



**E-LAND  
APPAREL**

**Date: 17<sup>th</sup> October, 2018**

<b>To,</b> National Stock Exchange of India Ltd. Exchange Plaza, BKC Bandra - Kurla Complex, Bandra (East), Mumbai- 400 051.	<b>To,</b> The Bombay Stock Exchange Limited. Phiroze Jeejeebhoy Towers, 25 <sup>th</sup> Floor, Dalal Street, Fort, Mumbai - 400 001.
<b>Symbol: ELAND</b>	<b>Scrp Code: 532820</b>

Dear Sir/Madam,

**Subject: Submission of Annual Report of for the financial year 2017-18**

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Members at the 21<sup>st</sup> Annual General Meeting of the Company held on Saturday, September 29, 2018 approved and adopted the Annual Report for the financial year 2017-18.

Please find enclosed copy of the Annual Report for the financial year 2017-18.

Kindly take the above on record and acknowledge the receipt.

**Thank You.**

**Yours Faithfully,**

**For E-Land Apparel Limited**

**Hemlata Gupta  
Company Secretary and Compliance Officer  
Membership Number: A49430**

**Encl: As mentioned above.**

**E-Land Apparel Limited  
(Formerly known as Mudra Lifestyle Limited)**

**Regd Off :- Office No. 404, 4<sup>th</sup> Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai-400066 Tel: +91-22-4097 2600, Fax: +91-22-4097 2601, CIN : L17110MH1997PLC106945, Web : www.elandapparel.com**



# E-Land Apparel Limited

*(Formerly known as "Mudra Lifestyle Limited")*

**21<sup>st</sup> Annual Report 2017-2018**





**BOARD OF DIRECTORS**

Mr. Kwang Hyuck Choi	- Managing Director (Resigned w.e.f. 30th May, 2017)
Mr. Jae Ho Song	- Managing Director (Appointed w.e.f. 30th May, 2017)
Mr. Jung Ho Hong	- Whole-time Director (Resigned w.e.f. 06th July, 2018)
Mr. Surpriyo Chaudhuri	- Nominee Director (Resigned w.e.f. 29th May, 2018)
Mr. Chong Tae Baek	- Independent Director
Mr. Sivabalan Paul Pandian	- Independent Director
Mr. Kyoung Hur	- Independent Director
Mrs. Elizabeth Ravi	- Independent Woman Director

**MEMBERS OF AUDIT COMMITTEE**

Mr. Chong Tae Baek	- Chairman
Mr. Kyoung Hur	- Member
Mrs. Elizabeth Ravi	- Member

**CHIEF FINANCIAL OFFICER COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Choi Haeoi (Appointed w.e.f. 14th February, 2017)	Ms. Sunita Kanungo (Resigned w.e.f. 29th May, 2018)
	Ms. Hemlata Gupta (Appointed w.e.f. 30th May, 2018)

**REGISTRAR AND SHARE TRANSFER AGENT**

Bigshare Services Pvt. Ltd.  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road  
Marol Andheri (East), Mumbai - 400 072  
Tel: 91-22-2847 0652 | 40430200|28470653  
Fax: 91-22-2847 5207  
E-mail: investor@bigshareonline.com

**BANKERS**

State Bank of India  
Axis Bank Limited  
Oriental Bank of Commerce  
State Bank of Patiala  
Bank of India  
State Bank of Hyderabad  
State Bank of Travancore

**AUDITORS**

M/s. Deloitte Haskins and Sells LLP  
Chartered Accountants,  
Mumbai

**SOLICITORS & LEGAL ADVISORS**

J. Sagar Associates  
Crawford Bayley & Co  
Amarchand & Mangaldas & Suresh A Shroff & Co.

**REGISTERED OFFICE**

Office No. 404, 4th Floor, Western Edge-I,  
Western Express Highway, Magathane,  
Borivali (East), Mumbai - 400066  
Tel: +91-22-40972600  
Fax: +91-22-40972601  
CIN: L17110MH1997PLC106945

**WORKS**

Garmenting - Bangalore



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**DIRECTORS' REPORT**

To,  
**The Members of E-Land Apparel Limited**

Your Directors present the 21st Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2018.

**FINANCIAL RESULTS:**

The financial performance of the Company for the year ended 31st March, 2018 is summarized below:

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Operational &amp; Other Income</b>	<b>18579.73</b>	<b>21904.93</b>
Loss before Interest, Depreciation, Prior period items, Exceptional Items & Tax	(1780.71)	(4247.19)
Interest	2,241.33	3,407.35
Depreciation & Amortization	209.43	366.49
<b>Loss before exceptional items and tax</b>	<b>(4,231.47)</b>	<b>(8,021.03)</b>
Prior period items	-	-
Exceptional Items	3611.02	-
<b>Loss before tax</b>	<b>(7842.49)</b>	<b>(8021.03)</b>
Less/(Add): Provision for Taxation including prior period adjustments	-	-
Other Comprehensive Income	63.69	802.71
Deferred Tax	-	-
<b>Total Comprehensive Income after tax</b>	<b>(7,778.80)</b>	<b>(7,218.32)</b>

**OPERATIONS OF THE COMPANY / COMPANY PERFORMANCE:**

The Company's total income from operations for F.Y. 2017-18 at Rs. 18,371.52 Lakhs was less as compared to last year by 15.78% (Rs 21,814.55 Lakhs in F.Y. 2016-17). The total expenses for F.Y. 2017-18 at Rs. 22,811.20 Lakhs were lesser by 23.77% over last year (Rs. 29,925.96 Lakhs in F.Y. 2016-17). Loss after tax for F.Y. 2017-18 stood at Rs. 7,842.49 Lakhs as against Rs. 8,021.03 Lakhs for F.Y. 2016-17 reflecting decrease of losses by 2.23%.

**TRANSFER TO RESERVES:**

As there are losses for the financial year 2017 – 2018, the Company did not transfer any amount to reserves during the year.

**DIVIDEND:**

As there are no profits, the Board of Directors of the Company does not recommend any payment of dividend on the shares for the financial year 2017 – 2018.

**UNPAID DIVIDEND & IEPF**

The Unpaid Dividend amount Rs. 1,37,316 (One Lakh Thirty Seven Thousand Three Hundred and Sixteen) as standing in the Unpaid Dividend Account bearing no. 38610300001076 maintained with IDBI Bank Limited, Cash Management Services (Transaction Banking Group) 4th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021 which remained unpaid or unclaimed for a period of seven years were transferred to the Investor Education and Protection Fund established by the Central Government). Amount of Rs. 763 is lying in Unpaid Dividend A/c of the Company and shall be transferred to Investor Education and Protection Fund

**MATERIAL CHANGES AND COMMITMENTS:**

**a) CORPORATE DEBT RESTRUCTURING (CDR):**

The Company, in the year 2012, had applied for the restructuring of its debts through Corporate Debt Restructuring (CDR) Mechanism as envisaged under the Reserve Bank of India (RBI) guidelines. Pursuant to the same, based on approval of the CDR cell, the Company entered into a Master Restructuring Agreement in September 2012. In 2016, the Company had applied for One Time Settlement (OTS) with all the banks in the consortium, pursuant to which, approval was received during the year from all the banks for the OTS in respect of the borrowing.





During the quarter ended June 30,2018, the One Time Settlement formalities including reconciliation of balances, settlement of dues, final approval from CDR, receipt of 'No Dues Certificate' from banks etc. have been completed intimation with respect to such settlement has been provided to the exchanges and the relevant forms for Satisfaction of Charge is also filed

#### **SHARE CAPITAL**

During the year under review, your Company's Authorized Share Capital is Rs. 6,001 Lakhs comprising of 60,010,000 Equity Shares of Rs. 10/- each. The Company's paid up capital is Rs. 4,799.05 Lakhs comprising of 4,79,90,469 Equity Shares of Rs. 10/- each fully paid up. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares. As on March 31, 2018, none of the Directors of the Company holds shares of the Company.

#### **LISTING**

The Equity Shares of the Company are listed on BSE Limited (BSE) with scrip code no. 532820 and on National Stock Exchange of India Limited (NSE) with symbol as ELAND.

The listing fee for the year 2017-18 has been paid to both the Stock Exchanges.

#### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

The Board of the Company comprises of Seven Directors, including one Managing Director, one Whole Time, One Nominee Director appointed by State bank of India and Four Independent Directors including One Woman Director as required under Section 149(1) of the Companies Act, 2013 as on 31st March, 2018.

#### **Appointment**

- a) Mr. Jae Ho Song was appointed as the Managing Director of the Company w.e.f. 30th May, 2017
- b) Mr. Supriyo Kumar Chaudhuri who was appointed as Nominee Director of State Bank of India on the Board of the Company w.e.f. 30th May, 2017
- c) Ms, Hemlata Gupta was appointed as Company Secretary w.e.f. 30th May,2018.

#### **Resignation**

- a) Mr. Jung Ho Hong (having DIN 02229634), has tendered his resignation as the Whole time Director of the Company with effect from 06th of July, 2018.
- b) Mr. Supriyo Kumar Chaudhuri who was appointed as Nominee Director of State Bank of India on the Board of the Company w.e.f. 30th May, 2017 has tendered his resignation with effect from May 29, 2018.
- c) Ms. Sunita Kanungo resigned from the post of Company Secretary w.e.f. 30th May,2018.

#### **RETIREMENT BY ROTATION**

In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Jae Ho Song (DIN: 07837031), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. A brief resume of Mr. Jae Ho Song (DIN: 07837031), nature of his expertise in specific functional areas and names of the Companies in which he holds directorship and / or membership / chairmanship of Committees of the Board, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements), 2015 with the Stock Exchange/s, is given in the Corporate Governance Report which may be taken as forming part of this Report.

#### **DECLARATION BY INDEPENDENT DIRECTORS:**

The independent directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 and Regulation 16 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of independence as provided in sub-section (6). There has been no change in the circumstances, which has affected their status as independent director. Non-Executive Directors of the Company had no pecuniary relationship other than sitting fee for attending meetings.

#### **FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013 and the regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held during the year without the presence of Executive Directors. The Board has adopted a formal mechanism for evaluating various aspects of the Board's



functioning its performance and as well as that of its committee and individual directors. The criteria for performance evaluation of the Board include aspects like composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance, experience, competencies etc. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Individual Directors who was evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest. The Board of Directors expressed their satisfaction with the evaluation process.

**EXTRACT OF ANNUAL RETURN:**

The extract of annual return as provided under sub-section (3) of Section 92 of the Companies Act, 2013, in the prescribed Form MGT – 9 is attached as “Annexure A” to this Report. Further a copy of annual return filed for the financial year 2016-17 and a copy of Annual Return to be filed for the financial year 2017-18 with the Registrar of Companies is placed on the website of the Company:

[www.elandapparel.com](http://www.elandapparel.com)

**NUMBER OF MEETINGS OF THE BOARD:**

Regular meeting of the Board are held during the year to review performance of the Company, to discuss and decide on various business strategies, policies and other issues. During the year 5 meetings of the Board of Directors were convened and held on 30th May, 2017, 19th August 2017, 14th September, 2017, 08th December, 2017, 14th February, 2018. The intervening gap between two consecutive meetings was not more than the period specified in the Companies Act, 2013 and Listing Regulations, 2015. The Detailed information about the same is given in the Corporate Governance Report.

The Company has complied with the applicable Secretarial Standards in respect of all the above Board meetings.

**COMMITTEES OF THE BOARD**

The Board of Directors of your Company has constituted the following committees in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

The details regarding composition and meetings of these committees held during the year under review as also the meetings of the Board of Directors are given in the Corporate Governance Report which may be taken as forming part of this Report.

**REMUNERATION / COMMISSION DRAWN FROM HOLDING / SUBSIDIARY COMPANY**

None of the Directors of the Company have drawn any remuneration / commission from the Company's holding Company / subsidiary Companies

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report on the operations of the Company as required under SEBI Listing (Obligation and Disclosure Requirement) Regulations, 2015 is provided in separate section and form an integral part of this report.

**CORPORATE GOVERNANCE REPORT**

As per Regulation 34 (3) and Chapter IV read with Schedule V of the SEBI Listing (Obligation and Disclosure Requirement) Regulations, 2015 a separate Section on Corporate Governance Practices followed by the Company, together with a certificate from the Company's Secretarial Auditors confirming compliances forms an integral part of this Report.

**FIXED DEPOSITS:**

The Company has not accepted / renewed any deposits within the meaning of Section 73 and Section 74 of the Companies Act, 2013 and the Rules made thereunder.



**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors state that:-

- (1) In the preparation of the annual accounts, for the year ended 31st March, 2018, the applicable Accounting Standards have been followed and that there are no material departures;
- (2) Appropriate accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the loss of the Company for the year ended 31st March, 2018;
- (3) Proper and sufficient care has been taken for 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;
- (4) They have prepared the annual accounts on a "Going Concern" basis.
- (5) Proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (6) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**NOMINATION AND REMUNERATION POLICY**

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy, providing

- (a) criteria for determining qualifications, positive attributes and independence of directors and
- (b) a policy on remuneration for directors, key managerial personnel and other employees.

The detailed Nomination and Remuneration Policy is placed on Company's website at

<http://elandapparel.com/policy.htm>

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Information regarding loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are detailed in the Financial Statements.

**RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions upto 31st March, 2018 were placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee was obtained for Related Party Transactions for the financial year 2017-18. The transactions entered into pursuant to the omnibus approval so granted were audited and a statement giving details of all related party transactions was placed before the Audit Committee for its review on a quarterly basis.

There are related party transactions as per Section 188 of Companies Act, 2013, the details of the same are disclosed in Form AOC-2 in that regard which is attached as "**Annexure B**" to this report.

The Policy on RPTs as approved by Board is uploaded on the Company's website at <http://elandapparel.com/policy.htm>

The Company undertakes the transactions of purchase and sale of goods and availing/rendering services with E-Land Group of Companies as mentioned in point 32 in Notes to Accounts.

None of the Directors/Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company which may have potential conflict with the interest of the Company at large.

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

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as "**Annexure C**" to this report.





**RISK MANAGEMENT POLICY:**

Information on the development and implementation of a Risk Management Policy for the Company including identification therein of elements of risk which in the opinion of the Board may threaten the existence of the Company is given in the Corporate Governance Report.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

In accordance with Section 177(9) and (10) of the Companies Act, 2013, the Company has established a Whistle Blower Policy and Vigil Mechanism. The policy is available on the Company's website at <http://www.elandapparel.com/whistle-blower-policy.pdf>

**CORPORATE SOCIAL RESPONSIBILITY:**

As the Company does not fall under any of the threshold limits given under the provisions of Section 135 of the Companies Act, 2013, the compliances under CSR are not applicable to the Company.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The Company does not have any employee drawing remuneration above the limits mentioned in Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the details of the same is attached in "Annexure E" to this report.

**INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company already has an Internal Complaints Committee but shall be reconstituted on account of some resignations.

During the financial year 2017 – 2018, the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31st March, 2018.

**REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

During the year under review, your Company did not have any subsidiary, associate and joint venture company

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS & COURTS.**

There were no penalties orders passed during the year.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. Your Company has adequate internal controls for its business processes across departments to ensure efficient operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets and appropriate reporting of financial transactions.

The Company has Internal Audit function which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It comprises of experienced professionals who conduct regular audits across the Company's operations. The Company has also appointed a firm of Chartered Accountants as Internal Auditors, who reviews the various functions of the Company thoroughly and report to the Audit Committee. During the year under review, the Risk Management Committee of the Company had reviewed the new requirement of Internal Control over Financial Reporting ("ICFR") and finalized the detailed analysis of key processes, and these were presented for review by the Statutory Auditors. The control mechanism and the process of testing of controls were discussed with the Statutory Auditors. The Statutory Auditors have submitted their report on the Internal Financial Controls which forms an integral part of this Report.

The adequacy of the same has been reported by the Statutory Auditors of your Company in their report as required under the Companies (Auditor's Report) Order, 2003.

**HUMAN RESOURCES:**

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The constant commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.



