

**Date:**13<sup>th</sup> July 2020

**To,**  
**BSE Limited**  
Bombay Stock Exchange Limited,  
1st Floor, P.J. Towers,  
Dalal Street, Mumbai – 400001.

**Scrip Code: 532820**

Dear Sir/Madam

**Subject: Outcome of Board Meeting**

**Reference: regulation 30 of the SEBI (Listing Obligations & Disclosure's Requirements), Regulations, 2015.**

We Wish to inform you that pursuant to Regulation 30 of SEBI [Listing Obligation and Disclosure Requirements] Regulations, 2015 it is hereby informed that the meeting of Board of Directors of the Company held on **Monday 13<sup>th</sup> July, 2020**, by means of **video conferencing** at No. 2105 Block 2 Shobha Classic Apartment, Haralur Main Road Near Ozone Residenza, Bangalore South, Bengaluru - 560102 and considered and approved Audited Financial Results of the Company for the quarter and year ended **31<sup>st</sup> March 2020** which is annexed hereto and marked as **Annexure - A**.

The meeting commenced **12.15 P.M.** and concluded **04.00 P.M.**

We request you to take the above on your record.

**FOR E-LAND APPAREL LIMITED**

**Jaeho Song** Digitally signed by Jaeho Song  
Date: 2020.07.13 16:04:31  
+05'30'

---

**MR. JAEHO SONG**  
**Managing Director**  
**DIN:** 07830731

**Address:** No. 2105 Block 2 Shobha Classic apartment,  
Haralur Main Road, Near Ozone Residenza, Bangalore South,  
Bengaluru 560102 India.

---

Regd. Office: 16/2B, Sri Vinayaka Indl Estate, Singasandra Near Dakshin Honda Showroom Hosur Road,  
Bangalore 560068, Karnataka, India. CIN: L17110KA1997PLC120558

**INDEPENDENT AUDITORS' REPORT**

**TO THE BOARD OF DIRECTORS OF E-LAND APPAREL LIMITED**

**Report on the audit of the Standalone Annual Financial Results**

**Opinion**

We have audited the accompanying standalone annual financial results of **E-Land Apparel Limited** (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the foresaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

## **Emphasis of Matter**

1. We draw attention to Note 2 in the standalone annual financial results, which describes uncertainties, the Company is facing as a result of COVID-19 and the management evaluation of its operations and financial reporting for the year ended 31<sup>st</sup> March, 2020. Such assessments are dependent on the circumstances as they evolve in the subsequent periods.
2. We draw attention to Note 3 in the standalone annual financial results, which indicates that the Company has incurred losses of Rs. 1,384.02 lakhs for the quarter ended 31<sup>st</sup> March, 2020 and loss of Rs. 5,242.83 lakhs for year ended 31<sup>st</sup> March, 2020. The accumulated losses as on that date, have eroded the net-worth of the Company. These conditions indicate the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. However, the statement has been prepared on a going concern basis for the reasons stated in the Note.
3. We draw attention to Note 8 in the standalone annual financial results for the quarter and period ended 31<sup>st</sup> March, 2020, wherein the management of the company has detected fraud in the company. As of the reporting date, from the total vendor accounts which were verified, wrongful discounting and swindling with the vendor payment from Company bank account identified were for Rs. 2,65,06,890/-. Company has recovered amount of Rs. 1,17,95,540/- and is in the process of recovering the balance amount of Rs. 1,47,11,350/-.

Our opinion is not modified in respect of this matter.

## **Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matters**

The statement includes the financial results for the quarter ended 31<sup>st</sup> March 20 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year which were subjected to limited review by us.

**For Hinesh R. Doshi & Co LLP**  
**Chartered Accountants**  
**Firm Registration No- 103677W/W100056**



**Hinesh R. Doshi**  
**Partner**  
**Membership No.042539**  
**UDIN: 20042539AAAAHN6786**



**Place: Mumbai**  
**Date: 13<sup>th</sup> July, 2020**



Statement of Standalone Financial Results for the quarter and year ended Mar 31, 2020

