ultimately Yarn / Fabric prices and overall market.

c. SEGMENT -WISE OR PRODUCT WISE OR PRODUCT-WISE PERFORMANCE: In view of no major activity in either of the Sector, during the year under review, there is nothing to report.

d. OUTLOOK: The Company is contemplating in purchasing a running unit or setting up a textile unit.

e. RISKS AND CONCERNS: The risks are always attached to a business decision. The Management will have cautious and conservative approach while taking decisions.

f. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY: The Company has adequate system of internal control considering the restricted activities.

g. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE. In view of no major activity, there is nothing to report.

h. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED: There is no change number of employees in the employment and therefore nothing is there to report

12

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, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

Sd/-

Dhiren Shah
Partner
Membership No. 35824

Place : Ahmedabad
Date : 29-05-2015

13

CORPORATE GOVERNANCE REPORT**1 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.

2 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

a Composition and Category of the Board:

The Board of Directors of the Company as on 31st March, 2015 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 and Shri S D Vyas as a Non - Executive Non-Independent Director. No Director is related to each other.

b Details of memberships of the Directors in other Boards and in Board Committees as on 31st March, 2015 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, 1956/2013 and clause 49 of the Listing Agreement.

NAME OF DIRECTOR	CATEGORY	OTHER DIRECTORSHIPS	DETAILS OF OTHER COMMITTEES	
			CHAIRMAN	MEMBER
SHRI PHULCHAND AGARWAL	P-NE	1	1	2
SHRI SUNDEEP AGARWAL	E-NI	4	-	3
SHRI SRINIVASAN	NE-I	1	2	1

Other directorship include directorship of private limited companies.

c Number of Board Meetings held and the dates on which held :

The Board met Six times during the year under review on 16th May, 2014 (adjourned), 29th May, 2014, 11th August, 2014, 14th August, 2014, 14th November, 2014, 16th January, 2015 and 13th February, 2015. The maximum time-gap between any two consecutive meetings did not exceed 4 months.

d Attendance of Directors:

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

14

Name of Director	Meetings		Attended AGM held on 30-09-2014	Last
	Held	Attended		
SHRI PHULCHAND AGARWAL	7	6	No	
SHRI S SRINIVASAN	7	4	No	
SHRI SUNDEEP AGARWAL	7	5	Yes	
SHRI SOM DUTT VYAS	7	2	NA	

e 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

f Disclosures regarding appointment/re-appointment of Directors:

The brief resume of the directors proposed to be appointed/re-appointed are given elsewhere in the Annual Report.

3 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 1 (D) of clause 49 of the listing agreement given a declaration as under:

"In accordance with sub-clause 1 (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 2014-15."

Place: Mumbai
Date: 29th May, 2015

Phulchand Agarwal
Managing Director

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

Audit Committee of the Board comprises of three members, out of which Mr. S Srinivasan (Chairman) is Independent Director and Shri Phulchand Agarwal, and Mr. Sundeep Agarwal (from 11.02.2014 to 16.01.2015) & Shri S D Vyas (from 16.01.2015) are Non Independent Directors.

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

a 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;

15

- 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 utilization 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;

16

- 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 16th /29th May, 2014, 14th August, 2014, 14th November, 2014 and 13th February, 2015.
- Attendance of each member at the Audit Committee meetings held during the year**

	No. of Meetings during the Year	
	Held	Attended
SHRI PHULCHAND AGARWAL	4	3
SHRI S SRINIVASAN	4	4
SHRI SUNDEEP AGARWAL*	4	2
SHRI SOM DUTT VYAS**	4	1

*Cashed to be a member of BOD/Audit Committee w.e.f. 16th January-2015
**Appointed as a Member of BOD/Audit Committee w.e.f. 16th January-2015

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 30th September, 2014.

B Nomination and Remuneration Committee:

Remuneration Committee of the Board comprises of three members, out of which Mr. S Srinivasan (Chairman) is Independent Director and Shri Phulchand Agarwal & Mr. S D Vyas (From 16.01.2015) and Mr. Sundeep Agarwal (Upto 16.01.2015) 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.

a 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

b Number of meetings held and dates on which held: ONE**c 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 Director

17

d only for attending meetings of the Board and Committees of the Board.