**AUDITORS:**

In the Annual General Meeting (AGM) held on 30th September, 2016, Deloitte Haskins & Sells LLP, Chartered Accountants Mumbai having Firm Registration No.117366W/W-100018 have been appointed Statutory Auditors of the Company for a period of 5 years. Ratification of appointment of Statutory Auditors is being sought from the Members of the Company at the ensuing AGM.

They have also confirmed their compliance pursuant to Regulation 33 (1) (d) of the Listing Regulations, 2015 in respect of "Peer Review Certificate" issued by the Peer Review Board of ICAI.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report.

**AUDITORS' REPORT**

There are no qualifications, reservations or adverse remarks made by Deloitte Haskins & Sells LLP, Chartered Accountants Mumbai, Statutory Auditors of the Company, in their report for the financial year ended 31st March, 2018. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or to the Board of the Company in the year under review.

**SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Shanu Mata & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is attached herewith as "Annexure D".

The Secretarial Auditors have pointed out some observations in the

Secretarial Audit Report and the Company's response to the same is as below:

Sr.No	Secretarial Auditors' Observation	Management's Comment
1	<i>The Board meeting held on 19th August, 2017, for considering the reappointment of Mr. Jung Ho Hong neither has been intimated to the Stock Exchanges nor the outcome of the same has been filed with Stock Exchanges, contrary to the provisions of Reg.30 of the SEBI (LODR) Regulations, 2015</i>	Intimation to Stock Exchange is not mandatory in case of re-appointment of Director liable to retire by rotation. The Company as a matter of good practice shall comply with the same in future.
2	<i>As per Secretarial Standard 7.2.2.1, it is obligatory to mention the time of commencement and conclusion of the meeting in the Minutes Book, but the Company has not recorded the same. However the outcome of the meetings filed with Stock Exchanges under SEBI (LODR) Regulations, 2015, is duly complied with the requirement of mentioning of commencement and conclusion timings of meetings</i>	The said omission is an inadvertent error and the conclusion time has been captured in all the meetings henceforth.
3	<i>As per Regulation 40(9) of SEBI (LODR) Regulations 2015, the Company has filed the copy of the Certificate received from a Practicing Company Secretary with BSE on 27th April, 2017 for the half year ended 31st March, 2017; but in the documents the date has been mentioned as 27th April, 2016</i>	The said error is a typographic error and the same shall be avoided in future.
4	<i>As per Regulation 55A of SEBI (Depository &amp; Participant) Regulations 1996, the Company has filed a copy of Reconciliation of Share Capital Audit Certificate for the quarter ended 31st March, 2017 at BSE on 25th April, 2017 but in the documents, the date has been mentioned as 25th April, 2016</i>	The said error is a typographic error and the same shall be avoided in future.
5	<i>The Company has accorded the consent of the members of the Company by way of Special Resolution passed through Postal ballot, effective from 24th March, 2017, for shifting of its Registered Office from the State of Maharashtra (Mumbai) to the State of Karnataka (Bangalore) but the Company could not act on the same as Winding up petition was filed by one of the creditors with NCLT. The matter was disposed off as per the order passed by NCLT. Since the pending petition against the Company has been disposed off, hence the Company can now proceed for shifting of registered office from one place to another.</i>	The said petition had hindered the shifting of Registered Office. With the disposal of the same, the process has been commenced once again and post the hearing with Regional Director, the order for shifting of Registered office shall be obtained.



**RECONCILIATION OF SHARE CAPITAL AUDIT:**

In compliance of circular no D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 further amended by Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010 issued by the Securities and Exchange Board of India ("SEBI"), Reconciliation of Share Capital Audit has been carried out at the specified intervals by a Practicing Company Secretary and have been submitted to the Stock Exchanges where the Company is listed within due dates.

**DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished

**DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

**APPRECIATION / ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation and express their gratitude for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. The Board takes this opportunity to express its gratitude for the valuable assistance and co-operation extended by Government Authorities, Banks, Corporate Debt Restructuring (CDR) Cell, Financial Institutions, Vendors, Customers, Advisors and other business partners.

**For and on behalf of the Board**

**Date: 10 August, 2018**  
**Place: Mumbai**

**SD/-**  
**Jae Ho Song**  
**Managing Director**  
**DIN: 07830731**

**SD/-**  
**Chong Tae Baek**  
**Independent Director**  
**DIN: 01566661**



## **MANAGEMENT DISCUSSION & ANALYSIS**

### **OVERVIEW OF THE ECONOMY**

#### **Global Economy**

In 2017, the cyclical upswing underway since mid-2016 continued to strengthen and the global economy witnessed a pickup in growth. According to the International Monetary Fund (IMF), the year reported the broadest synchronized global growth surge since 2010. The advanced economies witnessed expansion owing to increased investments and manufacturing output. Similarly, key emerging markets and developing economies, including Brazil, China and India, posted strong upward momentum.

Given stronger than expected economic activity in 2017, the IMF has revised its growth forecast for the United States from 2.3% to 2.7% in 2018 and from 1.9% to 2.5% in 2019.

Stronger domestic demand in the United States is projected to increase imports. In Europe too, economic activity in 2018 and 2019 is projected to remain stronger than anticipated.

Moreover, the advanced economies in Asia are expected to deliver stronger growth, while the emerging and developing ones are expected to grow at around 6.5% over 2018-19, broadly the same pace as in 2017.

#### **Indian Economy**

India's economy picked up some pace in FY 2017-18 and the gross domestic product growth was better than FY 2016-17. The structural reform of The Goods and Services Tax (GST) within a year of demonetisation is expected to provide a boost to the economic growth and investments in the long run. With an improving business ecosystem, stable macroeconomic indicators and a liberal FDI regime, foreign capital inflow has provided impetus to the domestic economy. According to World Bank's Global Economic Prospects report, India's GDP is expected to rise to 7.4% in FY 2018-19 and 7.8% in FY 2019-20.

### **ANALYSIS AND REVIEW**

#### **Indian Textile & Apparel industry**

India is now a fast emerging market inching to reach half a billion middle income population by 2030. All these factors are good for the Indian textile industry in a long run. Even though the global economic crisis seems to be worsening day-by-day, as long as economies are emerging and growing as those in South and South East Asia, textile industry is here to grow provided it takes competition and innovation seriously. Read below to have an insight of the stand of the Indian Textile Industry in the economy.

#### **Introduction**

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

#### **Market Size**

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17.



Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles.

Where Does the Indian Textile Industry Stand Now?

A General Impression of the Indian textile industry looking in the past makes one understand that the industry is in a pinch. Why so? These are the reasons:

- 1) Global recession
- 2) Less export orders due to reductions in inventories by global retail giants like Wal-Mart
- 3) Price of raw materials like cottons and
- 4) Infrastructure bottlenecks such as power, particularly in Tamil Nadu.

#### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. The domestic textile industry in India is estimated to reach US\$ 250 billion by 2019 from US\$ 150 billion in November 2017, while cotton production in India is estimated to have reached 37.3 million bales in FY18. Indian technical Textile industry is forecasted to grow at a CAGR of 20 per cent to reach Rs 200,823 Crore (US\$ 29.96 billion) by 2020-21.\*

Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing.

Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021. Exports of textiles and Apparels from India reached US\$ 6.25 billion in FY 2019. Manmade garments remain the largest contributor to total textile and apparel exports from India, contributing 24.53 per cent to total textile.

Rising government focus and favorable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). Under the Union Budget 2018-19, Rs 2,300 (US\$ 355.27 million) crore have been allocated for TUFS and Rs 30 crore (US\$ 4.63 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects. In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017. The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)'. In August 2018, the Government of India announced a Special Package for garments and made-ups sectors which includes enhanced duty drawback coverage, labour law reforms and relaxation of Section 80JJAA of Income Tax Act. Cumulative FDI in the Indian textiles reached US\$ 2.93 billion between April 2000 to March 2018.

The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.

*Between April – May 2018, \* - According to Baseline Survey*

#### **Indian textile industry opportunities**

The fundamental strength of Indian textile industry is its strong production base with wide range of fibers/yarns. These are natural fibers such as cotton, jute, silk and wool and synthetic/man-made fibers like polyester, viscose, nylon and acrylic. In producer-driven value chains, large, usually transnational, manufacturers play the central roles in coordinating production networks. Textile industry is capital- and technology-intensive comparable with automobiles, aircraft, computers, semiconductors and heavy machinery industry. Buyer-driven value chains are those in which large retailers, marketers and branded manufacturers play the pivotal roles in setting up decentralized production networks in a variety of exporting countries, typically located in developing countries. This pattern of trade-led industrialization has become common in labor intensive, consumer-goods industries such as garments, footwear, toys, handicrafts and consumer electronics. Large manufacturers control the producer-driven value chains at the point of production, while marketers and merchandisers exercise the main leverage in buyer-driven value chains at the design and retail stages. Apparel is an ideal industry for examining the dynamics of buyer-driven value chains. The relative ease of setting up clothing companies, coupled with the prevalence of developed-country protectionism in this sector, has led to an unparalleled diversity of garment exporters in the third world. Apparel is an ideal industry for examining the dynamics of buyer-driven value chains. The global apparel market size is expected to reach US \$2.6 trillion in 2025 growing by a projected rate of 4%. The major growth drivers of the global apparel market will be the developing economies, mainly China and India, both growing in double digits. China will become the biggest apparel market adding more than US \$378 bn. in market size by 2025, while India will be the second most attractive apparel market adding around US \$121 bn. by 2025. A large and growing domestic demand coupled with increasing spending power of people in these two countries will result in the combined addition of around US \$500 bn. in the global





apparel market size by 2025. The combined apparel market size of China and India i.e. US \$795 bn. is expected to exceed combined market size of EU and USA i.e. US \$775 bn, by 2025. India is one of the fastest growing economies with the GDP growth of 7.2 percent in the last quarter of 2017-18. This growth also boosts the purchasing power and propels the demand for the textile products. India has a share of approximately 5% of the global textile and apparel trade.

### **INDIAN TEXTILE INDUSTRY CHALLENGES**

The Indian textile industry is highly fragmented and is being dominated by the unorganized sector and small and medium industries. The changing government policies at the state and central government levels are posing major challenges to the textile industry. The tax structure GST (Goods and Service Tax) make the garments expensive. Another important threat is raising interest rates and labor wages and workers' salaries. There is higher level of attrition in the garment industry. Although central government is wooing the foreign investors the investment is coming in the textile industry. In India places such as Bangalore, Mumbai, New Delhi and Tirupur are the hubs of textile garment industries. These manufacturers have ability to produce the entire range of woven wear and knitwear at low cost with reasonably good quality within the short notices. The Indian textile industry has its own limitations such as accesses to latest technology and failures to meet global standards in the highly competitive export market. There is fierce competition from China, Bangladesh and Sri Lanka in the low price garment market. In the global market tariff and non-tariff barriers coupled with quota is posing major challenge to the Indian textile Industry. The environmental and social issues like child labor and personal safety norms are also some of the challenges for the textile industry in India.

### **CONCLUSION**

The Indian textile industry requires support from both the Central and State governments to become competitive in the Global market. The Skill India and Make-in India programs of Central government headed by Prime Minister Sri Narendra Modi is helping the industry in getting required skilled manpower and good market for textile products. It is high time for the textile industry to upgrade their technology and implement ERP to streamline supply chain and enhance customer relations management activities. These measures are enabling the industry in becoming competitive in the global market. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the last decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period The Union Ministry of Textiles, which has set a target of doubling textile exports in 10 years, plans to enter into bilateral agreements with Africa and Australia along with working on a new textile policy to promote value addition, apart from finalising guidelines for the revised Textile up gradation Fund Scheme (TUFS). The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US \$160 billion by 2025. The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilization and steady domestic demand.

### **Government Initiatives**

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Initiative will be taken into consideration by Government of India.

- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the powerloom sector of India.
- The Government has planned to connect as many as 5 crore (50 million) village women to charkha (spinning wheel) in next 5 years with a view to provide them employment and promote khadi and also, they inaugurated 60 khadi outlets which were renovated and re-launched during the completion of KVIC s 60th anniversary and a khadi outlet.
- The Textiles Ministry will organise 'Hastkala Sahyog Shivirs' in 421 handloom-handicrafts clusters across the country which will benefit over 1.2 lakh weavers and artisans.
- The Gujarat government's decision to extend its textile policy by a year is set. It is believes to attract Rs 5,000 crore (US\$



50 billion) of more investment in sectors across the value chain. The government estimates addition till now of a million units of spindle capacity in the spinning sector and setting up of over 1,000 units in technical textiles.

- The Textile Ministry of India earmarked Rs 690 crore (US\$ 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernisation of Indian Textile Sector.

Some of initiatives taken by the government to further promote the industry are as under:

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
- The Government of India plans to introduce a mega package for the powerloom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), launch of India Handloom Brand and integrated scheme for development of silk industry, for the strategic enhancement of Indian textiles quality to international standards

### **Road Ahead**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025.

The Indian cotton textile industry is expected to showcase a stable growth in FY 2017-18, supported by stable input prices, healthy capacity utilization and steady domestic demand.

### **DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE & INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Discussion of Financial Performance with respect to Operational Performance & Internal Control Systems and their Adequacy has been discussed in Directors Report.

### **HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS:**

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

Human resources continue to be an invaluable and intangible asset and a key success factor for the Company to grow and sustain its market position in a highly competitive environment. Your Company firmly believes that people are the pivotal force behind the growth and excellence in business operations. The overall performance and the market position of the Company are the result of combined strength of its people.

The company focuses on developing leadership skills, building talent for the future, and improving organizational & human capability through competency mapping of managerial positions in all areas of the Company's operations. The Company is committed to provide the best environment to its employees to work and to inculcate a sense of ownership and pride.

### **CAUTIONARY STATEMENT:**

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements might differ materially from those either expressed or implied herein.



**“ANNEXURE A” TO THE DIRECTORS’ REPORT**

**Form No.MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2018**

[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:**

CIN	L17110MH1997PLC106945
Registration Date	31 <sup>st</sup> March, 1997
Name of the Company	E-Land Apparel Limited (formerly known as Mudra Lifestyle Limited)
Category / Sub-Category of the Company	Public Company limited by shares
Address of the Registered office and contact details	Office No. 404, 4 <sup>th</sup> Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai MH 400066 IN
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer, if any	M/s. Bigshare Services Pvt. Ltd, E-3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072. Contact Number : 40430200

**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:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Garments	14101	100%

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

Sl.No.	Name&Address of the Company	CIN	Holding/ Subsidiary/ Associate Company	% of shares held	Applicable Section under Companies Act, 2013
1.	E-Land Asia Holdings Pte Ltd. 50 Raffles Place, #11-03B, Singapore Land Tower, Singapore - 048623	N.A (Foreign Company)	Holding	65.84%	2(46)



**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise ShareHolding**

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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRIs -									
Individuals	-	-	-	-	-	-	-	-	-
b) Other -									
Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	31598094	-	31598094	65.84	31598094	-	31598094	65.84	0
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>31598094</b>	<b>-</b>	<b>31598094</b>	<b>65.84</b>	<b>31598094</b>	<b>-</b>	<b>31598094</b>	<b>65.84</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>31598094</b>	<b>-</b>	<b>31598094</b>	<b>65.84</b>	<b>31598094</b>	<b>-</b>	<b>31598094</b>	<b>65.84</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	596476	-	596476	1.24	594476	-	594476	1.24	0
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) - Foreign Banks	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>596476</b>	<b>-</b>	<b>596476</b>	<b>1.24</b>	<b>594476</b>	<b>-</b>	<b>594476</b>	<b>1.24</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	1707480	37	1707517	3.56	1260459	37	1260496	2.63	0.93
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	7081810	65604	7147414	14.89	7293389	60804	7354193	15.32	0.43
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6301723	12500	6314223	13.16	6799718	12500	6812218	14.19	1.04
c) Others									
- Clearing members	268094	0	268094	0.56	100384	-	100384	0.21	(0.35)
- Trusts	-	-	-	-	-	-	-	-	-
- Director's Relative	-	-	-	-	-	-	-	-	-
- Employee	-	-	-	-	-	-	-	-	-
- Non Resident Indian	358343	-	358343	0.75	270608	-	270608	0.56	(0.19)
- Overseas Bodies Corporate	-	-	-	-	-	-	-	-	-
- Unclaimed Securities	-	-	-	-	-	-	-	-	-
- Suspense A/c	-	-	-	-	-	-	-	-	-
- Others	308	-	308	-	-	0	-	-	-
Foreign Portfolio Investor Corporate	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>15717758</b>	<b>78141</b>	<b>15795899</b>	<b>32.91</b>	<b>15724558</b>	<b>73341</b>	<b>15797899</b>	<b>32.92</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>16314234</b>	<b>78141</b>	<b>16392375</b>	<b>34.16</b>	<b>16319034</b>	<b>73341</b>	<b>16392375</b>	<b>34.16</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>47912328</b>	<b>78141</b>	<b>47990469</b>	<b>100</b>	<b>47917128</b>	<b>73341</b>	<b>47990469</b>	<b>100</b>	<b>-</b>



**(ii) Shareholding of Promoters:**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares (includes GDR)	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares (includes GDR)	
1.	E-Land Asia Holdings Pte Ltd.	3,15,98,094	65.84	-	3,15,98,094	65.84	-	-

**(iii) Change in Promoters' Shareholding**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	E-Land Asia Holdings Pte Ltd.	3,15,98,094	65.84	3,15,98,094	65.84

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Ravindra Bisheshwar Agrawal	606376	1.26	495845	1.03
2	Central Bank of India	594476	1.24	594476	1.24
3.	Vikram Sharad Sheth	428215	0.89	507806	1.06
4	Vishwambharlal Kanahiyalal Bhoot	415921	0.87	425921	0.89
5	Rima Kunal Jhaveri	423000	0.88	423000	0.88
6	Anil Vishanji Dedhia	399000	0.83	399000	0.83
7	Niraj Chhaganraj Gemawat	130047	0.27	221956	0.46
8	Edelweiss Broking Limited	187013	0.39	10409	0.02
9	Varsha Vikram Sheth	171719	0.36	181306	0.38
10	Magnum Equity Services Limited	156085	0.33	138505	0.29





**(v) Shareholding of Directors and Key Managerial Personnel (KMP):**

None of the Directors of the Company & KMP are holding any shares in the Company.