Sl No.	Particulars	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations	3,654.84	3,435.53	4,656.09	14,934.90	17,201.89
2	Other income	218.49	27.32	33.20	312.75	404.61
3	<b>Total Income (1+2)</b>	<b>3,873.33</b>	<b>3,462.85</b>	<b>4,689.29</b>	<b>15,247.65</b>	<b>17,606.50</b>
4	<b>Expenses</b>					
	(a) Cost of raw material and components consumed	1,765.66	2,084.11	2,263.62	7,801.39	9,296.74
	(b) Changes in inventories of finished goods, work-in-progress	125.43	(349.08)	234.84	35.33	195.55
	(c) Employee benefits expenses	1,463.13	1,328.99	1,217.59	5,417.02	5,252.70
	(d) Finance costs (Refer Note 5)	1,487.74	1,224.94	785.23	4,822.52	3,945.06
	(e) Depreciation, Amortization and Impairment expense	105.45	237.04	48.75	439.06	194.39
	(f) Other expenses	309.94	386.47	883.55	1,975.16	2,873.94
	<b>Total expenses</b>	<b>5,257.35</b>	<b>4,912.47</b>	<b>5,433.58</b>	<b>20,490.48</b>	<b>21,758.38</b>
5	<b>Loss before tax and exceptional items (3-4)</b>	<b>(1,384.02)</b>	<b>(1,449.63)</b>	<b>(744.30)</b>	<b>(5,242.83)</b>	<b>(4,151.88)</b>
6	<b>Exceptional items - (Income) / Expenses</b>	-	-	-	-	-
7	<b>Loss before tax (5-6)</b>	<b>(1,384.02)</b>	<b>(1,449.63)</b>	<b>(744.30)</b>	<b>(5,242.83)</b>	<b>(4,151.88)</b>
8	<b>Tax expense</b>					
	(1) Current tax expenses	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-
		-	-	-	-	-
9	<b>Loss for the period / year (7-8)</b>	<b>(1,384.02)</b>	<b>(1,449.63)</b>	<b>(744.30)</b>	<b>(5,242.83)</b>	<b>(4,151.88)</b>
10	<b>Other comprehensive Income</b>					
	1 (a) Items that will not be reclassified to profit and loss	30.04	-	28.72	30.04	28.72
	<b>Total</b>	<b>30.04</b>	<b>-</b>	<b>28.72</b>	<b>30.04</b>	<b>28.72</b>
11	<b>Total Comprehensive Income for the period / year (9+10)</b>	<b>(1,353.98)</b>	<b>(1,449.63)</b>	<b>(715.58)</b>	<b>(5,212.79)</b>	<b>(4,123.16)</b>
12	<b>Paid-up equity share capital (Face Value ₹ 10/-)</b>	<b>4,799.05</b>	<b>4,799.05</b>	<b>4,799.05</b>	<b>4,799.05</b>	<b>4,799.05</b>
13	<b>Earnings per equity share (of ₹ 10/- each) *</b>					
	Basic and Diluted	(2.88)	(3.02)	(1.55)	(10.92)	(8.65)
	See accompanying notes to the financial results					

\* Not annualised for the quarter



E-LAND APPAREL LIMITED  
Balance Sheet as at March 31, 2020

Particulars	(₹ in Lakhs)	
	As at 31st Mar 2020	As at 31 March 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment		
(b) Other Intangible assets	4,054.40	4,177.16
(c) Capital Work-in-progress	9.75	21.99
(d) Right - of - use asset	1,727.07	118.56
(e) Financial Assets	1,024.22	
(i) Investments		
a) Other investments		
(ii) Other financial assets	1.00	1.00
(f) Other non-current assets	174.20	257.99
<b>Total Non - Current Assets</b>	<b>7,294.55</b>	<b>4,971.47</b>
<b>Current assets</b>		
(a) Inventories		
(b) Financial assets	1,582.01	1,639.47
(i) Other Investments		
(ii) Trade receivables	13.17	18.47
(iii) Cash and cash equivalents	1,676.29	1,937.31
(iv) Bank balances other than (iii) above	223.72	670.80
(v) Other financial assets	26.39	1,078.20
(c) Other current assets	11.38	19.53
	1,087.31	1,184.20
	4,620.27	6,547.99
<b>Total current assets</b>	<b>4,620.27</b>	<b>6,547.99</b>
<b>Total assets</b>	<b>11,914.82</b>	<b>11,519.46</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	4,799.05	4,799.05
(b) Other equity	(40,657.01)	(35,444.20)
<b>Total Equity</b>	<b>(35,857.96)</b>	<b>(30,645.15)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	4,277.63	3,504.64
(ii) Other financial liabilities	14.00	14.00
(iii) Lease Liability	1,086.09	
(b) Provisions	339.63	341.35
(c) Other non-current liabilities	38,805.13	34,752.49
<b>Total Non - Current Liabilities</b>	<b>44,522.48</b>	<b>38,612.48</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings		
(ii) Trade payables	34.14	
- Due to Micro Small & Other Enterprise	6.42	
- Due to Others	2,089.67	3,028.42
(iii) Other financial liabilities	32.14	5.66
(b) Provisions	177.74	166.07
(c) Other current liabilities	910.15	351.98
<b>Total Current Liabilities</b>	<b>3,250.26</b>	<b>3,552.13</b>
<b>Total Liabilities</b>	<b>47,772.74</b>	<b>42,164.61</b>
<b>Total Equity and Liabilities</b>	<b>11,914.82</b>	<b>11,519.46</b>