Details of Remuneration

i **Executive Directors**

No remuneration paid to Managing Director during the financial year 2014-15.

ii **Non-Executive Directors**

The details of sitting fees paid to Independent Directors during the financial year 2014-15 is as under:

NAME OF DIRECTOR	Sitting Fees	(Rs.in Lacs)
Shri S Srinivasan	0.80	

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, 2015 are as under:**

Name	No. of shares held
Mr. Phulchand Agarwal	12,07,855
Mr. S Srinivasan	0
Mr. Sundeeep Agarwal	0
Mr. Som Dutt Vyas	4,910

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

C **Stakeholders' Relationship Committee :**

Stakeholders' Relationship Committee of the Board comprises of two members, viz. Shri Phulchand Agarwal & Mr. S D Vyas (from 16.01.2015) and Mr. Sundeeep Agarwal (Upto16.01.2015) who are Non Independent Director.

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.

a **Terms of reference:**

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

ii 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.

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

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

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

D **Investor Grievance Redressal:**

Details of complaints received and redressed during the year including at SEBI's Scores portal: Number of complaints received and resolved during the year under review and their breakup are as under:

18

Nature of Complaint	Complaint Received	Complaint Resolved
Total	0	0
0		0

5 **Subsidiary Companies: Monitoring Framework**

The Company has no subsidiary as at 31st March, 2015.

6 **General Body Meetings:**

a **The last three Annual General Meetings were held as under**

Financial Year	Date	Location of the Meeting	Time	No. of Special Resolutions passed
2013-14	30.09.2014	Ground Floor, Advance Business Park,Opp. Swaminarayan Temple, Shahibaug Road, Ahmedabad 380004.	11.00 am	5
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	-

7 **Disclosures:**

a 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.

b 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.

c 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.

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

e There has been no instance of any non-compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

f The Auditors have furnished a Certificate to the Board for the year ended on 31st March, 2015 in compliance with Clause 49 of Listing Agreement.

g 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.

8 **Means of Communication:**

a **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.

b **News Releases, Presentation etc.**

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

c **Website:**

19

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.

9 **General Shareholders Information**

a **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.

b **Day, date, time and venue of the 26th Annual General Meeting**

The Venue of the ensuing AGM is not decided in view of the Petition of the Company to shift the Regd. Office to the State of Maharashtra, which is under consideration of the Authorities.

c **Registered Office:**

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

d **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, 2015	On or before 14 th August, 2015
Quarter ending 30 th September, 2015	On or before 14 th November, 2015
Quarter ending 31 st December, 2015	On or before 14 th February, 2015
Annual Audited Results	
Year ending 31 st March, 2015	Within 60 days from 31 st March, 2015

e **Book closure date:**

The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, 23rd September, 2015 to 30th September, 2015 (both days inclusive) for the purpose of 26th Annual General Meeting.

f **Market Price Data:**

The highest Price of the Share during 52 week from 01/04/2014 to 31/03/2015 was Rs.18.52 and lowest Rs.7.85

g **Listing on Stock Exchanges:**

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

Name of the Stock Exchange	Address	Code
BSE Limited	Floor 25,P J Towers, Dalal Street, Mumbai-1	521048
Ahmedabad Stock Exchange	Karndhenu Complex,Ambawadi, Ahmedabad -15	2000

Annual Listing Fees for the Year 2014-15 has been paid by the Co. to BSE

20

h **Registrar & Transfer Agents:**

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

Share Transfer Procedure:

As on 31st March, 2015, 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.

i **Shareholding (as on 31st March, 2015):**

(i) **Distribution of Shareholding as on 31st March, 2015**

Category (Shares)	As on 31-03-2015			As on 31-03-2014		
	Holders	Shares	% to total shares	Holders	Shares	% to total shares
1-500	6,615	4,09,438	13.15	6,610	4,08,431	13.13
501-1000	124	8,629	2.85	125	89,733	2.88
1001-2000	31	44,656	1.44	26	36,153	1.16
2001-3000	15	37,395	1.20	17	42,329	1.36
3001-4000	2	7,200	0.23	1	4,000	0.13
4001-5000	9	42,310	1.36	9	42,360	1.36
5001-10000	8	64,919	2.08	7	54,530	1.75
10001-& above	8	24,18,328	77.69	9	24,35,339	78.23
TOTAL	6,812	31,12,875	100.00	6,804	31,12,875	100.00