**(V) INDEBTEDNESS**

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

(in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1) Principal Amount	34,59,76,979.99	907998034.35	-	1,25,39,75,014.34
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>34,59,76,979.99</b>	<b>907998034.35</b>	<b>-</b>	<b>1,25,39,75,014.34</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	1,43,06,67,723.71	-	1,43,06,67,723.71
Reduction	34,59,76,979.99	2,26,81,66,557.86	-	2,61,41,43,537.85
<b>Net Change</b>	<b>-</b>	<b>7,04,99,200.20</b>	<b>-</b>	<b>7,04,99,200.20</b>
<b>Indebtedness at the end of the financial year</b>				
1) Principal Amount	-	7,04,99,200.20	-	7,04,99,200.20
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>7,04,99,200.20</b>	<b>-</b>	<b>7,04,99,200.20</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A Remuneration to Managing Director & Whole-time Director.

(in Rs.)

Sr. no	Particulars of Remuneration	Name of the MD/WTD			Total Amount
		Mr. Jae Ho Song	Mr. Jung Ho Hong *	Mr. Kwang Hyuck Choi **	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961.	77,75,234	20,47,621	24,35,121	1,22,57,976
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961.	-	-	-	-
2.	Commission:	-	-	-	-
	Performance Bonus -	-	-	-	-
	Long Term Incentive Plan (LTIP)	-	-	-	-
3.	Others - Retirement benefits	-	-	-	-
	<b>Total (A)</b>	<b>77,75,234</b>	<b>20,47,621</b>	<b>24,35,121</b>	<b>1,22,57,976</b>
	Ceiling as per the Act				

\* Mr. Jung Ho Hong has tendered his resignation with effect from July 06th, 2018.

\*\* Mr. Kwang Hyuck Choi has tendered his resignation with effect from May 29th, 2017



**B. Remuneration to other directors**

**1. Independent Directors**

(in Rs.)

Particulars of Remuneration	Sivabalan Paul Pandian	Chong Tae Baek	Kyoung Hur	Elizabeth Ravi	Supriyo Kumar Choudhari* *	Total Amount
Fee for attending Board / committee meetings*	45,000	1,35,000	1,80,000	1,50,000	75,000	5,85,000
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-

(\* ) excluding reimbursement of travel and other expenses incurred for the Company's business/meetings.

(\*\*)Mr. Supriyo Kumar Chaudhuri has tendered his resignation with effect from May 29, 2018.

**2. Non-executive Directors**

(in Rs.)

Sr. No.	Particulars of Remuneration	Total Amount
N.A	-	-

(\* ) excluding reimbursement of travel and other expenses incurred for the Company's business / meetings.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(in Rs.)

Sr. No	Particulars of Remuneration	Mr. Choi Haeoi, Chief Financial Officer	Ms. Sunita Kanungo, Company Secretary	Total Amount
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income tax Act, 1961.	-	11,40,000	11,40,000
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961.	-	-	-
2.	Others - retirement benefit	-	-	-
	<b>Total (A)</b>	<b>-</b>	<b>11,40,000</b>	<b>11,40,000</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties or punishments levied on the Company during the year as on 31<sup>st</sup> March, 2018. Accordingly, there was no need for the Company to compound any offence.



**“ANNEXURE B” TO THE DIRECTORS REPORT**  
**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm’s length basis:**

Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / Arrangements / transactions	Salient terms of the contracts or arrangements or Transactions including the value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances	Date on which special resolution was passed in General meeting
-	-	-	-	-	-	-	-	-

**2. Details of contracts or arrangements or transactions at Arm’s length basis:**

Name of the Related parties and Relation	Nature of Contract	Terms of Contract	Monetary Value	Actual amount of the transaction	Date of approval by the Board/Members	Amount paid as advances, if any
E-Land Fashion India Pvt. Ltd. (Fellow Subsidiary)	a. Purchase of goods	a. 01.04.2015 to 30.09.2019	UptoRs. 30 crores p.a.	24,77,26,000	30 <sup>th</sup> September, 2016	NIL
E-Land World Co. Ltd. (Ultimate Holding)	a. Sale of goods	01.04.2015 to 30.09.2019	UptoRs. 70 crores p.a.	29,70,20,000	30 <sup>th</sup> September, 2016	NIL
E-Land Asia Holdings Pte. Ltd. (Holding)	Long Term Export Agreement	15.03.2016 to 14.03.2026	UptoRs. 300 crores	to be executed	12 <sup>th</sup> March, 2016	2,898,276,000



**“ANNEXURE C” TO THE DIRECTORS REPORT**

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and forming part of the Directors’ Report for the year ended 31<sup>st</sup> March, 2018.

**1) Conservation of Energy:**

(a) Energy Conservation Measures taken by the Company:

The Company has taken various steps to reduce consumption of energy like separate meters are being installed for effectively monitoring the Section wise energy consumption.

- (b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy. Re-sizing of the motors is being done to run the motors at full load conditions.
- (c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods. Energy conservation measures have led to reduction in the cost of production.
- (d) Total energy consumption per unit of production as per Form “A”.
- (e) Natural ventilation equipment installed on the sheds to conserve energy.
- (f) Installed power factor control/capacitor banks to conserve energy.
- (g) Minimizing idle running of various type of equipment like air conditioners, submersible pumps, lights, generators, compressors and ceiling fans.
- (h) Hot water recovering and re-utilization to the process machines like bleaching, dyeing and washing process cycles.

**FORM A**

Form for Disclosure of Particulars with respect to Conservation of Energy.

**A. Power and fuel consumption**

	Garment	
	Current Year (2017 – 2018)	Previous Year (2016 – 2017)
<b>1. Electricity</b>		
(a) Purchased		
Unit (Lakhs)	20.04	20.33
Total amount (Rs. Lakhs)	160.02	151.89
Rate/unit	7.99	7.47
(b) Own generation		
(i) Through diesel generator		
Unit (Lakhs Ltrs)	1.33	1.52
Total amount (Rs. Lakhs)	79.58	88.99
Cost/unit	59.83	58.43
(ii) Through steam turbine/generator		
Units	NIL	NIL
Total amount (Rs. Lakhs)		
Cost/units		
<b>2. Coal (specify quality and where used)</b>	NIL	NIL
Quantity (Tonnes)		
Total amount (Rs. Lakhs)		
Average rate		
<b>3. Furnace oil</b>	NIL	NIL
Quantity (K. Ltrs.)		
Total amount		
Average rate		



**B. Consumption per unit of production**

Standards (if any)	Garment	
	Current Year (2017-18)	Previous Year (2016-17)
Products unit	46.86 Lakhs Pieces	49.28 Lakhs Pieces
Electricity (Rs.)	3.41 / Piece	3.06 / Piece
Furnace oil	NIL	NIL
Coal	NIL	NIL
Others	NIL	NIL

**2) Technology Absorption:**

**I. Research and Development (R & D):**

**1. Specific areas in which R & D carried out by the Company:**

Product and quality improvement, development, new designs, cost control and energy conservation. Substitution of raw material with cheaper options has been undertaken. New process developments and devising new innovative products are essential to improve the bottom-line of the company. New Designs for yarn dyed fabrics and up gradation to finer shirting is targeted.

**2. Benefits derived as a result of the above R & D:**

Product quality has improved. Cost reduction methods have been devised. Further, up gradation of quality and innovation will improve the profit margins.

**3. Future plan of action:**

The Company continues to focus its efforts on innovations in textile development processes.

**4. Expenditure on R & D:**

It is not possible to segregate the expenses on R & D.

**II. Technology absorption, adoption and innovation:**

**1. Efforts, in brief, made towards technology absorption, adaptation and innovation:**

The Company has been developing in-house modifications/improvements in process technology in its various manufacturing sections which, when found suitable, are integrated into the regular manufacturing operation.

**2. Benefits derived as a result of the above efforts, eg. Product improvement, cost reduction, product development, import substitution, etc:**

High Product quality and increased business potential

**3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:**

- a) Technology imported
- b) Year of import
- c) Has technology been fully absorbed?
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action

} Not Applicable as no Imported Technology put to use.

**3) Foreign Exchange Earnings & Outgo**

Total foreign exchange inflow during the year was Rs.10758.95 (Previous period Rs. 11,111.73 Lakhs) as per audited financials of 2017-18 towards Garments.

Foreign Exchange outgo during the year towards Capital Goods was Rs. NIL (Previous period Rs. 9.43 Lakhs ), towards Raw material was Rs. 414.08 Lakhs (Previous period Rs. 10.63 lakhs ), towards Consumable and spares parts was Rs. Lakhs Rs. 119.83 Lakhs (Previous period Rs. 236.56 Lakhs), and towards Consultancy Charges was Rs. Nil (Previous Year Rs. Nil ) and towards foreign travel was Rs. Nil (Previous Year Rs. Nil ).





**“ANNEXURE D” TO THE DIRECTORS REPORT**

**Form MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
E-Land Apparel Limited  
(Formerly known as Mudra Lifestyle Limited)  
Office No. 404, 4th Floor, Western Edge-I,  
Western Express Highway, Magathane,  
Borivali (East), Mumbai 400066

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **E-Land Apparel Limited** (CIN : ) (hereinafter called “The Company”). I have conducted the Secretarial Audit in a manner that provided to me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 on **31st March, 2018** 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 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [**Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment**]
- (v) (i) 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 2011;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) 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.
- (ii) Provisions of the following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) *were not applicable to the company during the Financial Year under report:*
  - (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);



- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period)

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure I**.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by ICSI under the provisions of the Companies Act, 2013;
- (ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited;

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

1. *the Board meeting held on 19th August, 2017, for considering the reappointment of Mr. Jung Ho Hong neither has been intimated to the Stock Exchanges nor the outcome of the same has been filed with Stock Exchanges, contrary to the provisions of reg.30 of the SEBI (LODR) Regulations, 2015;*
2. *As per Secretarial Standard 7.2.2.1, it is obligatory to mention the time of commencement and conclusion of the meeting in the Minutes Book, but the Company has not recorded the same. However the outcome of the meetings filed with Stock Exchanges under SEBI (LODR) Regulations, 2015, is duly complied with the requirement of mentioning of commencement and conclusion timings of meetings;*
3. *As per Regulation 40(9) of SEBI (LODR) Regulations 2015, the Company has filed the copy of the Certificate received from a Practicing Company Secretary with BSE on 27th April, 2017 for the half year ended 31st March, 2017; but in the documents the date has been mentioned as 27th April, 2016;*
4. *As per Regulation 55A of SEBI (Depository & Participant) Regulations 1996, the Company has filed a copy of Reconciliation of Share Capital Audit Certificate for the quarter ended 31st March, 2017 at BSE on 25th April, 2017 but in the documents, the date has been mentioned as 25th April, 2016;*
5. *The Company has accorded the consent of the members of the Company by way of Special Resolution passed through Postal ballot, effective from 24th March, 2017, for shifting of its Registered Office from the State of Maharashtra (Mumbai) to the State of Karnataka (Bangalore) but the Company could not act on the same as Winding up petition was filed by one of the creditors with NCLT. The matter was disposed off as per the order passed by NCLT. Since the pending petition against the Company has been disposed off, hence the Company can now proceed for shifting of registered office from one place to another.*

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes were sent 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views needed to be recorded.

I further report that, based on the information provided and the representation made by the Company, in our opinion 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 the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, quarterly financial results under Regulation 33 of SEBI (LODR) Regulations, 2015 and the annual financial statements, Cost Records has not been reviewed in this audit report, since the same have been subject to the statutory financial audit/cost audit by other designated professionals. This report is to be read with our letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

I further report that during the audit period of the Company, there was no specific events/action having a major bearing on the Company and also laws, rules, regulations, guidelines, standards etc. referred to above.

**Place: Mumbai**

**Date: 10 August 2018**

**FOR SHANU MATA AND ASSOCIATES**

**CS SHANU MATA**  
**ACS No: 45276**  
**CP No: 17999**

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**‘Annexure I’**

List of applicable laws to the Company Under the Major Group and Head are as follows:-

- A. Factories Act, 1948;
- B. Industries (Development & regulation ) Act, 1951;
- C. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- D. Acts prescribed under prevention and control of pollution;
- E. Acts prescribed under environmental protection;
- F. Acts as prescribed under Direct tax and Indirect Tax;
- G. Land Revenue laws of respective states;
- H. Labour welfare Act of respective States;
- I. Trade Marks Act, 1999;
- J. The Legal Metrology Act, 2009;
- K. Acts as prescribed under Shop and Establishment Act of various local authorities.
- L. All General Laws related to Direct and indirect Taxation, GST, Labour Law and other incidental Law of respective states.

**Place: Mumbai**

**Date: 10 August 2018**

**FOR SHANU MATA AND ASSOCIATES**

**SD/-**

**CS SHANU MATA**  
**ACS No: 45276**  
**CP No: 17999**



**‘Annexure II’**

To,  
The Members,  
E-Land Apparel Limited  
(Formerly known as Mudra Lifestyle Limited)  
Mumbai-400066.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Mumbai**  
**Date: 10 August 2018**

**FOR SHANU MATA AND ASSOCIATES**

**SD/-**  
**CS SHANU MATA**  
**ACS No: 45276**



**“ANNEXURE E” TO THE DIRECTORS’ REPORT**

The ratio of the remuneration of each director to the median employee’s remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each Director/ KMP to the median remuneration of the employees of the Company for the financial year 2017 – 2018

Name	Designation	Percentage Increase	Ratio of remuneration to the median remuneration of all the employees
Mr. Kwang Hyuck Choi*	Managing Director	Not Comparable	Not Comparable
Mr. Jung Ho Hong	Whole-time Director	0.00%	17.89
Mr. Jae Ho Song	Managing Director	0.00%	53.05
Mr. Choi Haeoi	Chief Financial Officer	0.00%	0.00
Ms. Sunita Kanungo	Company Secretary	0.00%	11.76

\*Kwang Hyuck Choi resigned w.e.f 29th May,2017.

Apart from the above Directors, the other directors are non-executive & independent and they do not receive any remuneration and hence the details are not furnished.

