



# ITALICA®



**PIL ITALICA LIFESTYLE LIMITED**

**29<sup>TH</sup> ANNUAL REPORT | 2020-2021**



**OXY SERIES**



**LUXURY SERIES**



**PLASTEEL SERIES**





**SPINE CARE SERIES**



**PREMIUM SERIES**



**COMFORT SERIES**





**WITHOUT ARM SERIES**



**BABY SERIES**



**STOOL & PATLA SERIES**



**TABLE SERIES**



**SUNLOUNGER**



**TROLLEY**





**WASTE BIN**



**WASTE BIN**



**WASTE BIN**



**WASTE BIN**

**WITH SWING LID**



**STORAGE BIN**

**WITH DOME LID**



**STORAGE BIN**

**WITH FIX LID**





## MATERIAL HANDLING PRODUCTS



E COMMERCE



E GROCERY



CATERING



ENGINEERING



TEXTILE



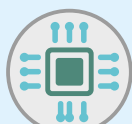
ICE CREAM



BAKERY



CONFECTIONARY



ELECTRONIC



GARMENTS



AUTOMOBILE



HARDWARE



PHARMA



CROCKERY



AGRICULTURE



FASTENERS

**BOARD OF DIRECTORS**

<b>Daud Ali</b>	Managing Director
<b>Narendra Bhanawat</b>	Whole Time Director and Chief Financial Officer
<b>Magan Lal Sharma</b>	Director
<b>Mukesh Kumar Kothari</b>	Director
<b>Namrata Babel</b>	Director
<b>Asha Jain</b>	Director

**COMPANY SECRETARY**

Aditi Parmar

**AUDITORS**

M/s Ajay Paliwal & Co.  
Chartered Accountants

**BANKERS**

UCO Bank

**COMMITTEE OF THE BOARD****AUDIT COMMITTEE**

Magan Lal Sharma - Chairman  
Mukesh Kumar Kothari  
Namrata Babel

**NOMINATION AND  
REMUNERATION COMMITTEE**

Magan Lal Sharma - Chairman  
Mukesh Kumar Kothari  
Namrata Babel

**STAKEHOLDERS RELATIONSHIP  
COMMITTEE**

Magan Lal Sharma - Chairman  
Mukesh Kumar Kothari  
Namrata Babel

**REGISTERED OFFICE & WORKS**

Kodiyat Road,  
Village : Sisarma  
District : Udaipur (Raj.) 313031

**INVESTOR QUERIES**

email:-investor@italica.com

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants, Members who hold shares in physical form are requested to register their e-mail addresses with the company.

<b>Contents</b>	<b>Page No.</b>
Directors Report	1
Management Discussion & Analysis Report	8
Corporate Governance Report	13
Auditors Report	24
Balance Sheet	28
Profit & Loss Account	29
Cash Flow Statement	30
Accounting Policies and Notes to the accounts	31



### DIRECTORS' REPORT

#### To The Members of PIL ITALICA LIFESTYLE LIMITED

The Directors of your Company have pleasure in presenting the Twenty Ninth (29<sup>th</sup>) Annual Report together with the Audited accounts of the Company for the year ended March 31, 2021.

#### 1. FINANCIAL HIGHLIGHTS

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

(Rs. in Lakhs)

Particulars	2020-2021	2019-2020
Revenue from Operations	5484.82	4878.83
Profit before Taxation	495.14	432.82
Less: Tax Expenses	(124.62)	(352.91)
Profit after Tax	370.52	79.91
Add: other Comprehensive Income	-	-
Add: Balance brought forward from Previous year	(381.14)	(461.05)
Balance Profit/(Loss) carry forward to the next year	(10.62)	(381.14)

#### 2. STATE OF COMPANY'S AFFAIRS

The company is engaged in the manufacturing of plastic moulded furniture, material handling products and waste management products. During the year, the Company earned Revenue from Operations of Rs. 5484.82 Lakhs as against Rs. 4878.83 Lakhs in corresponding previous year and earned a net profit of Rs. 370.52 Lakhs. The turnover and the profits of the Company were severely affected due to Covid 19 pandemic during the Q1 FY 2020-21 and thereafter company managed to launched various new and innovative products.