21

(ii) **Shareholding Pattern as on 31st March, 2015:**

CATEGORY	NO OF SHARES	% HOLDING
A. PROMOTER SHAREHOLDING		
INDIVIDUALS	17,15,052	55.10
BODIES CORPORATE	6,19,604	19.90
FOREIGN	NIL	NIL
TOTAL PROMOTER HOLDING (A)	23,34,656	75.00
B. PUBLIC SHAREHOLDING		
FINANCIAL INST. / BANKS	265	0.01
INSURANCE COMPANIES	238	0.01
BODIES CORPORATE	41,261	1.32
INDIVIDUALS:(INCLUDING NRI)	7,36,455	23.66
TOTAL PUBLIC (B)	7,78,219	25.00
GRAND TOTAL	31,12,875	100.00

j) **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, 2015.

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

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

Nil

l) **Site location:**

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

m) **Address of Correspondence:**

The Compliance Officer
F F 21-22, Advance Plaza,
Outside Delhi Gate,
Ahmedabad 380 004

22

Form No. MGT-9

EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON **31.03.2015**
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. **REGISTRATION AND OTHER DETAILS:**

i.	CIN	L45309GJ1988PLC011139
ii.	Registration Date	18/08/1988
iii.	Name of the Company	ADVANCE LIFESTYLES LIMITED
iv.	Category / Sub-Category of the Company	PUBLIC LIMITED
v.	Address of the Registered office and contact details	F F 21-22, ADVANCE PLAZA, OUTSIDE DELHI GATE, AHMEDABAD 380004
vi.	Whether listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	SHAREPRO SERVICES (I) PVT LTD 416-420 DEVNANADAN MALL, OPP SANYAS ASHRAM, ASHRAM ROAD, AHMEDABAD 380009

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1			
2	NOT APPLICABLE		
3			

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.					
2.	NIL				
3.					

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

23

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other									
Sub-total (A)(1):-	SEE CORPORATE GOVERNANCE REPORT								
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total (A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)									
2. Non Institutions									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)									
Sub-total (B)(2)									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs &									

24

ADRs									
Grand Total (A+B+C)									

ii. **Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1.	PROMOTER GROUP	23,34,646	75%	-	23,34,646	75%	-	NIL
2.								
3.								
	Total	23,34,646	75%	-	23,34,646	75%	-	NIL

iii. **Change in Promoters' Shareholding (please specify, if there is no change NO CHANGE**

Sr. no	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

V. **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs.in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	7,388.20	-	7,388.20
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	-	7,388.20	-	7,388.20

25

Change in Indebtedness during the financial year	-	1,241.40	-	1,241.40
- Addition	-	1,751.41	-	1,751.41
- Reduction	-		-	
Net Change	-	-510.01	-	-510.01
Indebtedness at the end of the financial year				
i) Principal Amount	}	6,878.19	-	6,878.19
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	6,878.19	-	6,878.19

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Manager	MD/WTD/ S	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NIL	
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify...			
5.	Others, please specify			
6.	Total (A)			
	Ceiling as per the Act			

B. Remuneration to other directors:

(Rs.in Lacs)

Sl. No.	Particulars of Remuneration	Name of Manager-Shri Srinivasan-Ind. Director	MD/WTD/ S	Total Amount		
	<u>Independent Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify	0.20	0.20	0.20	0.20	0.80
	Total (1)					
	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify					NIL
	Total (2)					
	Total (B)=(1+2)	0.20	0.20	0.20	0.20	0.80
	Total Managerial Remuneration	0.20	0.20	0.20	0.20	0.80
	Overall Ceiling as per the Act	2.00	2.00	2.00	2.00	8.00

26

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				NIL
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total				NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NIL / NOT APPLICABLE

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

27

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 2014-2015

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 31.03.2015 and to the best of my knowledge and belief, hereby certify that:

- These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
- 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.
- There are to the best of my knowledge and belief, no transactions entered into by the company during the year ended 31.03.2015 which are fraudulent, illegal or in violation of the Company's code of conduct.
- 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.
- I further certify that:
 - There have been no significant changes in the internal control over financial reporting during this year.
 - 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.
 - 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.