Sr. No.	Name of the Employee	Designation	Remuneration	Nature of Employment	Date of commencement of employment	Date of Birth of Employee	If the employee is a relative of Director or Manger
1	Mr. Jae Ho Song	Managing Director	77,75,234	Managing Director	30/05/2017	03/12/1977	N.A.
2	Mr. Kim Seong Jin	Factory Manager	56,81,195	Staff	01/06/2016	15/08/1977	N.A.
3	Mr. Seomoon Jae Hyun	General Manager	35,44,915	Manager	01/06/2017	17/05/1961	N.A.
4	Mr. Jung Ho Hong	Director	20,47,621	HR and Legal Director	01/10/2011	19/03/1971	N.A.
5	Mr. S Selvakumar	C.E.O-Production	24,16,800	Staff	25/08/2014	26/07/1970	N.A.
6	Mr. Pritham Raghav Shetty	Merchandising Head	20,00,772	Staff	27/09/2017	04/07/1986	N.A.
7	Mr. Yashpal Bhandari	General Manager- Accounts& Finance	18,48,000	Manager	15/04/2014	28/09/1979	N.A.
8	Mr. Kumarswamy	General Manager-HR	19,80,000	Manager	03/02/2012	02/02/1975	N.A.
9	Mr. Sasikumar L	Factory Manager	15,00,000	Staff	27/06/2016	10/08/1977	N.A.
10	Mr. Raghu Ram Naidu	Production Manager	13,80,000	Manager	02/07/2013	28/03/1975	N.A.

- ii. The median remuneration of employees of the Company during the financial year was Rs. 96,936
- iii. Percentage increase in the median remuneration of employees in the financial year 2016 – 2017 4.79%
- iv. The number of permanent employees on the rolls of company: 2774.
- v. The explanation on the relationship between average increase in remuneration and company performance:  
The increase in remuneration is linked to the performance of the company as a whole, the performance of the concerned division, performance of the employees and other factors like industry trends and economic environment.
- vi. Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company for the financial year 2017 – 2018

(Rs. in lakhs)

Remuneration paid to Key Managerial Personnel (to MD, WTD, CFO & CS)	Total Turnover of the Company	Net Loss of the Company
133.98	18,371.52	7842.49



- vii. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:

Particulars	2016 – 2017	2017 – 2018
Market capitalization	106.06 crore	56.63 crore
PE Ratio	(1.31)	(0.72)
Market Rate	22.10	11.80
EPS	(16.86)	(16.34)
No of Shares	4,79,90,469	4,79,90,469

- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 4.79%.

- ix. The key parameters for any variable component of remuneration availed by the directors:  
None
- x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:
- xi. Affirmation that the remuneration is as per the remuneration policy of the company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

- xii. **Details of the employees employed for full year or part of the year having remuneration of Rs. 1.02 Crores p.a. where employed for the full year:**

None

**Details of the employees employed for the part of the year and having salary of not less than Rs. 8.5 lakhs per month:**

None

**Details of the employees employed for the full year or part of the year was receipt of remuneration in that year which in the aggregate or as the case may be at a rate which in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company:**

None





## **CORPORATE GOVERNANCE REPORT**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

### **1. PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance essentially is the system by which Companies are directed and controlled by the management in the best interest of the stakeholders and others. In other words, it involves a set of relationships between a Company's management, its Board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. It is the way of life, rather than mere legal compulsion. It furthers investor's confidence and commitment to the Company.

Principle Characteristics of Corporate Governance are:-

1. Transparency
2. Independence
3. Accountability
4. Responsibility
5. Fairness
6. Social Responsibility

The policies and guidelines of Corporate Governance have been implemented in all facets of your Company's operations to build up an environment of trust and confidence amongst the stakeholders of the Company.

E-Land believes in professional management of its business which ensures that decision making powers vested in executive management are used to meet stakeholders' aspiration and social expectations. It also ensures total transparency and complete accountability.

The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors, which was revised during the year to align with changing cultural and regulatory norms across the multiple jurisdictions in which the Company conducts its business. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("Act"). These codes are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading ("Insider Trading Code").

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under the regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

### **2. BOARD OF DIRECTORS**

#### **a) Composition of the Board**

As on 31st March 2018, the Company had 7 (Six) Directors (Jung Ho Hong stands resigned with effect from 06 July 2018 and Supriyo Kumar Chaudhari stands resigned with effect from 29th May,2018). Among the 7 Directors, the Company has a Managing Director and one Executive Director. The Board has 4 Non-Executive-Independent Directors including one woman Director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2018 have been made by the Directors. None of the Directors are related to each other.



All the Directors are appointed or re-appointed with the approval of the shareholders. The Independent Directors on the Board are highly experienced and competent persons from their respective fields. The Independent Directors take active part at the Board Meetings and Committee Meetings which add value in the decision making process of the Board of Directors. All Directors have intimated periodically about their Directorship and Membership in various Board and Committee positions of other Companies, which are within permissible limits of the Companies Act, 2013 and Corporate Governance Code.

**b) Directors' attendance record and Directorship held**

The table below gives details of Directors attendance, Directorships held in other Public Company and subsidiary of Public Company and the position of Membership/Chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee in such other Public Company and subsidiary of Public Company.

Sr. No.	Name of Directors	Designation	No. of Directorship (s)/Committee(s) positions held in other public Company and subsidiary of Public Company as on 31 <sup>st</sup> March, 2018			No. of Board Meetings attended out of 6 Meetings held	
			Directorship	Committee Member	Committee Chairmanship	Board	Last AGM
1	Kyoung Hur	Independent Director	0	0	0	5	Yes
2	Chong Tae Baek	Independent Director	0	1	1	4	No
3	Sivabalan Paul Pandian	Independent Director	1	1	0	4	Yes
4	Elizabeth Ravi	Independent Director	0	0	0	4	Yes
5	Jung Ho Hong	Wholetime Director	0	0	0	5	Yes
6	Jae Ho Song	Managing Director	0	0	0	4	Yes
7	Supriyo Chaudhuri	Nominee Director (SBI)	0	0	0	5	Yes

**Notes:-**

- (i) A brief resume and profile of the Directors eligible for re-appointment at the ensuing Annual General Meeting is given in Annexure 1 to the Notice annexed to this Annual Report.
- (ii) None of the Directors has any business / material pecuniary relationship or transactions with the Company.
- (iii) None of the Directors has received any loans, advances from the Company during the year.
- (iv) While considering the total number of Directorships, Directorships of the Private Companies, Section 8 Companies and Foreign Companies have not been included.

**c) Number of Board Meetings**

The Board of Directors met 5 (five) times during the F.Y. 2017-18 (i.e. 1st April, 2017 to 31st March, 2018) on 30th May, 2017, 19th August, 2017, 14th September, 2017, 08th December, 2017 and 14th February, 2018. The necessary quorum was present for all the meetings. The maximum gap between any two meetings was less than 120 Days.

For every Board Meeting, the agenda papers along with explanatory notes are circulated in advance to the Board Members.

**d) Board Procedure**

Dates of the board meetings are decided in advance. The board meetings are convened by giving appropriate notice after obtaining the approval of the Managing Director. The Board meets at least once a quarter to review the results and other items on the agenda, once a year for approval of annual budgets and strategy and also on the occasion of the annual shareholders' meeting. When necessary, additional meetings are held.

The agenda of the board meetings is drafted by the Company Secretary along with the explanatory notes and these are distributed in advance to the directors. Every Board member is free to suggest the inclusion of items on the agenda. All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/ decision in the board/ committee meetings.



All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the board meetings.

The agenda papers are prepared by the concerned officials of the respective department and are approved by the Managing Director. Agenda papers are circulated to the Board by the Company Secretary. Additional items on the agenda are permitted with the permission of the Chairman and with the consent of all the Directors present at the meeting.

The Board also passes resolutions by circulation on need basis. The Company has been providing the directors with an option to participate in the board meetings through electronic mode.

Minutes of the proceedings of the board meeting are prepared within one week of the meeting. Draft minutes are circulated to the Chairman for his comments. The minutes of all the Committees of the Board of Directors of the Company and the minutes of the meetings of the Board of Directors of the Company are placed before the Board.

The quarterly, half-yearly and the annual results of the Company are first placed before the Audit Committee of the Company and thereafter the same are placed before the Board of Directors.

A Compliance Certificate, signed by the CFO and Managing Director in respect of various laws, rules and regulations applicable to the Company is placed before the Board, every quarter.

**e) Code of Conduct**

The Board of your Company has adopted and laid down a Code of Conduct for all Board members and Senior Management of the Company. The Code of Conduct is available on the website of the Company - [www.elandapparel.com](http://www.elandapparel.com). All Board members and senior management personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same.

Information supplies to the Board

The Board has complete access to any information within the Company. At Board Meetings employees who can provide additional insights into the items being discussed are invited:

1. Quarterly results for the Company;
2. Minutes of meeting of the Board, Committees, resolutions passed by circulations;
3. Quarterly compliance certificates with the exception reports which includes non-compliance, if any, of any regulatory;
4. Statutory nature or listing requirements and shareholders service;
5. Disclosures received from the Directors;
6. Related party transactions;
7. Regular business updates;
8. Report on action taken on the previous Board Meeting decisions.

**Separate Meeting of Independent Directors**

A meeting of the Independent Directors was held on 14th February, 2018 and the same was attended by Mr. S. P. Pandian, Mr. Kyoung Hur, Mr. Chong Tae Baek, and Mrs. Elizabeth Ravi.

**Performance Evaluation of Board, its Committees and Directors**

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. Performance evaluation was carried on the parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

**Familiarization Programme for Independent Directors**

The details of the familiarization programme of the Independent Directors are available on the website of the Company at: <http://www.elandapparel.com/FamiliarizationProgramforIndependentDirectors.pdf>

**Letter of appointment to Independent Directors**

At the time of appointing a Director, a formal letter of appointment is given to the Director, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. New Directors are encouraged to peruse earlier Annual Reports of the Company, earlier Minutes of the Board of Directors Meetings, Audit Committee



Meetings with a view to get familiar with the Company's operations, organizational structure of the Company, the functioning of various divisions/departments, the Company's market share and the markets in which it operates, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his/her role as a Director of the Company. The details of familiarization program for Independent Directors are posted on the website of the Company [www.elandapparel.com](http://www.elandapparel.com)

**Remuneration Policy for Key Managerial Personnel and Employees**

The Board and the Nomination and Remuneration Committee regularly keep track of the current and emerging market trends in terms of compensation levels and practices within the relevant industries. This information is used to review the Company's remuneration policies from time to time.

The Nomination and Remuneration Committee ensure that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Remuneration policy is available on the website of the Company [www.elandapparel.com](http://www.elandapparel.com)

**3. COMMITTEES OF THE BOARD**

Currently the Company is having 5 committees of the Board:

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee
- D. Finance Committee
- E. Risk Management Committee

**A. AUDIT COMMITTEE**

**i) Composition**

The Company has an Independent Audit Committee presently comprising of Mr. Chong Tae Baek as Chairman, Mr. Kyoung Hur and Mrs. Elizabeth Ravi as Members of the Committee, all being learned and experts having adequate knowledge in the field of finance. The Chief Financial Officer, Internal Auditors and the Statutory Auditors are invitees to the meeting. The Company Secretary acts as the Secretary to the Committee and attended all the meetings of the Audit Committee. Minutes of each Audit Committee are placed and discussed in the next meeting of the Board. The Chairman of the Audit Committee had answered all queries of the Shareholders related to finance and accounts at the 20th Annual General Meeting of the Company.

The committee met 4 (Four) times during the financial year 2017-18 on 30th May, 2017, 14th September, 2017, 08th December, 2017 and 14th February, 2018. Minutes of the Audit Committee were discussed and taken note by the Board of Directors. The details of attendance of the members in the meeting are given in the table.

The gap between two consecutive meetings did not exceed 120 Days. The necessary quorum was present for all the meetings.

Name of the Member	Status & Category	Audit Committee	
		Held	Attended
Mr. Chong Tae Baek	Chairman & Member	4	3
Mr. Kyoung Hur	Member	4	4
Mrs. Elizabeth Ravi	Member	4	4



**Roles and Responsibilities of Audit Committee:**

The role of the audit committee includes the following:

- Ø 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.
- Ø Recommending to the Board the appointment, remuneration and terms of appointment of auditors of the company.
- Ø Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Ø Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - I. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (C) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - II. Changes, if any, in accounting policies and practices and reasons for the same.
  - III. Major accounting entries involving estimates based on the exercise of judgment by management.
  - IV. Significant adjustments made in the financial statements arising out of audit findings.
  - V. Compliance with listing and other legal requirements relating to financial statements.
  - VI. Disclosure of any related party transactions.
  - VII. Qualifications in the draft audit report.
- Ø Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Ø 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.
- Ø Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Ø Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Ø Approval or any subsequent modification of transaction of the company with related parties.
- Ø Scrutiny of inter-corporate loans and investments.
- Ø Valuation of undertaking or assets of the company, whenever it is necessary.
- Ø Evaluation of internal financial controls and risk management systems.
- Ø Reviewing the adequacy of internal audit function, 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.
- Ø Discussion with internal auditors any significant findings and follow up there on.
- Ø 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.
- Ø 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.
- Ø To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Ø To review the functioning of the Whistle Blower mechanism.
- Ø Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Ø Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;



3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

**B. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee consists of Mr. Chong Tae Baek as Chairman and Mr. Jung Ho Hong\* as members of the Committee. No meeting was held of the Committee during the Financial Year 2017-2018.

As on 31st March, 2018, Ms. Sunita Kanungo was the Company Secretary and Compliance Officer. However, pursuant to her resignation dated 29th May, 2018, Ms. Hemlata Gupta, who was appointed on 30th May, 2018 as Company Secretary is the Compliance Officer to resolve the investor grievances and can be contacted at E-Land Apparel Limited, Office No. 404, 4th Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai – 400 066, Tel: +91-22-40972600 Fax: +91-22-40972601 or e-mail: investor@elandapparel.com. The Committee specially redresses the grievances of the Shareholders.

The terms of reference of shareholders grievances committee inter-alia considers the following matters:-

- A. To consider and approve requests for transfers, transmissions, Dematerialization/ Rematerialisation and issue of fresh share certificates on replacement/ subdivision/ consolidation, issue of duplicate share certificate on loss whether by theft, misplacement or otherwise.
- B. To review the status of Dematerialization of Company's shares and matters incidental thereto.
- C. To review and monitor the approval to the transfers and transmission made by any Director under executive authority delegated to him from time to time.
- D. To monitor the matters of litigation related to shareholders and take decisions relating thereto.
- E. To consider, review and monitor the matters related to the shareholders grievances.
- F. To consider and finalize the report on Corporate Governance to be annexed with the Annual Report of the Company.
- G. To deal with any other matters related and/or incidental to the shareholders.

The Committee has authorized its Registrar and Transfer Agent (RTA) to redress any complaints received from members of the Company. To expedite the matter of Share Transfer, RTA has been authorized to approve the Share Transfer Requests received for and on behalf of the Company. The committee periodically reviews the report sent by RTA in this regard.

Opening Balance Received during the financial year 2017-18	Received during financial year 2017-18	Closing balance
NIL	NIL	NIL

\* Mr. Jung Ho Hong has tendered his resignation with effect from 06th of July, 2018. Mr. Jae Ho Song was named his replacement.

**NOMINATION AND REMUNERATION COMMITTEE**

**i) Composition**

The Nomination and Remuneration Committee consists of Independent Directors, namely Mr. Kyoung Hur as Chairman, Mr. Chong Tae Baek and Mr. S. P. Pandian as Members of the committee.

The minutes of the Remuneration Committee meetings are reviewed and noted by the Board from time to time.

Two Meetings of the Nomination and Remuneration Committee were held during the financial year 2017-18 i.e on 30th May, 2017 and 19th August, 2017.

Name of the Member	Status & Category	Nomination and Remuneration Committee	
		Held	Attended
Mr. Kyoung Hur	Chairman & Member	2	2
Mr. Chong Tae Baek	Member	2	2
Mr. S. P. Pandian	Member	2	2





**Remuneration Policy of the Company**

Executive Director (Managing & Whole Time Director)

The Remuneration Policy of the Company for managerial personnel is primarily based on the performance of the Company and track record, potential and performance of individual managerial personnel. The Remuneration Committee recommends to the Board the compensation package of the Executive Directors of the Company. The approval of the ceiling limit of remuneration to be paid to the Executive Directors exceeds the limits prescribed in Schedule V of the Companies Act, 2013, for which the Company has made application in Form MR-2 to the Central Government for their approval.