Despite the disruptions due to the Covid-19 pandemic, the performance of the Company continues to see a strong momentum in line with the phased re-opening of the economy. This downtime gave opportunity to management to look inward and improve business model and is now fully focused on an asset light business model, rapid expansion of the distribution network in new geographies, new product development, new product portfolio and an effective supply chain network. The idea is to collaborate and leverage the opportunities already available in the market which has come about due to the adverse economic situation.

Our Distribution network and other details are as follows:

- No. of distributors & dealers: 5,979+ (177+ distributors & 5,802+ dealers network across India)
- No. of state & union territories (UT) present: 16 States and 2 UT

Even during the lockdown, your company managed to introduce new variety of crates and waste bins for our customers. We have supplied our bins to various hospitals and Covid centers to help them fight this pandemic. Our bins are maintenance free and contribute towards maintaining a clean and hygienic environment.

Total No. of pieces sold during the year along with products are as follows:

Products	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	Growth %
Furniture	11,62,520	9,94,242	16.92%
Crates and Bins	8,94,731	7,70,548	16.11%
Total Pieces sold	20,57,251	17,64,790	16.57%

Your Company has already started marketing and selling its products in new geographies such as Karnataka, Andhra Pradesh, Telangana, Tamil Nadu, Goa and Maharashtra and will expand further in the rest of India.

#### 3. DIVIDEND

Keeping in view the requirement of funds for future expansions, your directors do not recommend any dividend for the year ended on March 31, 2021.

#### 4. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on 31st March 2021 stood at Rs. 2350.00 Lakhs comprising of 23,50,00,000 shares of Re. 1/- each. The Company has not issued any further shares during the year.

#### 5. LISTING OF SHARES

The Equity Shares of the Company are listed on National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 and BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and the listing fee for the Financial Year 2021-2022, has been paid.

#### 6. CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the company.

#### 7. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statement relates and the date of report.

#### 8. EXPORTS

There were no exports in the financial year 2020-21.

#### 9. TRANSFER TO RESERVES

No amount is proposed to be transferred to the Reserves for the financial year 2020-21.

#### 10. DEPOSITS

The Company has not accepted any deposit falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.



### 11. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS UNDER SECTION 186

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

### 12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any contract or arrangement with any person including persons covered under sub – section (1) of Section 188 of the Companies Act, 2013. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's website: [www.italica.com](http://www.italica.com).

### 13. ANNUAL RETURN

The extract of annual return of the Company is placed on the website of the company [www.italica.com](http://www.italica.com) and can be accessed from the following weblink: <https://italica.com/wp-content/uploads/2021/05/mgt-9-2020-21.pdf>

### 14. NUMBER OF MEETINGS OF THE BOARD

During the financial year 2020-2021, the Board met Six (06) times held on 27<sup>th</sup> April 2020, 18<sup>th</sup> June 2020, 04<sup>th</sup> August 2020, 29<sup>th</sup> October 2020, 23<sup>rd</sup> January 2021 and 10<sup>th</sup> March 2021.

### 15. COMMITTEE OF BOARD OF DIRECTORS

As on 31 March, 2021, the Board has 3 Committees namely the Audit Committee, the Nomination and Remuneration Committee and Stakeholders Relationship Committee. A detailed note on the Composition of the Board and its Committees and other relevant details is provided in the report on Corporate Governance annexed to this report.

### 16. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE

As on March 31, 2021, the Company does not have any subsidiary, joint venture or associate.

### 17. RISK MANAGEMENT

The Company believes that managing risks helps in maximizing returns. A risk management Policy have been developed and implemented by the company for identification of elements of risk if any, which in opinion of board may threaten the existence of the company. It aims to identify commodity prices, Price fluctuation of raw material and finished goods, Credit Risks, inflation, Strategic Risks, etc. The effectiveness of risk management framework and system is periodically reviewed by Board of Directors of the company. However, in the opinion of Board, none of the above-mentioned risks threaten the existence of the company.

### 18. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### a) DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Mukesh Kumar Kothari, Non Executive Director (DIN: 03103336), retires by rotation at the 29<sup>th</sup> Annual

General Meeting, and being eligible, offers himself for re-appointment. A brief resume, nature of expertise, details of directorships and other information of directors proposed to be appointed / re-appointed as stipulated in Secretarial Standard 2 and Regulation 36 of Listing Regulations is appended as an annexure to Notice of the ensuing AGM.