Sd/-

Place: Mumbai
Date : 29th May, 2015

Phulchand Agarwal
Chairman and Managing Director

28

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, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2015, and a summary of significant accounting policies and other explanatory information for the year ended as on 31st March, 2015.

Management's Responsibility for the Standalone Financial Statements:

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

Auditors' Responsibility:

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

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

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

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

29

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

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 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
- 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.
- In our opinion, the aforesaid financial statements comply with the Accounting Standards referred under Section 133 of the Act. Read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- The company is having adequate internal financial control system and the same is operating effectively.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company does not have any pending litigations which would impact its financial position
 - The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses, hence the company need not make any provision.
 - There were no amount which were required to be transferred to the investor education and protection fund by the Company.

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

Sd/-

Dhiren Shah
(Partner)
Membership No. : 035824

Place: Ahmedabad
Date: 29-05-2015

Annexure to the independent Auditor's Report

The Annexure referred to in our independent Auditor's Report to the members of the company on the standalone financial statement for the year ended 31st March 2015. We report that:

1. In respect of its Fixed Assets:

- The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- All the assets have been physically verified by the management during the year as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

2. In respect of its inventories:

- The management has conducted physical verification of inventories at reasonable intervals.
- 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.
- The Company is maintaining proper records of its inventories. And no material discrepancies were noticed on physical verification by the management

3. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

The company has not granted any unsecured loan to any company, firm or other parties covered in the register maintained under Section 189 of the companies Act, 2013 hence accordingly paragraph 4 (II) of the order is not applicable to the company.

- In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and payment of expenses and for sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public.
- We are informed that the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, for any products of the company.
- In respect of statutory dues:
 - According to the records of the Company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, value added tax, Cess and 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 are no outstanding disputed dues of income-tax, sales-tax, wealth-tax, services-tax duty of custom, duty of Excise, value added tax or cess.
 - According to the information and explanations given to us, there is no amounts which are required to be transferred to the investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956(1 of 1956) and rule there under.
- In our opinion, the company has no accumulated losses. During the financial year covered by our audit, the company has not incurred cash losses. In the immediately preceding financial year there were cash losses.
- The Company has not taken any loan from financial institutions and bank and the company has not

raised the fund by issue of debentures hence paragraph 3(X) of the order is not applicable to the company.

- 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.
- The Company has not taken any term loan during the year under audit. Accordingly, paragraph 4(xii) of the order is not applicable to the company.
- Based upon the audit procedure performed and information and explanations given by the management, we report that no material fraud on or by the company has been noticed or reported during the course of our audit.

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

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

Place: Ahmedabad
Date : 29-05-2015

Balance Sheet as at 31st March 2015

Particulars	Note No.	As At 31.03.2015	
		(Rs.)	(Rs.)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	31,128,750	31,128,750
(b) Reserves and surplus	2	270,629,458	259,574,205
(c) Money received against share warrants			
		301,758,208	290,702,955
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	3	687,819,129	738,820,440
(b) Deferred tax liabilities (net)			
(c) Other long-term liabilities	4	118,489	1,518,489
(d) Long-term provisions	5		575,000
		687,937,618	740,913,929
4 Current liabilities			
(a) Short-term borrowings			
(b) Trade payables	6	1,420,038	1,025,531
(c) Other current liabilities	7	4,044,640	6,129,723
(d) Short-term provisions	8	40,805,026	41,696,887
		46,269,704	48,852,147
TOTAL		1,035,965,529	1,080,469,031
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	614,257	1,744,921
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(v) Fixed assets held for sale			
		614,257	1,744,921
(b) Non-current investments	10		10,394,967
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	11	789,479,305	754,649,908
(e) Other non-current assets			
		789,479,305	765,044,875
2 Current assets			
(a) Current investments			
(b) Inventories	12	1,424,943	1,424,943
(c) Trade receivables			
(d) Cash and cash equivalents	13	243,716,828	308,090,423
(e) Short-term loans and advances	14	730,196	4,163,869
(f) Other current assets			
		245,871,967	313,679,235
TOTAL		1,035,965,529	1,080,469,031
Significant Accounting Policies & Notes on Accounts.	"20"		
For, Dhiren Shah & Co. Chartered Accountants (Firm Reg. No. 114633W) Sd/- Dhiren Shah Partner Mem.No. 035824 Place : Ahmedabad Date : 29.05.2015	For and on behalf of the Board of Directors Sd/- Phulchand Agarwal Managing Director DIN : 00026741 Place : Mumbai Date : 29.05.2015	Sd/- S D Vyas Director DIN : 00026670	