Since the appointment of the Executive Directors is by virtue of their employment with the Company, their service contract, notice period and severance fees, if any, is governed by the remuneration policy of the Company.

The Company does not have any Employee Stock Option Scheme.

The details of remuneration paid to Executive Directors during the financial year 2017-18 are as under:

Name of Director	Designation	Salary Paid (Rs)	No. of shares held as on 31 <sup>st</sup> March, 2018	Relationship with other Director
Mr. Song Jae Ho	Managing Director (With Effect from 30th May 2018)	7,775,234	Nil	None
Mr. Jung Ho Hong *	Whole time Director	2,047,621	Nil	None
Mr. Kwang Hyuck Choi **	Managing Director	2,435,121	Nil	None

\*Jung Ho Hong Stands resigned w.e.f 6th July,2018

\*\* Kwang Hyuck Choi resigned w.e.f 29th May,2017

**Non-Executive Directors**

Criteria for selection of Non-Executive Directors

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

The Non-Executive Directors are paid sitting fees for attending the meetings of the Board of Directors and Committees within the ceilings prescribed by the Central Government.

The Company has not paid any remuneration to Non-Executive Directors except the sitting fees for attending the meetings of the Board of Directors and its Committees thereof held during the financial year 2017-18.

Non-executive Directors do not hold any shares of the Company and there are no pecuniary relationships or transactions of them, vis-à-vis the Company, except as mentioned above. The Company has not granted any stock option to any of its Directors. During FY 2017-18, the Company did not advance any loan to any of its Directors.

The quantum of sitting fees payable to Independent Directors of the Company is in terms of provisions of the Act.



The details of the sitting fees paid to the Independent Directors of the Company during the financial year 2017-18 are as under:

Name of Director	Designation	Total Sitting Fees paid ( Rs)
Sivabalan Paul Pandian	Independent Director	45,000
Chong Tae Baek	Independent Director	1,35,000
Kyoung Hur	Independent Director	1,80,000
Elizabeth Ravi	Independent Director	1,50,000
Supriyo Kumar Choudhari	Independent Director	75,000

The terms of reference of the Nomination and Remuneration Committee are as under:

1. 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. 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.

#### **D. FINANCE COMMITTEE**

The Finance Committee consisted of Mr. Kwang Hyuck Choi, Chairman, Mr. Jung Ho Hong\* as Member of the Committee. No meeting was held of the Committee during the Financial Year 2017-2018.

Following powers, duties and responsibilities have been delegated to the Finance Committee:

1. Borrowings from banks / financial institutions upto an aggregate limit of Rs. 500 Crores subject to the total borrowing not to exceed the maximum cap pursuant to Section 180 (1)(c) of the Companies Act, 2013.
2. Granting Loans to companies / firms / individual, whether subsidiaries / associates or otherwise, upto a limit of Rs. 10.00 Crores per Company or firm and Rs 1.00 Crore per individual, for the purpose of business, subject however that the aggregate of loans granted and outstanding to all such companies / firms / individuals, subsidiaries or associates at any time shall not exceed the applicable ceiling prescribed under Section 370 or other applicable provisions of the Companies Act, 1956.
3. Opening / closing of bank accounts, opening letters of credit issue / renew / cancel bank guarantees and other banking matters.
4. Approval of authorized signatories and delegation of powers to sign cheques, etc. for operating the bank accounts of the Company.
5. Miscellaneous financial matters.

#### **E. RISK MANAGEMENT COMMITTEE**

As per the Regulation 21(5) of Listing Regulations 2015, this Regulations shall be applicable to top 100 listed entities determined on the basis of market capitalization as the end of the immediate financial year. Even though it is not mandatory requirement for the Company to constitute the Risk Management Committee, the Company has constituted Risk Management Committee consisting of Mr. Kwng Hyuck Choi as Chairman and Mr. Jung Ho Hong\* as members of the committee. No meeting was held of the Committee during the Financial Year 2017-2018.

**Role and Responsibilities of the Committee includes the following:**

- Framing of Risk Management Plan and Policy and monitoring and implementation of Risk Management Plan and Policy. To keep the identified risk at zero level or minimum level.
- Procedure for Risk Minimization and periodically reviewing and evaluating the Risk Management Policy.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- Performing such other functions as may be necessary or appropriate for the performance of its aforesaid function.

\* Mr. Jung Ho Hong has tendered his resignation with effect from 06th of July, 2018

\*\* Mr. Kwang Hyuck Choi has tendered his resignation with effect from 29th of May, 2018



**Risk Management Policy**

The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives. The Company has formulated a Risk Management Policy. The Policy is available on the website of the Company [www.elandapparel.com](http://www.elandapparel.com)

**4. GENERAL BODY MEETINGS**

The location, date and time of Annual General Meetings held during the last 3 years are given as under:

Financial Year	Date	Venue	Time	No. of Special Resolution passed
2014-15	30.09.2015	Bay Leaf Banquet Hall, Shop No 67, 68, 69, SarafChoudhary Nagar, Thakur Complex, Kandivali East, Mumbai- 400101.	10.00 A.M	None
2015-16	30.09.2016	Bay Leaf Banquet Hall, Shop No 67, 68, 69, SarafChoudhary Nagar, Thakur Complex, Kandivali East, Mumbai- 400101.	10.00 A.M	Special Resolution for Appointment of Mr. Kwang Hyuck Choi as Managing Director and Fixing his Remuneration under Section 196,197, 203 and Schedule V
2016-17	29.09.2017	Bay Leaf Banquet Hall, Shop No 67, 68, 69, Saraf Choudhary Nagar, Thakur Complex, Kandivali East, Mumbai- 400101	10.00 a.m	01) Special Resolution for Appointment of Mr. Jae Ho Song as Managing Director of the Company and fixing his remuneration.  02) Special Resolution for Appointment of Mr. Jung Ho Hong as Whole Time Director of the Company and fixing his remuneration

**Extra Ordinary General Meetings:**

In addition to Annual General Meeting, the Company holds General Meetings of the members of the Company as and when situation arises. During the year under review, the Company had not conducted any Extra Ordinary General Meeting.

**Policy on Related Party Transactions**

The Company has formulated a Policy on Related Party Transactions. During the financial year, the transactions entered into with Related Parties defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations were done on arm's length basis and in the ordinary course of business as per the Related Party Transaction Policy (RPT) of the Company. The policy is available on the website of the Company at the following link: <http://www.elandapparel.com/PolicyonRelatedPartyTransactionsE-Land.pdf>

**Secretarial Audit**

The Board of Directors had appointed Shanu Mata & Associates, Practicing Company Secretary as the Secretarial Auditor of the Company. A Secretarial Audit for the FY 2017 – 2018 was carried out by Mr. Shanu Mata of Shanu Mata & Associates, Practicing Company Secretary. The report of said Secretarial Audit forms part of this annual report.

**7. DISCLOSURE**

**a) Materially Significant Related Party Transactions**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, within its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large. Further details of related party transactions are presented in Note No. 32 of the Accounts.

**b) Status of regulatory compliances**

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is reviewed by the Board from time to time.



**c) Whistle Blower Policy**

Pursuant to Section 177 (9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board & its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Board of Directors at its meeting held on 14th November, 2014, adopted the Whistle Blower Policy and Vigil Mechanism for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. No personnel have been denied access to the audit committee. The Whistle Blower Policy is also available on the website of the Company [www.elandapparel.com](http://www.elandapparel.com)

**d) Prohibition of Insider Trading Code**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended by SEBI (Prohibition of Insider Trading) Regulations, 2015, which is effective from May 15, 2015, the Company has adopted a code of conduct for prohibition of insider trading. The Code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company. As per the Code, the trading window is closed during the time of declaration of results and material events, etc. Disclosure of shareholding is taken from all the Directors and Designated Employees and other connected persons of the Company.

**e) Management Discussion and Analysis Report**

A Management Discussion and Analysis Report forms part of the Annual Report.

**f) CEO/CFO certification**

The certificate in terms of the Regulation 17(8) of the Listing Regulations for the financial year ended 31st March, 2018 was placed before the Board of Directors of the Company in their meeting held on 10th August, 2018 and is annexed to this Report.

The CEO and CFO also gives quarterly certificate on Financial Result while placing the Financial Result before the Board in terms of Regulation 33(2)(a) Listing Regulations.

**DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LISTING REGULATIONS**

The Company complies with following non-mandatory requirements of Regulation 27(1) of the Listing Regulations.

**a) Finance Committee**

Although it is not mandatory, the Board of Directors of the Company has constituted a Finance Committee, the details of which have been provided under Section "Finance Committee".

**b) Audit Qualification**

No observations or qualifications were made in the Auditor's Report for the financial year 2017-18.

**c) Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

They attend various workshops and seminars to keep themselves abreast with the changing business environment

**8. MEANS OF COMMUNICATION:**

The quarterly, half-yearly and annual results were published in daily Newspapers which included Business Standard & the Regional Language Newspapers (Marathi) in Sakal. The same were sent to Stock Exchanges and were also displayed on the website of the Company [www.elandapparel.com](http://www.elandapparel.com)

The Company's website [www.elandapparel.com](http://www.elandapparel.com) contains a separate dedicated section 'Investor' where all the information required by the shareholder is available. Annual Report of the Company, Notices of Postal Ballot, Outcome of Board Meeting etc. are regularly updated on the website. The Company's presentations to institutional investors and analysts, if made would be put up on the website of the Company.

**GENERAL SHAREHOLDER INFORMATION**

- (a) As indicated in the Notice to our Members, the Annual General Meeting of the Company will be held on 29th September, 2018 at Bay Leaf Banquet Hall, Shop No 67, 68, 69, Saraf Choudhary Nagar, Thakur Complex, Opposite Sarodev Hospital, Kandivali (East), Mumbai -400101.



**(b) Financial Year:**

The current financial year of the company was from 1st April, 2018 to 31st March, 2019.

**(c) Dividend payment date:**

Since there is no dividend proposed, there is no dividend payment date fixed.

**(d) Listing on Stock Exchanges:**

The Company has duly paid the listing fees to Bombay Stock Exchange and National Stock Exchange & Custodial Fees to Central Depository Services (India) Limited and National Securities Depository Limited for the Financial Year 2018-19.

**(e) Date of Book Closure:**

Saturday, 23rd September, 2017 to Friday, 29th September, 2017 (Both days inclusive)

**(f) Financial Calendar (2018 – 2019) (tentative):**

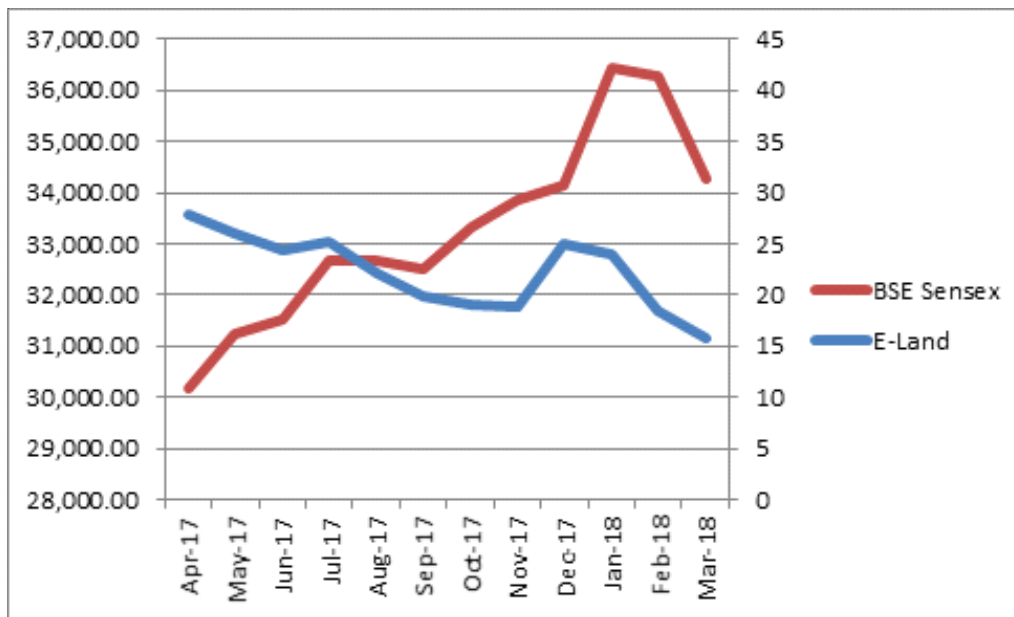
First Quarterly Results	on or before 14th August, 2018
Second Quarterly Results	on or before 14th November, 2018
Third Quarterly Results	on or before 14th February, 2019
Financial Year ending	on or before 30th May, 2019

**(g) Stock Code of Company:**

Name of Stock Exchange	Code
BSE Ltd (BSE)	532820
National Stock Exchange of India Limited (NSE)	ELAND
ISIN No.	INE311H01018

**Stock Market price data for the year 2017-18:**

Month	BSE		Sensex (Closing)	NSE	
	High (Rs)	Low(Rs)		High (Rs)	Low(Rs)
April 2017	27.90	22.35	29,918.40	28.00	22.45
May 2017	26.00	21.00	31,145.80	26.10	20.95
June 2017	24.40	20.80	30,921.61	24.50	20.60
July 2017	25.25	21.30	32,514.94	25.25	21.40
August 2017	22.10	15.70	31,730.49	22.20	15.85
September 2017	19.95	15.50	31,283.72	19.80	15.45
October 2017	19.00	13.50	33,213.13	18.45	13.70
November 2017	18.80	15.50	33,149.35	18.90	15.40
December 2017	24.90	16.10	34,056.83	24.55	16.35
January 2018	24.00	17.45	35,965.02	24.00	17.00
February 2018	18.50	15.40	34,184.04	18.10	15.35
March 2018	15.85	11.70	32,968.68	15.80	11.45



(i) **Distribution of Shareholding as on 31st March, 2018:**

Range (In Rs.)	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1 – 5000	14119	97.0778	62245220	12.97
5001 – 10000	222	1.5264	16757610	3.49
10001 – 20000	110	0.7563	15771700	3.29
20001 – 30000	39	0.2682	9862520	2.06
30001 – 40000	14	0.09626	4884080	1.02
40001 – 50000	12	0.08251	5425850	1.13
50001 – 100000	14	0.09626	9671460	2.02
100001 - 99999999	14	0.09626	352286250	74.03
<b>Total</b>	<b>14544</b>	<b>100</b>	<b>479904690</b>	<b>100</b>

(j) **Pattern of Shareholding as on 31st March, 2018:**

Category	No. of Shares	% of Shareholding
Promoters/Directors/Directors Relative	31598094	65.84
Financial Institutions and Banks	594476	1.24
Bodies Corporate	1260496	2.63
Resident Individuals	14166411	29.52
Clearing Member	100384	0.21
NRIs	270608	0.56
<b>Total</b>	<b>47990469</b>	<b>100</b>

(k) **Share Transfer System:**

The Company's shares are traded in Stock Exchange compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within 15-20 days from the date of receipt.





**(l) Dematerialization of Shares and Liquidity:**

The equity shares of the Company are in compulsory dematerialized segment and are available in the Depository system of both NSDL and CDSL. The entire shareholdings of the Promoters of the Company are in demat form. Almost the entire shareholding is held in dematerialized form. Details of No. of shares held in dematerialized and physical mode as on 31st March, 2018:

Particulars	No. of Shares	Percentage of Total issued Capital
Held in Dematerialized form in CDSL	83,45,108	17.39%
Held in Dematerialized form in NSDL	39,572,020	82.46%
Physical Form	73,341	0.15%
<b>Total</b>	<b>4,79,90,469</b>	<b>100%</b>

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board of India.