For and on behalf of the Board of E-Land Apparel Limited

Jae Ho Song  
Managing Director  
DIN: 7830731  
Place: Bangalore  
Date: July 13, 2020



E-LAND APPAREL LIMITED

Statement of Profit and Loss for the Year ended March 31, 2020

Particulars	Notes	For the Year ended 31st Mar, 2020 ₹ in Lacs	For the year ended 31 March, 2019 ₹ in Lakhs
Revenue from operations	21	14,934.90	17,201.89
Other income	22	312.75	404.61
<b>Total revenue [ A ]</b>		<b>15,247.65</b>	<b>17,606.50</b>
<b>Expenses</b>			
Cost of raw materials consumed	23	7,801.39	9,296.74
Changes in inventories of finished goods, work-in-progress	24	35.33	195.55
Excise duty		-	-
Employee benefits expenses	25	5,417.02	5,252.70
Finance cost	27	4,822.52	3,945.06
Depreciation & amortization expense	26	439.06	194.39
Other expenses	28	1,975.16	2,873.94
<b>Total expenses [ B ]</b>		<b>20,490.48</b>	<b>21,758.38</b>
<b>Loss before exceptional items and tax [ A-B ]</b>		<b>(5,242.83)</b>	<b>(4,151.88)</b>
<b>Exceptional items</b>	28.1	-	-
<b>Loss before tax</b>		<b>(5,242.83)</b>	<b>(4,151.88)</b>
<b>Tax expense</b>			
Current tax expenses		-	-
Deferred tax		-	-
Tax expenses of earlier years (Refer Note 45)		-	-
<b>Loss after tax for the year</b>		<b>(5,242.83)</b>	<b>(4,151.88)</b>
<b>Other Comprehensive Income</b>			
i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurements of the defined benefit Plans - Gains / (losses)		30.04	28.72
(b) Surplus on revaluation on land		-	-
<b>Total Other comprehensive Income</b>		<b>30.04</b>	<b>28.72</b>
<b>Total Comprehensive Income</b>		<b>(5,212.79)</b>	<b>(4,123.16)</b>

Earnings per share

33

Basic (Rs)	(10.92)	(8.65)
Diluted (Rs)	(10.92)	(8.65)
Nominal value per share (Rs.)	10	10

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

Jae Ho Song  
Managing Director  
DIN: 07830731  
Place: Bangalore  
Date: July 13, 2020





E-Land Apparel Limited

Cash flow statement for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Net loss before tax	(5,242.84)	(4,151.88)
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	439.06	194.39
(Profit)/Loss on sale of property, plant and equipment	27.98	5.87
Interest income	(29.80)	(38.71)
Dividend income	(0.15)	(0.15)
Sundry balances (written back) / written off (Net)	8.85	217.07
Interest / finance charges	4,822.52	3,910.37
Bad debts written off	1.24	100.44
Provision / (Reversal of Provision) for doubtful receivables	61.82	87.16
Provision / (Reversal of Provision) for Advances to suppliers	(107.81)	25.59
Unrealized foreign exchange loss / (gain)	(48.91)	110.81
<b>Operating cash flow before working capital changes</b>	<b>(68.04)</b>	<b>460.96</b>
Movements in working capital:		
Decrease / (Increase) in inventory	57.45	557.00
Decrease / (increase) in trade receivables	189.11	584.17
Decrease / (increase) in Other assets (Financial & Non- financial)	1,096.04	(953.22)
Decrease / (increase) in Current Investments	5.30	4.31
(Decrease) / increase in Trade Payables	(1,040.14)	(586.33)
(Decrease) / increase in Other Liabilities (Financial & Non-financial)	1,184.49	1,663.50
(Decrease) / increase in Provisions	9.94	22.34
	<b>1,434.14</b>	<b>1,752.73</b>
Direct taxes (paid)/ Reversal of taxes	-	-
<b>Net* cash generated / (used) in operating activities (A)</b>	<b>1,434.14</b>	<b>1,752.73</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment including CWIP and capital advances	(1,828.35)	(94.37)
Proceeds from sale of property, plant and equipment	11.24	18.52
Interest income	17.88	38.71
Investments/ (redemption) in bank deposits (having original maturity of more than three months)	26.39	1,078.20
Dividends	0.15	0.15
<b>Net cash generated / (used) in investing activities (B)</b>	<b>(1,772.71)</b>	<b>1,041.21</b>



Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flows from financing activities</b>		
Interest / finance charges paid	(40.41)	0.02
Payment of Lease Liability	(315.24)	-
Proceeds / Repayment with respect to loans	247.14	(2,503.70)
<b>Net cash generated / (used) in investing activities (C)</b>	<b>(108.51)</b>	<b>(2,503.68)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(447.08)</b>	<b>290.27</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>670.80</b>	<b>380.54</b>
Cash and cash equivalents at the end of the year	223.72	670.80
<b>Components of Cash and cash equivalents</b>		
Cash on hand	2.68	2.91
Balances with Bank		
- in current account	221.04	667.89
- in EEFC account	-	-
	<b>223.72</b>	<b>670.80</b>

For and on behalf of the Board of E-Land Apparel Limited

Jae Ho Song  
Managing Director  
DIN: 7830731  
Place: Bangalore  
Date: July 13, 2020



## Notes to financial results:

(₹ in lakhs)

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 13, 2020.  
  
Due to outbreak of Covid-19 a Nationwide Lockdown was imposed by the Government of India vide MHA Order w.e.f. 23rd March and thereafter it was only during mid of May 2020 it had granted permission to certain extent to run the factory. Since the Lockdown period all our business operation remained on standstill and was disrupted till mid of May 2020. Due to outbreak of Covid-19, many workers have migrant from Bangalore to other states. Hence due to such migration the Company had to face the shortage of workers for the operation of factory.  
  
As per Government (Ministry Home Affairs) MHA Guidelines, the Government had allowed to operate the Factory with all Safety and Security measures to fight against the Covid-19. Hence, company started our operation at our Factory with 50% of its previous capacity only. The safety of employees who are now required to step out for work is being ensured and they have been mandated to use protective gear and take all safety precautions.  
  
However, company was not able to operate at its full extent to meet its minimum operating cost. Due to loss of Income/Sale it became difficult for the company to operate and to manage with the current operational cost. However, Company expects to receive carrying amount of all its assets including trade receivables, inventory and advances in ordinary course of business.  
  
However, Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. Company is sure that demand in garments will take some time certainly for pick up. In spite of many challenges of Covid-19 situation, we are expecting new opportunity in protective apparel and textile industry to overcome the situation.
- 2
- 3 The Company has incurred losses of Rs. 1,384.02 lakhs (before other comprehensive income) for the quarter ended 31st March, 2020 (quarter ended March 31, 2019 - Rs. 744.30 lakhs) and Rs. 5,242.83 lakhs for the year ended 31st March, 2020 (year ended March 31, 2019 - Rs. 4,151.88 lakhs). The accumulated losses exceed its paid up capital and other equity as on 31st March, 2020. 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 it may be unable to realise its assets and discharge its liabilities in the normal course of business. 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. The Holding company has confirmed financial support to the Company to continue as a going concern. The Company is therefore being viewed as a going concern and the financial results have been prepared under the going concern assumption.
- 4 The Company has only one reportable segment i.e. Garments.
- 5 For the quarter ended March 31, 2020, the application of Ind AS 115 has resulted in the the Finance costs being higher by Rs. 1,018.95 lakhs (Quarter ending December '19 -1,097.49 lakhs) and loss after tax being higher by a similar amount vis-à-vis the amounts if the replaced standard was applicable. The basic and diluted EPS would be Rs. (0.76) as against Rs. (2.88).





From April 1, 2019, the new Indian accounting standard i.e Ind AS 116 "Leases" became effective. The company has adopted the new standard with modified approach and recognised asset in the form of 'Right of Use Asset' (representing its right of use the leased asset over the lease term) after adjusting the prepaid rent and also liability towards present value of the balance future lease payments for the leases. In the statement of profit and loss for the period ended 31st March, 2020, the nature of expenses in respect of operating leases has changed from lease rent in previous period to depreciation cost for right of use asset and the finance cost for interest accrued on the lease liability. Due to the said change loss is increased by Rs. 114.01 lakhs for the period.

Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date audited figures upto the 3rd quarter of the relevant financial year. The comparative figures of previous year have been rearranged / reclassified wherever necessary, to correspond with current period / year presentation.

At the time of vendor reconciliation, it has been observed that there has been wrongful discounting of payments to vendors and swindling away with Company funds by two employees of the Company. On further enquiry, both the employees have accepted to indulge in such activities. As of the reporting date, from the total vendor accounts which were verified, both employees have agreed for the wrongful discounting and swindling with the payment of Rs. 2,65,06,890/- from the Company bank account. Company has recovered amount of Rs. 1,17,95,540/- from both the employees. Company is in the process of recovering the balance amount of Rs. 1,47,11,350/- which is included under "Other Non-Current Assets" and same is unsecured. Company is also in process of further investigating the unreconciled vendor ledgers and quantifying the total amount involved. Company has terminated both the employees with immediate effect.

  
Jae Ho Song  
Managing Director  
DIN: 7830731  
Place: Bangalore  
Date: July 13, 2020