ADVANCE LIFESTYLES LIMITED (Formerly known as The Ahmedabad Advance Mills Limited)
NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2015

NOTE - 9 Fixed Assets

NAME OF ASSET	GROSS BLOCK		ACCUMULATED DEPRECIATION & IMPAIRMENT		NET BOOK	
	AS ON 01/04/2014	ADDITION	AS ON 01/04/2014	DEPRECIATION FOR THE YEAR	AS ON 31/03/2015	AS ON 31/03/2014
TANGIBLE ASSETS						
Land	181,489	-	181,489	-	181,489	181,489
Building	961,747	-	356,114	552,237	355,114	606,633
Plant & Machinery	393,844	-	107,906	137,673	223,443	225,938
Furniture & Fixtures	741,488	-	364,911	337,679	380,804	376,577
Motor Car & Motor Cycle	1,673	-	3,879	2,979	703	1,673
Computer	65,324	-	38,528	26,603	38,528	38,528
TOTAL	3,515,405	-	2,002,286	1,770,544	452,485	1,446,320
RELEVANT YEAR	3,515,405	-	3,515,465	229,979	-	1,770,520

NOTE: DEPRECIATION ON THE ASSETS HAS BEEN PROVIDED AS PER THE STRAIGHT LINE METHOD IN ACCORDANCE WITH THE RATES SPECIFIED IN THE SCHEDULE (I) TO THE COMPANIES ACT 2013 AND ROUNDED OFF TO THE NEAREST RUPEE. DEPRECIATION/ADDITION HAS BEEN PROVIDED ON PRO-RATA BASIS.

Note 10 Non-current Investments

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Quoted (Rs.)	Unquoted (Rs.)	Quoted (Rs.)	Unquoted (Rs.)
Investments (at cost):				
Investment in Equity Instruments:				
100% subsidiary				
Equity Shares (March 31, 2015: 9,999 of Rs. 10 each held in 844 references) of M/s. Advance Reference Pvt. Ltd.	-	-	-	-
3,14,999 Equity Shares (March 31, 2013: 3,14,999) of Rs. 33 held in Grant Infrastructure Pvt. Ltd.	-	-	-	10,394,967
9999 Equity shares (March 31, 2013: 9,999) of Rs. 10/- each held in Advance Spacelink Pvt. Ltd.	-	-	-	-
Total				10,394,967

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Note 11 Long-term loans and advances		
Loans and advances to related parties:		
Unsecured, considered good		
To Subsidiary Companies		556,635,658
To inter corporate	726,075,906	130,894,166
Advance Income Tax		
Advance Tax Paid	1,396,269	1,396,269
Tax Deducted at Sources Receivable	214,045	199,826
Balances with government authorities	145,999	145,999
Other loans and advances:		
Unsecured, considered good		
(Advance recoverable in cash or in kind or for sale to be received)	40,647,086	44,377,990
Advances for Property Purchase	21,000,000	21,000,000
Total	789,479,305	754,649,908
Note 12 Inventories		
Stock-in-trade (acquired for trading) Shops	1,424,943	1,424,943
Total	1,424,943	1,424,943
Note 13 Cash and cash equivalents		
(a) Cash on hand		
Cash on Hand (Ahmedabad)	3,234,586	67,632,077
Cash Deposit Against Cheques	240,000,000	240,000,000
Total (a)	243,234,586	307,632,077
(b) Balances with banks		
(i) In current accounts		
- Corporation Bank (CBA010000412)	32,005	32,005
- Corporation Bank (CA0125110)	11,377	100,264
- Kotak Mahindra Bank (CA 6111234426)	107,149	-
- PNC Vysya Bank (CA01100279-Ahmedabad)	60,211	60,215
- Vysya Bank (5690 - Mumbai)	250,744	250,745
(ii) In deposit accounts		
- Vysya Bank (Maharashtra VAT)	20,756	15,117
Total (b)	482,242	458,346
Total (a+b)	243,716,828	308,090,423
Note 14 Short-term loans and advances		
Loans and Advances:		
Unsecured, considered good		
Deposits	43,360	43,360
Prepaid expenses	7,021	7,905
Balances with government authorities	11,448	13,734
VAT receivable	3,285	3,285
Contract credit receivable	-	41,260
(T Refund Receivable	560,953	3,990,029
Other Advances	104,229	62,396
Total	730,196	4,163,869