**(m) Registrar & Share Transfer Agent:**

The detail of Registrar & Transfer Agent appointed by the Company is as under:

Bigshare Services Pvt. Ltd.  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri East  
Mumbai 400059  
Maharashtra  
Tel: 91-22-2847 0652 | 40430200| 62638200  
Fax:022 62638299  
E-mail: investor@bigshareonline.com  
E-mail address of the Company for redressal of investors' complaints: investor@elandapparel.com

**(n) Address for Correspondence:-**

E-LAND APPAREL LIMITED  
Office No. 404, 4th Floor, Western Edge-I,  
Western Express Highway, Magathane,  
Borivali (East), Mumbai - 400066.  
Tel: +91-22-40972600 Fax: +91-22-40972601

**(o) Plant Locations:**

Unit No-1: 40,Basapura Road, Electronic City Post, Begur Hobli, Bangalore-560100.  
Unit no- 2: 16/2B, Sri Vinayaka Indl, Estate, Singasandra, Near Dakshin Honda Showroom, Hosur Road, Bangalore-560068.  
Unit No-3: 1857 Hanumantha Nagar, B M Road, Channapatna, Ramanagar- 562160/571501.  
Unit No-4: No.-9, m. Yarandlahalli sub l/o Bommsandra, Industrial area, Bommsandra, Anekal, Bangalore



We hereby certify that,

### **CEO and CFO Certification**

- A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. 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.
- B. There are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking You,

**For E-land Apparel Limited For E-land Apparel Limited**

SD/-  
**Jae Ho Song**  
Managing Director  
DIN: 07830731

SD/-  
**Choi Haeoi**  
Chief Financial Officer

### **COMPLIANCE WITH CODE OF CONDUCT**

To,  
**The Shareholders of E-Land Apparel Limited**

#### **Sub: Compliance with Code of Conduct**

Pursuant to Schedule V (D) of the SEBI Listing Regulation, 2015, I hereby confirm that the Company has obtained from all the Members of Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct as adopted by the Board of Directors in respect of financial year ended 31st March, 2018.

SD/-  
**Jae Ho Song**  
Managing Director  
DIN: 07830731

### **AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To,  
The Members,  
E-Land Apparel Limited  
(Formerly known as Mudra Lifestyle Limited)  
Office No. 404, 4<sup>th</sup> Floor, Western Edge-I,  
Western Express Highway, Magathane,  
Borivali (East), Mumbai 400066

We have examined the compliance of conditions of Corporate Governance by E-Land Apparel Limited, for the year ended March 31, 2018 as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company is compliant with the requirements of Corporate Governance as stipulated in applicable provisions of the Regulations.

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.

Place: Mumbai  
Date: 10th August, 2018

**CS SHANU MATA**  
**FOR SHANU MATA AND ASSOCIATES**  
ACS No: 45276  
CP No: 17999



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF E-LAND APPAREL LIMITED**

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **E-Land Apparel Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

In conducting 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 provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### **Material uncertainty related to Going Concern**

We draw attention to Note 36 to the Ind AS financial statements, which indicates that the Company has incurred a net loss of Rs.7,842.49 lakhs during the year ended March 31, 2018 and the accumulated losses amounting to Rs.58,171.19 lakhs as on that date, have eroded the net-worth of the Company. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Ind AS financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.



### Other Matter

The transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 dated May 30, 2016 expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) The matter described in the 'Material uncertainty related to Going Concern' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Monisha Parikh  
Partner  
(Membership No. 47840)

Bengaluru, May 30, 2018



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **E-Land Apparel Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, material weakness has been identified in the Company’s internal financial controls over financial reporting as at March 31, 2018 in respect of analysing quotations for



purchases of raw materials and fixed assets which could potentially result in purchases at higher than market price.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

**Qualified Opinion**

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Ind AS financial statements of the Company for the year ended March 31, 2018, and the material weakness does not affect our opinion on the said Ind AS financial statements of the Company.

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

**Monisha Parikh**  
Partner  
(Membership No. 47840)

Bengaluru, May 30, 2018

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.





- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases.
- (b) The undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable are as follows:

Name of Statute	Nature of Dues	Amount (Rs. Lakhs)	Period to which the Amount Relates	Due Date	Date of subsequent payment
The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976	Professional Tax	11.34	2016-17 and 2017-18	Various dates from May 31, 2016 to September 30, 2017	Not paid
The Finance Act 2015	Service tax	0.55	2016-17 and 2017-18	Various dates from Nov 06, 2016 to July 06, 2017	Not paid
The Central Excise Act, 1944	Excise Duty	64.84	2016-17 and 2017-18	Various dates from Feb 06, 2017 to July 06, 2017	Not paid
The Karnataka Labour Welfare Fund Act, 1965	Labour Welfare Fund	0.24	2015-16	Jan 15, 2016	Not paid
Sales Tax	Central Sales Tax	1.07	2014-15 and 2015-16	April 21, 2015 & August 21, 2015	Not paid

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. Lakhs)
Income-tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2008-09 & 2009-10	140.36
Sales Tax	Sales Tax, including interest and penalty	Commissioner of Sales Tax, Maharashtra	2001-02 to 2004-05	250.22



- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

SD/-  
**Monisha Parikh**  
Partner  
(Membership No.47840)

Bengaluru, May 30, 2018



**Balance Sheet as at 31 March 2018**

(₹ in Lakhs)

Particulars	Note No	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	4	4,336.52	4,466.85	5,833.07
(b) Other Intangible assets	5	53.86	83.83	21.43
<b>(c) Financial Assets</b>				
(i) Investments				
a) Other investments	6	1.00	1.00	1.00
(ii) Other financial assets	7(a)	260.42	345.55	340.12
(d) Other non-current assets	8(a)	447.28	488.97	1,059.04
<b>Total Non - Current Assets</b>		<b>5,099.08</b>	<b>5,386.20</b>	<b>7,254.66</b>
<b>Current assets</b>				
(a) Inventories	9	2,196.46	3,037.62	4,460.12
<b>(b) Financial assets</b>				
(i) Other investments	10	22.78	37.40	36.32
(ii) Trade receivables	11	2,305.23	3,749.43	4,456.49
(iii) Cash and cash equivalents	12	560.74	1,150.12	860.27
(iv) Other financial assets	7(b)	16.28	123.14	88.42
(c) Other current assets	8(b)	946.37	682.55	597.95
		6,047.86	8,780.26	10,499.57
Assets classified as held for sale	13	19.32	1,351.69	1,407.32
<b>Total current assets</b>		<b>6,067.18</b>	<b>10,131.95</b>	<b>11,906.89</b>
<b>Total assets</b>		<b>11,166.26</b>	<b>15,518.15</b>	<b>19,161.55</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	14	4,799.05	4,799.05	4,799.05
(c) Other equity	15	(28,271.75)	(14,602.73)	(4,975.31)
<b>Total Equity</b>		<b>(23,472.70)</b>	<b>(9,803.68)</b>	<b>(176.26)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	16	1,000.97	9,341.90	10,482.34
(iii) Other financial liabilities	17(a)	14.01	203.01	311.07
(b) Provisions	18(a)	346.74	239.34	211.16
(d) Other non-current liabilities	19(a)	28,935.14	5,743.36	31.98
<b>Total Non - Current Liabilities</b>		<b>30,296.86</b>	<b>15,527.61</b>	<b>11,036.55</b>
<b>Current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	20	-	3,459.77	3,384.88
(ii) Trade payables	21	3,605.41	4,140.30	3,204.70
(iii) Other financial liabilities	17(b)	13.20	285.38	506.13
(b) Provisions	18(b)	138.34	299.99	228.24
(d) Other current liabilities	19(b)	585.15	1,608.78	977.31
<b>Total Current Liabilities</b>		<b>4,342.10</b>	<b>9,794.22</b>	<b>8,301.26</b>
<b>Total Liabilities</b>		<b>34,638.96</b>	<b>25,321.83</b>	<b>19,337.81</b>
<b>Total Equity and Liabilities</b>		<b>11,166.26</b>	<b>15,518.15</b>	<b>19,161.55</b>

See accompanying notes to the financial statements  
In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Monisha Parikh**  
Partner

Place: Bengaluru  
Date: 30 May 2018

**For and on behalf of the Board of Directors**

SD/-  
**Jae Ho Song**  
Managing Director

SD/-  
**Jung Ho Hong**  
Wholtime Director

SD/-  
**Hemlata Gupta**  
Company Secretary

SD/-  
**Haeoi Choi**  
Chief Financial Officer

Place: Mumbai  
Date: 30 May 2018



**Statement of Profit and Loss for the year ended 31 March 2018**

Particulars	Notes	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Revenue from operations	22	18,371.52	21,814.55
Other income	23	208.21	90.38
<b>Total Income [ A ]</b>		<b>18,579.73</b>	<b>21,904.93</b>
<b>Expenses</b>			
Cost of raw materials consumed	24	10,690.43	12,349.58
Changes in inventories of finished goods and work-in-progress	25	518.53	1,339.96
Excise duty on sale of goods		21.04	280.45
Employee benefits expenses	26	6,139.30	6,648.08
Finance costs	27	2,241.33	3,407.35
Depreciation & amortization expense		209.43	366.49
Other expenses	28	2,991.14	5,534.05
<b>Total expenses [ B ]</b>		<b>22,811.20</b>	<b>29,925.96</b>
<b>Loss before Exceptional items and Tax [ A-B ]</b>		<b>(4,231.47)</b>	<b>(8,021.03)</b>
Exceptional items	28.1	3,611.02	-
Loss before tax		(7,842.49)	(8,021.03)
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
		-	-
Loss for the year		(7,842.49)	(8,021.03)
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss			
(a) Remeasurements of the defined benefit Plans - Gains / (losses)		63.69	63.53
(b) Changes in revaluation surplus	41	-	739.18
<b>Total Other Comprehensive Income</b>		<b>63.69</b>	<b>802.71</b>
<b>Total Comprehensive Income</b>		<b>(7,778.80)</b>	<b>(7,218.32)</b>
<b>Earnings per share</b>	33		
Basic (Rs)		(16.34)	(16.71)
Diluted (Rs)		(16.34)	(16.71)
Nominal value per share (Rs.)		10	10

**See accompanying notes forming part of the financial statements**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Monisha Parikh**  
Partner

**For and on behalf of the Board of Directors**

SD/-  
**Jae Ho Song**  
Managing Director

SD/-  
**Jung Ho Hong**  
Wholtime Director

SD/-  
**Hemlata Gupta**  
Company Secretary

SD/-  
**Haeoi Choi**  
Chief Financial Officer

Place: Bengaluru  
Date: 30 May 2018

Place: Mumbai  
Date: 30 May 2018



**Cash flow statement for the year ended March 31, 2018**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Cash flows from operating activities</b>		
Loss for the year	(7,842.49)	(8,021.03)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	209.43	366.49
Loss on sale of property, plant and equipment	2.76	4.67
Impairment of property, plant and equipment	82.36	1,270.65
Interest income	(34.40)	(63.35)
Dividend income	(0.15)	(0.31)
Sundry balances written off	1.69	17.54
Interest / finance charges	2,241.33	3,407.35
Accelerated Interest on interest free borrowings (net of deemed guarantee commission income)	3,872.67	-
Benefit on One Time Settlement (OTS)	(157.61)	-
Reversal of right of recompense liability	(104.04)	-
Bad debts written off	-	114.21
Provision for doubtful receivables and advances	(39.42)	387.33
Unrealized foreign exchange loss / (gain)	(25.03)	20.03
<b>Operating cash flow before working capital changes</b>	<b>(1,792.90)</b>	<b>(2,496.43)</b>
Movements in working capital:		
Decrease / (Increase) in inventory	841.16	1,422.50
Decrease / (increase) in trade receivables	1,510.16	138.35
Decrease / (increase) in Other assets (Financial & Non- financial)	185.02	(44.85)
Decrease / (increase) in Current Investments	14.62	(1.08)
(Decrease) / increase in Trade Payables	(536.44)	850.15
(Decrease) / increase in Other Liabilities (Financial & Non-financial)	22,021.82	6,168.08
(Decrease) / increase in Provisions	(28.88)	186.71
	<b>22,214.56</b>	<b>6,223.43</b>
Direct taxes paid/ (Net of refunds)	24.05	(12.92)
<b>Net cash generated / (used) in operating activities (A)</b>	<b>22,238.61</b>	<b>6,210.51</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment including CWIP and capital advances	(69.41)	(312.64)
Proceeds from sale of property, plant and equipment	16.16	2.05
Proceeds from assets held for sale	1,250.00	761.00
Proceeds from slump sale receivable	-	505.45
Interest income	34.40	50.77
Investments/ (redemption) in bank deposits (having original maturity of more than three months)	505.17	(99.64)
Dividends	0.15	0.31
<b>Net cash generated / (used) in investing activities (B)</b>	<b>1,736.47</b>	<b>907.30</b>



(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(20,165.04)	(6,537.51)
Interest / finance charges paid	(431.80)	(458.71)
Proceeds / Repayment with respect to working capital loans	(3,459.77)	74.88
Payment to Investor Education and Protection Fund		(1.30)
<b>Net cash generated / (used) in financing activities (C)</b>	<b>(24,056.61)</b>	<b>(6,922.64)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(81.53)</b>	<b>195.18</b>
Cash and cash equivalents at the beginning of the year	462.07	270.46
Effect of exchange differences on restatement of foreign currency Cash and Cash equivalents	-	(3.57)
<b>Cash and cash equivalents at the end of the year</b>	<b>380.54</b>	<b>462.07</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand	3.00	5.08
Balances with Bank		
- in current account	372.52	164.04
- in EEFC account	5.02	292.94
	<b>380.54</b>	<b>462.07</b>

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Monisha Parikh**  
Partner

Place: Bengaluru  
Date: 30 May 2018

**For and on behalf of the Board of Directors**

SD/-  
**Jae Ho Song**  
Managing Director

SD/-  
**Hemlata Gupta**  
Company Secretary

Place: Mumbai  
Date: 30 May 2018

SD/-  
**Jung Ho Hong**  
Wholetime Director

SD/-  
**Haeoi Choi**  
Chief Financial Officer





**Statement of changes in equity**

**a. Equity share capital**

(₹ in Lakhs)

Particulars	Amount
<b>Balance at April 1, 2016</b>	<b>4,799.05</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2017</b>	<b>4,799.05</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2018</b>	<b>4,799.05</b>

**b Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total Other Equity
	Securities premium	General Reserves	Deficit in Statement of Profit and Loss	Capital Contribution	Revaluation surplus	
<b>Balance as at April 1, 2016</b>	<b>14,245.60</b>	<b>591.82</b>	<b>(42,434.88)</b>	<b>22,622.15</b>	-	<b>(4,975.31)</b>
Add / (Less):						
Loss for the year	-	-	(8,021.03)	-	-	(8,021.03)
Adjustment of capital contribution on account of early repayment of loan taken from a group company	-	-	-	(2,409.10)	-	(2,409.10)
Gain / (loss) on Remeasurement of defined benefit obligation (net of tax)	-	-	63.53	-	-	63.53
Surplus/(Deficit) on revaluation of land	-	-	-	-	739.18	739.18
<b>Balance as at March 31, 2017</b>	<b>14,245.60</b>	<b>591.82</b>	<b>(50,392.38)</b>	<b>20,213.05</b>	<b>739.18</b>	<b>(14,602.73)</b>
<b>Balance as at April 1, 2017</b>	<b>14,245.60</b>	<b>591.82</b>	<b>(50,392.38)</b>	<b>20,213.05</b>	<b>739.18</b>	<b>(14,602.73)</b>
Add:						
Loss for the year	-	-	(7,842.49)	-	-	(7,842.49)
Adjustment of capital contribution on account of early repayment of loan taken from a group company	-	-	-	(5,890.22)	-	(5,890.22)
Add / Less:						
Gain / (loss) on Remeasurement of defined benefit obligation (net of tax)	-	-	63.69	-	-	63.69
<b>Balance as at March 31, 2018</b>	<b>14,245.60</b>	<b>591.82</b>	<b>(58,171.19)</b>	<b>14,322.83</b>	<b>739.18</b>	<b>(28,271.75)</b>

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Monisha Parikh**  
Partner

Place: Bengaluru  
Date: May 30, 2018

**For and on behalf of the Board of Directors**

**Jae Ho Song**  
Managing Director

**Jung Ho Hong**  
Director

**Hemlata Gupta**  
Company Secretary

**Haeoi Choi**  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2018



## Notes to financial statements

### 1 CORPORATE INFORMATION

E-land Apparel Limited (“the Company”) is a listed public limited company incorporated in 1997. Its shares are listed on two stock exchanges in India. The Company is primarily engaged in the business of manufacture and sale of garments. The Company caters to both domestic and international markets.

