

E-LAND APPAREL LIMITED(Formerly known as "Mudra Lifestyle Limited")

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Website : www.elandapparel.com CIN - L17110MH1997PLC106945

(` in lakhs)

Statement of unaudited financial results for the quarter ended June 30, 2017

Sl No.	Particulars	Three months ended	Corresponding three
		June 30, 2017	months ended
		(Unaudited)	(Unaudited)
		June 30, 2017	June 30, 2016
1	Revenue from operations	4,621.20	4,635.94
2	Other income	30.73	28.99
3	Total Revenue (1 + 2)	4,651.93	4,664.93
4	Expenses		
	(a) Cost of raw material and components consumed	2,991.94	2,965.56
	(b) Changes in inventories of finished goods and work-in-progress	(177.02)	(409.59)
	(c) Excise duty	21.04	66.99
	(d) Employee benefits expense	1,561.38	1,725.71
	(e) Depreciation and amortisation expense	54.19	65.93
	(f) Finance cost	696.00	377.32
	(g) Other expenses	817.80	951.49
	Total expenses	5,965.33	5,743.41
5	Profit before exceptional items and tax (3 - 4)	(1,313.40)	(1,078.48)
6	Exceptional item	-	-
7	Profit before tax (5 + 6)	(1,313.40)	(1,078.48)
8	Tax expense		
	(1) Current tax	-	-
	(2) Deferred tax	-	-
9	Profit for the period (7 - 8)	(1,313.40)	(1,078.48)
10	Other comprehensive income		
	1 (a) Items that will not be reclassified to profit or loss	-	-
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	-
	2 (a) Items that will be reclassified to profit or loss	-	(1,078.48)
	(b) Income tax relating to items that will be reclassified to profit or loss	-	-
	Total	-	(1,078.48)
11	Total Comprehensive Income for the period (9 + 10)	(1,313.40)	(2,156.96)
12	Paid-up equity share capital (Face Value ` 10/-)	4,799.05	4,799.05
13	Reserve excluding revaluation reserves as per balance sheet		
13	Earnings per equity share (of ` 10/- each) :		
	Basic and Diluted	(2.74)	(2.25)
	See accompanying notes to the financial results		

Notes:

- These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of the Listing Regulations, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Company has opted to avail the relaxation provided by the Securities and Exchange Board of India ('SEBI') in respect of disclosure requirements for corresponding figures for the earlier periods. The results for the quarter ended June 30, 2016 have been recasted to be Ind AS compliant and have not been subjected to limited review. The Company has exercised necessary due diligence to ensure that the financial results provide a true and fair view.

- 2 Reconciliation between financial results as previously reported (referred to as previous GAAP) and Ind AS, for the three months ended June 30, 2016 is as under:

(` in lakhs)

Particulars	For the three months ended June 30, 2016
Net Profit as per Previous GAAP	(787.34)
Notional Interest on interest free borrowings (net off deemed guarantee commission income)	(278.16)
Notional guarantee commission expense	(13.75)
Fair valuation of lease deposits	(0.48)
Gain on account of fair valuation of Investments	1.25
Net Profit as per Ind AS	(1,078.48)
Other Comprehensive Income	
Items that will not be reclassified to profit or loss	-
Items that will be reclassified to profit or loss	-
Total Comprehensive Income	(1,078.48)

- 3 The Company has incurred losses of Rs. 1,313.40 lakhs for the quarter ended June, 30 2017 (quarter ended June 30, 2016 - Rs.1,078.48 lakhs) and the accumulated losses exceed its paid up capital and reserves as on that date. The Management is currently implementing a plan to increase turnover, improve profitability and financial position, sell certain non-core assets and has assessed that it will be able to meet the working capital requirements for the next 12 months based on its cash flow projections. The Holding company has also confirmed financial support to the Company to continue as a going concern. The Company is therefore being viewed as a going concern and the unaudited financial results have been prepared under the going concern assumption.
- 4 The Company had entered into lease cum sale agreement with Karnataka Industrial and Development Board (KIADB) in October 2008 for lease cum sale of an industrial land in Bengaluru. The extended time period to comply with the conditions of the agreement expired during the quarter. The Company has made an application for extension of the time period to comply with the conditions. The carrying value of the land is Rs. 379.42 lakhs as at June 30, 2017 in the financial statements. Pending disposal of the Company's application for further extension of time, no adjustment has been made in the above financial results.
- 5 The Company has only one reportable segment i.e. Garments
- 6 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on September 14, 2017.

Place : Mumbai
Date : September 14, 2017



FOR E-LAND APPAREL LIMITED

Jae Ho Song
Jae Ho Song
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF E-LAND APPAREL LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **E-LAND APPAREL LIMITED** ("the Company"), for the Quarter ended June 30, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

As stated in Note 1 of the Statement, we have not performed a review of the figures relating to the corresponding quarter ended June 30, 2016 including the reconciliation of net loss for the quarter ended June 30, 2016 between the previous GAAP and the Indian Accounting Standards ("Ind AS").

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 3 of the Statement. As stated therein, the Company has incurred losses of Rs.1,313.40 lakhs for the quarter ended June 30, 2017 and the accumulated losses as on that date, have completely eroded the net-worth of the Company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Statement has been prepared on a going concern basis considering the confirmation of the Holding Company to provide financial support to the Company and the management's future operational plans and cash flows to discharge

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its liabilities in the normal course of business as described in the said Note. The ability of the Company to continue as a going concern is dependent on the successful outcome of the mitigation plans.

Our report is not modified in respect of this matter.

5. The previously issued financial information of the Company for the quarter ended June 30, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2016 and were reviewed by the predecessor auditor (whose report dated August 12, 2016 expressed an unmodified conclusion). These previously issued financial information have been restated to comply with Ind AS and included in this Statement as comparative financial information.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Monisha Parikh
Partner
(Membership No. 47840)

BENGALURU, 14 September, 2017