Particulars	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
Note 15 Other income		
(a) Interest income comprises:		
Interest from banks on:		
Deposits	5,179	-
Interest from Others		
Interest from Loans & Advances	59,353,335	67,702,739
Interest on income tax refund		38,386
Total (a)	59,358,514	67,911,116
(b) Profit on sale of investment	207,900	-
(c) Miscellaneous Income	600	1,201
Total - Other non-operating income (a+b+c)	59,567,014	67,912,317
Particulars	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
Note 16 Changes in inventories of stock-in-trade		
Inventories at the end of the year:		
Stock-in-trade (Shops)	1,424,943	1,424,943
Total (a)	1,424,943	1,424,943
Inventories at the beginning of the year:		
Stock-in-trade (Shops)	1,424,943	1,424,943
Total (b)	1,424,943	1,424,943
Net increase / (decrease) (b-a)	-	-
Note 17 Employee benefits expense		
Salaries and wages	1,059,156	940,442
Retirement Exp.	102,278	68,423
Staff welfare expenses		
Leave Travel Allowance	37,654	35,000
Bonus Expense	61,729	55,385
Medical expenses		
Total	1,260,917	1,099,250
Note 18 Finance costs		
(a) Interest expense on:		
(i) Borrowings	40,419,673	66,776,205
Total	40,419,673	66,776,205
Note 19 Other expenses		
Advertisement expenses	46,340	38,338
Bank Charges	134,977	1,833
Annual custodian fees	13,516	6,741
CENVAT credit written off	43,260	-
Designing Charges	4,500	18,738
Hotel Charges		24,800
Insurance	8,317	9,762
Legal & Professional Expenses	1,701,418	2,257,252
Legal Expenses	18,812	26,596
Printing and Stationery	13,700	64,709
Professional-Tax exps.	12,166	-
Property Tax	12,067	9,201
Reimbursement of Expenses	45,000	22,200
Communication (Telephone, Internet & Postage)	31,524	107,458
Late Payment Interest on Statutory Dues (TDS, Professional Tax, Prop. Tax)	622,130	61,893
Penalty paid for Late Filing of Service Tax Return	-	14,100

Particulars	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
Listing Fees	129,214	33,708
Conveyance Expenses	1,370	22,810
Miscellaneous expenses	11	4,423
Office Maintenance Exp.	1,868	12,008
Payments to auditors (Refer Note 22(a))	449,440	449,395
Repairs and maintenance - Vehicle	18,271	112,192
Pooja Expenses	-	100
Repairs and maintenance - Others	-	12,360
Sundry Balances Written off	-	-
Service Tax	17,493	76,846
Travelling & Conveyance	20,112	77,504
Printing Fees	80,000	66,000
Fixed Asset Written off	678,180	-
Total	4,103,686	3,530,597
Note 19 (a) Payment to Auditors		
As auditors - statutory audit	449,440	449,395
Total	449,440	449,395

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:
NOTES - "20"****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 139 of the Companies Act, 2013 (which for the time being, are deemed to be the Accounting Standards prescribed under Section 133 of the Companies Act, 2013).
- (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.
- (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 on tangible assets is provided on straight line method over the useful lives of assets in accordance with schedule II of the Companies Act, 2013.
- (vi) **Revenue recognition:**
Interest Income is recognized on a time proportion basis.
- (vii) **Investments:**
There is no investment.
- (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:**
Borrowing cost is recognized in Statement of profit and Loss in the period in which they are incurred.