### 2 BASIS FOR PREPARATION AND PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India (‘previous GAAP’). These are the Company’s first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 41 for the explanations of transition to Ind AS.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as in value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### 2.2 Summary of significant accounting policies

##### Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised when the goods are delivered and title is passed, i.e., when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services are recognized when services are rendered and related costs are incurred.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition. Dividend income is accounted for when the right to receive payment has been established.



**Government grant**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all the conditions will be complied by the Company.

Government grants relating to income are recognized in profit and loss account in a systematic manner, in order to match them with the corresponding costs.

Government grants related to property, plant and equipment are recognised as deferred income and are recognised in the profit and loss account in a systematic basis, based on the compliance of conditions attached with the grant.

**Property, Plant and Equipment**

All Property, Plant and Equipment, except Land are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on Property, Plant and Equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has considered the following useful lives for providing depreciation:

	<b>Useful life(in years)</b>
Buildings	30
Plant and equipment	20
Furniture and fixtures	10
Office equipment	5
Vehicles	8
Electric Installations	10
Computers	3

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

In case of Land, the Company has elected to adopt revaluation model as per which it is carried at revalued amount which is equal to its fair value. Revaluations are made at sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The surplus arising on account of revaluation is recognised in other comprehensive income and accumulated in equity under the heading "Revaluation surplus".

**Intangible assets**

Acquired Intangible Assets - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

<b>Intangible Asset</b>	<b>Useful life</b>
Computer Software	3 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of Profit and Loss when the asset is derecognised. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of this date.



### **Inventories**

Inventories are valued at the lower of weighted average cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Raw materials and stores and spares are valued at weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **Financial Instruments**

#### **Financial assets and financial liabilities:**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

#### **Initial recognition and measurement:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

#### **Subsequent measurement: Financial assets at amortised cost-**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial Assets at fair value through other comprehensive Income-**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

#### **Financial assets at fair value through profit or loss-**

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

#### **Financial liabilities**

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Equity Instrument**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

#### **Impairment of financial assets (other than at fair value)**

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is



impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

#### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of profit and loss on disposal of that financial asset.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

#### **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **Foreign Currency transactions and translations**

The functional currency of the Company is Indian Rupee (Rs.). Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

#### **Employee Benefits**

##### Defined Contribution Plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

##### Defined Benefit Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

##### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

##### Other Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.



### **Borrowing Costs**

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### **Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.





### **Current and deferred tax for the year**

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **Provisions and Contingent Liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### **Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

### **Earnings per share**

Basic earnings per share are computed by dividing of profit / loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### **Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

### **First-time adoption of Ind AS**

#### **Overall Principle:**

The Company has prepared Opening balance sheet as per Ind AS of April 1, 2016 (Transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### **Deemed cost for property, plant and equipment, investment property, and intangible assets:**

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



**Determining whether an arrangement contains a lease:**

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

**Derecognition of Financial Assets and Liabilities:**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

**Impairment of financial assets:**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**2.3 Standards issued but not yet effective**

**Ind AS 115, Revenue from Contract with Customers:**

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115 “Revenue from Contracts with Customers” as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The said standard is applicable for the accounting periods beginning on or after April 1, 2018. The Company is in the process of assessing the impact of the said standard on its financial statements.

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The company is in the process of assessing the impact of the said amendment on its financial statements.

**2.4 Approval of financial statements**

These financial statements were approved for issuance by the Board of Directors of the Company on May 30, 2018.

**3 Use of estimates and judgements**

In the application of the Company’s accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Impairment of investments, Property Plant and Equipment and Intangible Assets**

The Company reviews its carrying value of investments, Property, Plant and Equipment and Intangible Assets annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**Useful lives of property, plant and equipment**

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



**Notes to financial statements**

**4. Property, plant and equipment**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Carrying amounts of:			
Land	2246.17	2227.42	3011.80
Buildings	602.64	625.00	833.93
Plant and equipment	1288.63	1405.15	1575.41
Electrical Installations	17.84	0.00	144.68
Furniture and fixtures	121.16	129.35	141.76
Office equipment	43.22	47.61	59.69
Vehicles	22.68	29.29	51.42
Computers	-5.81	3.02	14.37
	<b>4,336.52</b>	<b>4,466.85</b>	<b>5,833.07</b>

## Fixed Assets

(₹ in Lakhs)

Particulars	Revaluation Model	Cost Model							Total of Tangible Assets
	Land	Building	Plant and Equipment	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Computers	
<b>Deemed cost as at April 1, 2016</b>	<b>3,011.80</b>	<b>833.93</b>	<b>1,575.41</b>	<b>144.68</b>	<b>141.76</b>	<b>59.69</b>	<b>51.42</b>	<b>14.37</b>	<b>5,833.07</b>
Additions	161.06	-	21.65	13.39	4.41	5.52	-	5.90	211.94
Disposals	-	-	-	-	-	-	(9.31)	-	(9.31)
Reclassified as Held for Sale	(531.30)	(185.42)	-	(40.00)	-	-	-	-	(756.72)
Revaluation increase	739.17	-	-	-	-	-	-	-	739.17
Adjustment towards Impairment	(1,153.31)	-	(86.60)	(30.74)	-	-	-	-	(1,270.65)
Cost as at March 31, 2017	2,227.42	648.51	1,510.46	87.34	146.17	65.22	42.11	20.27	4,747.50
<b>Depreciation</b>									
Depreciation / amortisation expense for the year	-	29.21	105.30	24.87	16.82	17.61	15.41	17.25	226.48
Impairment loss recognised	-	26.63	-	81.48	-	-	-	-	108.12
Reclassified as Held for Sale	-	(32.34)	-	(19.02)	-	-	-	-	(51.36)
Eliminated on disposal of assets	-	-	-	-	-	-	(2.59)	-	(2.59)
Accumulated depreciation as at March 31, 2017	-	23.51	105.30	87.34	16.82	17.61	12.82	17.25	280.64
<b>Carrying amount as at March 31, 2017</b>	<b>2,227.42</b>	<b>625.00</b>	<b>1,405.15</b>	<b>0.00</b>	<b>129.35</b>	<b>47.61</b>	<b>29.29</b>	<b>3.02</b>	<b>4,466.85</b>
<b>Cost as at March 31, 2017</b>	<b>2,227.42</b>	<b>648.51</b>	<b>1,510.46</b>	<b>87.34</b>	<b>146.17</b>	<b>65.22</b>	<b>42.11</b>	<b>20.27</b>	<b>4,747.49</b>
Additions	18.75	-	0.39	18.78	9.14	14.54	-	0.42	62.01
Disposals	-	-	(41.99)	-	-	(7.41)	-	-	(49.40)
<b>Cost as at March 31, 2018</b>	<b>2,246.17</b>	<b>648.51</b>	<b>1,468.86</b>	<b>106.11</b>	<b>155.31</b>	<b>72.34</b>	<b>42.11</b>	<b>20.69</b>	<b>4,760.11</b>
<b>Depreciation</b>									
Opening accumulated depreciation	-	23.51	105.30	87.34	16.82	17.61	12.82	17.25	280.64
Depreciation / amortisation expense for the year	-	22.36	100.30	0.93	17.33	16.62	6.61	9.25	173.43
Eliminated on disposal of assets	-	-	(25.38)	-	-	(5.10)	-	-	(30.48)
Accumulated depreciation as at March 31, 2018	-	45.87	180.23	88.27	34.15	29.13	19.43	26.50	423.59
<b>Carrying amount as at March 31, 2018</b>	<b>2,246.17</b>	<b>602.64</b>	<b>1,288.63</b>	<b>17.84</b>	<b>121.16</b>	<b>43.22</b>	<b>22.68</b>	<b>(5.81)</b>	<b>4,336.52</b>

The fair value of the land that is considered for revaluation is based on a valuation carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location of the land being valued. The fair value of the land has been arrived at by means of market approach. As per the said technique, fair value of land is arrived by considering the comparable prices of similar property at that location. Had the Company followed cost model for the measurement of land, the carrying amount of land as on March 31, 2018 would have been Rs. 1,502.99 lakhs (As on March 31, 2017: Rs. 1,484.24 lakhs and April 1, 2016 : Rs. 3,011.80 lakhs)





**Notes to financial statements**

(₹ in Lakhs)

**5. Other Intangible Assets**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Carrying amounts of :			
Computer Software	53.86	83.83	21.43
	<b>53.86</b>	<b>83.83</b>	<b>21.43</b>

**Intangible Assets**

Particulars	Intangible Assets	
	Computer software	Total of Intangible Assets
<b>Deemed cost as at April 1, 2016</b>	<b>21.43</b>	<b>21.43</b>
Additions	94.30	94.30
Disposals	-	-
Cost as at March 31, 2017	<b>115.73</b>	<b>115.73</b>
<b>Amortisation</b>		
Amortisation for the year	31.90	31.90
Eliminated on disposal of assets	-	-
Accumulated amortisation as at March 31, 2017	<b>31.90</b>	<b>31.90</b>
<b>Carrying amount as at March 31, 2017</b>	<b>83.83</b>	<b>83.83</b>
<b>Cost as at March 31, 2017</b>	<b>115.73</b>	<b>115.73</b>
Additions	6.01	6.01
Disposals	-	-
Cost as at March 31, 2018	<b>121.74</b>	<b>121.74</b>
<b>Amortisation</b>		
Opening accumulated amortisation	31.90	31.90
Amortisation for the year	35.98	35.98
Eliminated on disposal of assets	-	-
Accumulated amortisation as at March 31, 2018	<b>67.88</b>	<b>67.88</b>
<b>Carrying amount as at March 31, 2018</b>	<b>53.86</b>	<b>53.86</b>

**6 Non-Current Investments**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
10,000 (31 March, 2017: 10,000 & 1 April, 2016: 10,000) Fully paid up Shares of The Bharat Co-op. Bank (Mumbai) Ltd. of 10 each.	1.00	1.00	1.00
<b>Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

Aggregate carrying amount of unquoted investments 1.00 1.00 1.00



**Notes to financial statements**

**7 (a) Other financial Assets**

Particulars	Non-Current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Security deposit	260.42	345.55	340.12
<b>Total</b>	<b>260.42</b>	<b>345.55</b>	<b>340.12</b>

**7 (b) Other financial Assets**

Particulars	Current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Security deposit	7.20	87.58	66.89
Receivable on sale of fixed assets	3.27	2.76	2.76
Rent receivable	3.24	26.49	12.07
Interest on accrued deposits	2.57	6.31	6.70
<b>Total</b>	<b>16.28</b>	<b>123.14</b>	<b>88.42</b>

**8 (a) Other Non-Current Assets**

Particulars	Non-current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
<b>Unsecured, considered good</b>			
Capital advances	6.56	6.46	16.78
Balances with Government authorities			
-VAT Receivable	30.24	28.39	83.63
Prepaid rent	43.46	48.40	60.38
Slump sale receivable	230.72	230.72	736.17
Advance Tax [Net of provision for tax Nil (31 March, 2017 - Nil)]	136.30	175.00	162.08
	447.28	488.97	1,059.04
<b>Unsecured, considered doubtful</b>			
Balances with Government authorities			
-VAT Receivable	145.54	95.16	46.62
	145.54	95.16	46.62
Less: Provision for doubtful assets	(145.54)	(95.16)	(46.62)
<b>Total</b>	<b>447.28</b>	<b>488.97</b>	<b>1,059.04</b>





**Notes to financial statements**

**8 (b) Other Current Assets**

Particulars	Current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Advance to suppliers	269.17	194.99	118.90
Balances with government authorities			
- Export incentive receivable (Refer Note (i) below)	244.22	461.50	455.48
- Goods and Services Tax Receivable	401.23	-	-
Prepaid rent	14.99	19.14	13.61
Prepaid expenses	14.82	5.14	5.66
Advance to employees	1.94	1.78	4.30
	946.37	682.55	597.95
<b>Unsecured, considered doubtful</b>			
Balances with government authorities			
- Export incentive receivable	325.31	405.18	379.73
Advance to suppliers	200.22	180.94	180.94
Advance to employees	-	-	20.87
	525.53	586.12	581.54
Less: Provision for doubtful assets	(525.53)	(586.12)	(581.54)
<b>Total</b>	<b>946.37</b>	<b>682.55</b>	<b>597.95</b>

Note (i): The export incentive receivable represents the amount receivable with respect to duty draw back and other fiscal incentive schemes.

**9 Inventories (valued at lower of cost and net realizable value)**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Raw materials (Goods in Transit: 194.04 lakhs; March 31, 2017 : 157.04 lakhs; April 1, 2016 : 157.28 lakhs)	777.18	1,053.13	1,039.66
Work-in-progress	195.60	324.03	492.49
Finished goods	1,014.39	1,404.49	2,575.99
Consumables / Accessories	209.29	255.97	351.98
<b>Total</b>	<b>2,196.46</b>	<b>3,037.62</b>	<b>4,460.12</b>

**Details of inventory**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
<b>Raw materials</b>			
Fabric	777.18	1,053.13	1,039.66
	777.18	1,053.13	1,039.66
<b>Work-in-progress</b>			
Fabric Cutting / Batching	195.60	324.03	492.49
	195.60	324.03	492.49
<b>Finished goods</b>			
Garments	1,014.39	1,404.49	2,575.99
	1,014.39	1,404.49	2,575.99
<b>Consumables</b>			
Interlining	160.75	57.70	134.32
Trims	48.54	198.27	217.66
	209.29	255.97	351.98



**Notes to financial statements**

The cost of inventories recognised as an expense during the year was 10,690.43 lakhs (Year Ended 31 March, 2017: 12,349.58 lakhs) - Refer Note 24. The cost of inventories recognised as an expense includes 232.52 lakhs (Year Ended 31 March, 2017 : 134.13 lakhs) in respect of write down of inventory to net realizable value and has been reduced by Nil (Year Ended 31 March, 2017 : 89.01 lakhs ) in respect of the reversal of such write down.

**10 Current Investments**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Equity Instruments			
a) Strides Shasun Limited 3,125 (31 March, 2017: 3,125 & 1 April, 2016: 3,125) Shares of Face Value of 10 each fully paid up	20.33	34.28	34.02
b) Mahanagar Telephone Nigam Limited 13,000 (31 March, 2017: 13,000 & 1 April, 2016: 13,000) Shares of Face Value of 10 each fully paid up	2.45	3.12	2.30
<b>Total</b>	<b>22.78</b>	<b>37.40</b>	<b>36.32</b>
Aggregate carrying amount of quoted investments	22.78	37.40	36.32
Aggregate market value of quoted investments	22.78	37.40	36.32

**11 Trade receivables**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
<b>(Unsecured)</b>			
Considered good	2,305.23	3,749.43	4,456.50
Considered doubtful	957.55	1,148.88	794.14
	3,262.78	4,898.31	5,250.63
Less: Accrual for expected credit losses	(957.55)	(1,148.88)	(794.14)
<b>Total</b>	<b>2,305.23</b>	<b>3,749.43</b>	<b>4,456.49</b>

**12 Cash and Cash equivalents**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Cash and cash equivalents:			
Cash on hand	3.00	5.08	4.40
Balances with banks			
(i) In current accounts	372.52	164.04	68.20
(ii) Deposits with original maturity of less than three months	-	-	51.00
(iii) In EEFC account	5.02	292.94	146.86
	380.54	462.07	270.45
Other bank balances			
- Deposits with original maturity for more than 3 months	180.19	685.36	585.73
- Balances with banks in unpaid dividend accounts	0.01	2.69	4.08
<b>Total</b>	<b>560.74</b>	<b>1,150.12</b>	<b>860.27</b>



**Notes to financial statements**

**13 Assets classified as held for sale**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Freehold land	-	1,158.30	627.00
Building	-	153.07	761.00
Electrical installations	19.32	40.32	19.32
<b>Total assets classified as held for sale</b>	<b>19.32</b>	<b>1,351.69</b>	<b>1,407.32</b>

The Management is currently implementing a plan to increase turnover, improve profitability and financial position by selling certain non-core assets. As part of the said plan, the above said assets have been held for sale. The impairment loss recognized by the Company on account of fair valuing the assets held for sale is 82.36 lakhs (2016-17 - Nil ) and the same has been recognised in the statement of profit and loss as "Other expenses" under the line item "Impairment of Property, Plant and Equipment". The fair value measurements with respect to "Assets classified as held for sale" are categorised as Level - 3 in the fair value hierarchy.