#### b) KEY MANAGERIAL PERSONNEL

#### Reappointment of Mr. Narendra Bhanawat as Whole Time Director

Mr. Narendra Bhanawat (DIN: 00146824), Whole time Director of the Company will be reappointed on 29.05.2021, as his present tenure will expire on 28.05.2021. The Board at their meeting held on 03.05.2021, reappointed him for a period of three years with effect from 29.05.2021 to 28.05.2024, subject to the approval of the shareholders.

### 19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the directors to the best of their knowledge and belief confirm that:

- in the preparation of the annual accounts, the applicable Indian accounting standards had been followed along with proper explanation relating to the material departures;
- the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down Internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 20. INDEPENDENT DIRECTORS AND THEIR MEETING

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.



All the Independent Directors (except Mr. Magan Lal Sharma – Exempted from IICA exam), have successfully cleared their online proficiency examination conducted by IICA and have submitted their renewal registration certificates to the Company confirming that they have already registered their names with the data bank maintained by the Indian Institute of Corporate Affairs [“IICA”] as prescribed by the Ministry of Corporate Affairs under the relevant rules.

During the year under review a separate meeting of the Independent Directors of the Company was held on March 05, 2021, without the presence of other Directors and members of Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timelines of flow of information between the Company management and the Board.

## **21. STATUTORY AUDITORS**

In terms of the provisions of Section 139 of the Companies Act, 2013, tenure of M/s. Ajay Paliwal & Co., Chartered Accountants, Udaipur will expire in the 29<sup>th</sup> annual general meeting of the Company.

The Board of Directors recommends the appointment of M/s. AKM & Associates, Chartered Accountants, Udaipur (ICAI FRN: 011616C) as the Statutory Auditor in place of the retiring auditors M/s Ajay Paliwal & Co., Chartered Accountants, Udaipur (ICAI FRN:012345C), of the Company for a period of 5 years, from the conclusion of 29th Annual General Meeting until the conclusion of 34th Annual General Meeting to be held in year 2026-27 at remuneration mutually agreed between the Auditors and Board of Directors of the Company.

The company has received consent from the auditors that their firm is eligible to be appointed as statutory auditors of the company in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

## **22. QUALIFICATION IN THE AUDITORS’ REPORT - BOARD’S COMMENTS OR EXPLANATION**

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

## **23. SECRETARIAL AUDITORS AND THEIR REPORT**

The secretarial audit report given by M/s P. Talesara & Associates, Practicing Company Secretary under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2020-21 does not contain any qualification, reservation or adverse remark. The secretarial audit report is provided as **Annexure A** forming part of this report.

## **24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Management Discussion and Analysis Report is presented as a separate section as **Annexure B** forming part of annual report.

## **25. COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014, appointment of cost auditor is not applicable to the company.

Hence, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not required.

## **26. CEO/CFO CERTIFICATE**

Chief Executive Officer and Chief Financial Officer compliance certificate as stipulated under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is annexed in this report.

## **27. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to Section 134 of the Companies Act, 2013 are as follows:

### **A. CONSERVATION OF ENERGY**

Your company is continuously engaged in the process of energy conservation and is continuously putting its efforts to improve energy management by way of monitoring energy related parameters on regular basis. To achieve the above objective, the following steps are taken to cut down the consumption of energy:

- Installation of Energy Efficient Equipment / Device.
- Creating awareness of energy saving within the organization to avoid wastage of energy.
- R&D Activities and Adopting new Technology.

### **B. TECHNOLOGY ABSORPTION**

(i) Efforts made towards technology absorption:

- Continuously monitoring the production patterns and inclusion of new tested technology products.
- Constantly striving towards developing of new designs and products.
- Investing in new technology of moulds and machinery.

(ii) Benefits derived as a result of the above efforts:

- Increase in the production along with the improvement in quality.
- New and Innovative designed products.
- New designed products are also catching attention of the export market.

(iii) The company has not imported any technology during the year under review and also the expenditure incurred on Research and Development activity is insignificant.

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no earning and outgo in foreign exchange during the year.