42

- (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.
- (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:**
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 :

- 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.
- During the year, Grant Infrastructure Pvt. Ltd. ceases to be the subsidiary company as the company has sold 3,14,999 Equity Shares of Grant Infrastructure Pvt. Ltd.
- 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.14,69,006/- (Previous period Rs. 17,37,506/-) made in earlier years has been adjusted against liability provided/paid in pursuance of the Order.
- 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

43

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.

- 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.
 - 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 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. 2,86,86,681/- as on 31/03/2015 (Rs.3,04,73,417/- as on 31/03/2014).
 - 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.

9. Earnings per share (EPS):

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
(Loss) / Profit after tax available to equity shareholders (*)	1,10,55,253	(30,43,114)
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.3.55	Rs.(0.98)
Basic EPS - (*)	Rs. 3.55	Rs.(0.98)
Diluted EPS -(*)	Rs. 3.55	Rs.(0.98)
Face value per share	Rs.10.00	Rs.10.00

44

10 (A). Transactions with Related parties:

Transactions	Year ended 31.03.2015			Year ended 31.03.2014		
	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.	--	22,37,09,772	--	--	14,32,28,139	--
2)PrateekSpintex Limited	--	--	2,65,97,054	--	--	4,36,06,915
Inter corporate unsecured Loan received:						
1) Phulchand Exports Pvt.Ltd.	--	22,37,09,772	--	--	5,06,85,484	--
2)PrateekSpintex Limited	--	--	4,04,00,000	--	--	24,28,00,000
Inter Corporate Deposit (ICDs) Placed repaid by the Parties.						
1)Grant Infrastructure Pvt. Ltd.	--	--	--	11,37,61,083	--	--
Inter corporate Deposits (ICDs) placed:						
1)Grant Infrastructure Pvt. Ltd.	6,83,45,206	--	--	6,83,45,206	--	--
Interest on unsecured loan taken :						
1) Phulchand Exports Pvt. Ltd.	--	71,38,635	--	--	19,19,131	--
2)PrateekSpintex Limited	--	--	3,59,19,673	--	--	2,18,05,340

45

Inter corporate unsecured loans taken & outstanding as at the end of the period:						
1)Phulchand Exports Pvt. Ltd.	--	--	--	--	--	--
2)PrateekSpintex Limited	--	--	34,74,20,110	--	--	30,12,89,458
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	--	--

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

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.D. Vyas (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.

SIGNATURES TO SCHEDULES 1 TO 20

For, Dhiren Shah & Co.
Chartered Accountants,
(Firm Reg.No.114633W)
Sd/-
(Dhiren Shah)
Partner
Membership No.035824

For and on behalf of the Board of Directors

Sd/-
Phulchand Agarwal
Managing Director
DIN : 00026741

Sd/-
S.D. Vyas
Director
DIN : 00026670

Place : Ahmedabad.
Date :29.05.2015

Place: Mumbai
Date:29.05.2015

Advance Lifestyles Limited
4th Floor, 254B, Nirlon House, Dr Annie Besant Road, Worli, Mumbai 400030
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	: 4 th Floor, 254B, Nirlon House, Dr Annie Besant Road, Worli, Mumbai 400030
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:

- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him
- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him
- 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 26th Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2015 at 11.00 a.m. at 4th Floor, 254B, Nirlon House, Dr Annie Besant Road, Worli, Mumbai 400030 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business :

- Adoption of Annual Accounts of the Company as on 31st March, 2015 (Ordinary Resolution).
- Re-appointment of Mr. Phulchand Agarwal who retires by rotation (Ordinary Resolution).
- Appointment of M/s. Dhiren Shah & CO., Chartered Accountants, Ahmedabad as Auditors of the Company and fixing their remuneration (Ordinary Resolution).

Signed this day of SEPTEMBER, 2015.

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
4th Floor, 254B, Nirlon House, Dr Annie Besant Road, Worli, Mumbai 400030
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 4th Floor, 254B, Nirlon House, Dr Annie Besant Road, Worli, Mumbai 400030 on Wednesday, the 30th day of September, 2015 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

If undelivered, please return to:-

Advance Lifestyles Limited

F. F. 21-22, Advance Plaza,
Shahibag Road,
Ahmedabad 380 004