

25th ANNUAL REPORT

2013-2014

ADVANCE LIFESTYLES LIMITED

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

AHMEDABAD - 380004

BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR PHULCHAND AGARWAL

INDEPENDENT NON EXECUTIVE
DIRECTORS

S. SRINIVASAN

M.S. BHARDWAJ (*upto 11.02.2014*)

DIRECTOR

SUNDEEP AGARWAL

BANKERS

CORPORATION BANK
ING VYSYA BANK LIMITED
KOTAK MAHINDRA BANK

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

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

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NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For and on behalf of the Board

Sd/-

Place : Ahmedabad
Date : 14-08- 2014

Sundeep Agarwal
DIRECTOR
DIN-03168111

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

NOTES:

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

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

Shri S. Srinivasan

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

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

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

Shri Sundeeep B Agarwal

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

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

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

Shri Phulchand Agarwal:

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

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

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

ANNEXURE TO NOTICE

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

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

In respect of Item No. 4

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

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

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

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

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

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

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

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