**14 Equity Share capital**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
<b>Authorized</b> 6,00,10,000 ( 31 March 2017: 6,00,10,000 & 1 April 2016: 6,00,10,000) Equity Shares of ₹ 10 each	6,001.00	6,001.00	6,001.00
<b>Issued, Subscribed &amp; fully Paid up</b> 4,79,90,469 ( 31 March 2017: 4,79,90,469 & 1 April 2016: 4,79,90,469) Equity Shares of ₹ 10/- each fully paid up	4,799.05	4,799.05	4,799.05
<b>Total</b>	<b>4,799.05</b>	<b>4,799.05</b>	<b>4,799.05</b>

**(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at31 March, 2018		As at31 March, 2017		As at1 April, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	47,990,469	4,799.05	47,990,469	4,799.05	47,990,469	4,799.05
Fresh Issue/other changes	-	-	-	-	-	-
Outstanding at the end of the year	47,990,469	4,799.05	47,990,469	4,799.05	47,990,469	4,799.05

**(ii) Details of rights, preferences and restrictions attached to each class of shares:**

The company has only one class of share capital namely Equity Shares having par value of ₹10 per share. Each holder of Equity Share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.



**(iii) Details of shareholders holding more than 5% shares in the company:-**

Name of Shareholders	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
E-Land Asia Holdings Pte Ltd. (Holding Company)	31,598,094	65.84	31,598,094	65.84	31,598,094	65.84

**(iv) Shares held by holding company:**

Particulars	As at 31 March, 2018 ₹ in Lakhs	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
E-Land Asia Holdings Pte Ltd. (Holding Company) 31,598,094 (31 March, 2017:31,598,094 & 1 April, 2016: 31,598,094) equity shares of ₹10 each fully paid	3,159.81	3,159.81	3,159.81

**15 Other Equity**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Securities Premium Account	14,245.60	14,245.60	14,245.60
General Reserve	591.82	591.82	591.82
Deficit in the Statement of Profit and Loss	(58,171.19)	(50,392.38)	(42,434.88)
Revaluation surplus (Other comprehensive income) [Refer Note 41]	739.18	739.18	-
Capital contribution			
-by E-Land Holdings Pte Ltd. (Refer Note 41.1)	984.21	984.21	984.21
-by E-Land Fashion India Private Ltd. (Refer Note 41.1)	13,338.63	19,228.84	21,637.94
<b>Total</b>	<b>(28,271.75)</b>	<b>(14,602.73)</b>	<b>(4,975.31)</b>

**Nature and purpose of reserves**

*Securities Premium*

Amounts received on issue of shares in excess of the par value has been classified as securities premium.

*General Reserves*

The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

*Deficit in the Statement of Profit and Loss*

This represents the accumulated losses of the Company.

*Revaluation reserves*

Revaluation reserves represents the surplus on account of revaluation of land. The balance in revaluation reserves cannot be distributed to the owners.

*Capital contribution*

Capital contribution represents the benefit that has been passed on by the lenders of interest free loans (i.e., the difference between the actual amount and discounted amount). The said capital contribution is after offsetting the "deemed investment in E-Land Fashion India Private Limited", a group company, arising on account of fair valuation of the financial guarantee given to the banks in respect of its loans.



**Notes to financial statements**

**16 Non-Current Borrowings**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
<b>Unsecured Borrowings</b>			
From related parties			
(i) From Holding company	295.99	261.93	231.80
(ii) From other related party	704.98	9,079.97	10,250.54
<b>Total</b>	<b>1,000.97</b>	<b>9,341.90</b>	<b>10,482.34</b>

i) Loan from holding company is interest free and repayable within 20 years as per below schedule :

Date of Repayment	in Lakhs
On or before 31 December, 2020	115.06
On or before 31 December, 2025	230.13
On or before 8 July, 2033	805.44
<b>Total</b>	<b>1,150.63</b>

ii) Loans from other related parties is interest free and is repayable as per below schedule:

- 10% of the loan amount on or prior to 31 December, 2022
- 20% of the loan amount on or prior to 31 December, 2023
- Balance 70% of the loan amount on or prior to 31 December, 2024

**17 a Other financial Liabilities**

Particulars	Non-current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Rent deposits received	14.01	13.24	12.17
Liability towards financial guarantee given	-	189.77	298.90
<b>Total</b>	<b>14.01</b>	<b>203.01</b>	<b>311.07</b>

**17 (b) Other financial Liabilities**

Particulars	Current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Payable on purchase of fixed assets	13.08	13.75	30.49
Unclaimed Dividend*	0.01	2.69	4.08
Liability towards financial guarantee given	-	166.71	196.05
Book overdraft with banks	0.11	102.21	275.50
<b>Total</b>	<b>13.20</b>	<b>285.38</b>	<b>506.13</b>

\* There are no amounts payable/due to be credited to Investor Education & Protection Fund as at 31 March, 2018.

**18 (a) Provisions**

Particulars	Non-Current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
<b>Provision for employees benefits</b>			
- Gratuity	202.78	239.34	211.16
- Compensated absences	143.96	-	-
<b>Total</b>	<b>346.74</b>	<b>239.34</b>	<b>211.16</b>



**Notes to financial statements**

**18 (b) Provisions**

Particulars	Current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
<b>Provision for employees benefits</b>			
- Gratuity	30.99	23.15	11.20
- Compensated absences	47.00	216.49	217.04
Provision for disputed matters	60.35	60.35	-
<b>Total</b>	<b>138.34</b>	<b>299.99</b>	<b>228.24</b>

**19 (a) Other Liabilities**

Particulars	Non-current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Rent equalisation reserve	16.79	32.74	30.38
Rent received in advance	-	0.65	1.60
Advance from Holding company	28,918.35	5,709.97	-
<b>Total</b>	<b>28,935.14</b>	<b>5,743.36</b>	<b>31.98</b>

**19 (b) Other Liabilities**

Particulars	Current		
	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Advance from Holding company	64.41	604.59	-
Advance received from customers	46.21	44.91	14.27
Advances towards assets held for sale	2.78	201.10	377.10
Statutory remittances (Contribution to PF & ESIC, withholding taxes, VAT, Service tax, Excise duty, etc.)	471.75	758.18	585.94
<b>Total</b>	<b>585.15</b>	<b>1,608.78</b>	<b>977.31</b>

**20 Current Borrowings**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Cash credit from bank (Secured)	-	3,459.77	3,384.88
<b>Total</b>	<b>-</b>	<b>3,459.77</b>	<b>3,384.88</b>

Cash credit from banks is secured by hypothecation of all fixed assets and current and future assets. The cash credit is repayable on demand and carries interest @ 10.75% p.a..

**21 Trade Payables**

Particulars	As at 31 March, 2018 ₹ in Lakh	As at 31 March, 2017 ₹ in Lakhs	As at 1 April, 2016 ₹ in Lakhs
Trade Payables (Refer Note below)	3,605.41	4,140.30	3,204.70
<b>Total</b>	<b>3,605.41</b>	<b>4,140.30</b>	<b>3,204.70</b>

Based on the information available with the Company, there are no outstanding dues in respect of Micro, Small and Medium enterprises at the Balance Sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.





**Notes to financial statements**

**22 Revenue from Operations**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Sale of products ( Refer note below)	17,208.17	20,091.48
Sale of services (mainly comprises job work services etc.)	55.30	75.44
Commission	-	63.60
Other operating revenue		
Scrap sales	24.45	17.59
Export incentives	871.47	1,160.24
Other- Sale of fabric and accessories	212.13	406.18
<b>Revenue from operations</b>	<b>18,371.52</b>	<b>21,814.55</b>

**Note : Details of products sold**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
<b>Finished goods</b>		
Garments	17,208.17	20,091.48
	<b>17,208.17</b>	<b>20,091.48</b>

**23 Other Income**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Interest		
- on deposits with banks	33.09	50.38
- on others	26.01	12.01
Dividend income on current investment	0.15	0.31
Gain / (loss) on account of fair valuation of equity investments measured at fair value through profit and loss	(14.62)	1.08
Net gain on foreign currency transactions and translations	52.83	-
Other non-operating income (refer note below)	110.73	26.60
<b>Total</b>	<b>208.21</b>	<b>90.38</b>

**Other non-operating income includes:**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Rental income	22.09	26.56
Miscellaneous income (Refer Note i)	88.64	0.04
<b>Total</b>	<b>110.73</b>	<b>26.60</b>



**Notes to financial statements**

**Note i**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Liabilities written back	38.97	0.04
Rebate on provident fund	49.68	-
<b>Total</b>	<b>88.65</b>	<b>0.04</b>

**24 Cost of raw materials consumed**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Opening stock	1,309.10	1,391.64
Add: Purchases	10,367.80	12,267.04
Less: Closing stock	(986.47)	(1,309.10)
<b>Total</b>	<b>10,690.43</b>	<b>12,349.58</b>

**Details of raw materials consumed**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Fabric	8,871.82	10,530.97
Consumables / Accessories	1,818.61	2,299.41
	<b>10,690.43</b>	<b>12,830.38</b>

**25 Changes in inventories of finished goods and work in progress**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
<b>Inventories at the end of the year</b>		
Finished Goods	1,014.39	1,404.49
Work-in-progress	195.60	324.03
<b>(A)</b>	<b>1,209.99</b>	<b>1,728.52</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	1,404.49	2,575.99
Work-in-progress	324.03	492.49
Less: Adjustment as per Note 26 (i)	-	-
<b>(B)</b>	<b>1,728.52</b>	<b>3,068.48</b>
<b>Total (B-A): Net (increase)/Decrease</b>	<b>518.53</b>	<b>1,339.96</b>

**26 Employee benefits expenses**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Salaries and wages	5,395.95	5,672.59
Contribution to provident and other funds	584.99	688.12
Gratuity expense (Refer Note 30)	96.18	138.66
Staff welfare expenses	62.18	58.71
<b>Total</b>	<b>6,139.30</b>	<b>6,648.08</b>



**Notes to financial statements**

**27 Finance Costs**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Interest		
-on borrowings from banks	329.35	481.99
-on borrowings from related parties	1,704.71	2,849.50
-others	207.25	75.84
<b>Total</b>	<b>2,241.33</b>	<b>3,407.35</b>

**28 Other Expenses**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Power and fuel	244.06	254.29
Water expenses	8.20	53.92
Job work charges	558.22	946.79
Repairs and maintenance:-		
Building	42.26	21.77
Plant and machinery	2.31	4.13
Others	39.60	28.51
Payment to auditors [Refer note below]	31.75	25.00
Freight and forwarding charges	409.04	326.27
Insurance	12.11	19.37
Rent	516.36	601.95
Rates and taxes	(11.28)	131.61
Director sitting fees	5.85	3.45
Sundry balance written off	1.69	17.54
Increase/(decrease) of excise duty on inventory	-	(13.43)
Bad trade receivables written off	162.11	114.21
Less: Released from provision	(162.11)	-
	-	114.21
Provision for expected credit loss on trade receivables and advances (net)	(39.42)	387.33
Loss on sale of Property, Plant and Equipment (net)	2.76	4.67
Net loss on foreign currency transactions and translation	-	34.39
Travelling and conveyance	284.87	335.03
Impairment of Property, Plant and Equipment (Refer Note 13 and 41.4)	82.36	1,270.65
Legal and professional charges	196.08	266.85
Miscellaneous expenses	604.30	699.73
<b>Total</b>	<b>2,991.14</b>	<b>5,534.05</b>



**Notes to financial statements**

**(ii) Remuneration to auditors**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
<b>To Statutory auditor</b>		
For audit [Including 8 lakhs pertaining to the previous year; (March 31, 2017 - Nil) ]	19.00	14.00
For taxation matters	2.50	2.00
For other services	10.25	9.00
	<b>31.75</b>	<b>25.00</b>

**28.1 Exceptional Items**

Particulars	For the year ended 31 March, 2018 ₹ in Lakhs	For the year ended 31 March, 2017 ₹ in Lakhs
Accelerated notional interest on Interest free borrowings (net of deemed guarantee commission income Rs 261.74 lakhs) [Refer note below]	3,872.67	-
Benefit on One Time Settlement (OTS) with lenders (Refer note below)	(157.61)	-
Reversal of right of recompense liability payable to lenders (Refer note below)	(104.04)	-
<b>Total</b>	<b>3,611.02</b>	<b>-</b>

**Note:**

The Company, in the year 2012, had applied for the restructuring of its debts through Corporate Debt Restructuring (CDR) Mechanism as envisaged under the Reserve Bank of India (RBI) guidelines. Pursuant to the same, based on approval of the CDR cell, the Company entered into a Master Restructuring Agreement in September 2012. In 2016, the Company and its fellow subsidiary i.e., E-Land Fashion India Private Limited ("EFIPL") had applied for One Time Settlement (OTS) with all the banks in the consortium, pursuant to which, approval was received during the year from all the banks for the OTS in respect of the borrowings of both the entities. Based on receipt of the approval for OTS from the consortium of lenders, the Company utilized Export Advances received from E-Land Asia Holdings Pte, the Holding Company, to repay the borrowings from banks and also the borrowings from EFIPL to ensure that the Company complies with the OTS. This has resulted in an accelerated unwinding of the notional interest (net of deemed guarantee commission income Rs 261.74 lakhs) on the interest-free borrowings from EFIPL of Rs.3,872.67 lakhs.

During the year, the OTS formalities, including reconciliation of balances, settlement of dues, final approval from CDR, receipt of 'No Dues Certificate' from banks etc. have been completed and accordingly, an amount of Rs.157.61 lakhs has been recorded in the Statement of Profit and Loss towards the benefit arising on account of the OTS. Further, the Company has also reversed the provision for right of recompense amounting to Rs. 104.04 lakhs made in the books in the previous periods.



## Notes to financial statements

### 29. Segment reporting

#### Disclosure on Operating segments

The Company is engaged in the business of manufacturing and sale of garments. The Chief Operating Decision Maker reviews the operations of the Company as a unit of manufacturing and sale of garments, which is considered to be the only reportable segment by the Management.

#### Geographical information:

The company predominantly operates in India. Revenue earned with in India and outside India are as follows:

Country	Revenue	
	Rs. in Lakhs	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
India	7,612.57	10,639.22
Outside India	10,758.95	11,175.33
<b>Total</b>	<b>18,371.52</b>	<b>21,814.55</b>

### 30. Employee benefit plans

#### Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the said schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognises the amount paid / payable to such funds in the Statement of Profit and Loss. The contributions made by the Company towards these schemes are as follows:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's contribution to provident fund and pension scheme	412.69	454.47
Employer's contribution to Employee State Insurance Scheme	172.30	233.65

#### Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. The said plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk

##### Interest risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

##### Longevity risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

##### Salary risk

Higher than expected increases in salary will increase the defined benefit obligation

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.



**Notes to financial statements**

**Disclosure of Defined Benefit Cost for year ended 31st March 2018 and year ended 31 March 2017**

<b>I. Components of Employer Expense</b>	<b>For the year ended March 31, 2018 (Rs. in Lakhs)</b>	<b>For the year ended March 31, 2017 (Rs. in Lakhs)</b>
<b>Particulars</b>		
Current service cost	79.47	122.18
Past service cost and loss/(gain) on curtailments and settlement	0.08	-
Service cost	79.55	122.18
Net interest cost	16.64	16.48
<b>Total expense recognised in P&amp;L</b>	<b>96.19</b>	<b>138.66</b>

<b>Other Comprehensive Income ( OCI )</b>	<b>For the year ended March 31, 2018 (Rs. in Lakhs)</b>	<b>For the year ended March 31, 2017 (Rs. in Lakhs)</b>
<b>Particulars</b>		
Actuarial (gain)/loss due to change in financial assumption	(4.69)	17.25
Actuarial (gain)/loss due to experience adjustments	(59.00)	(52.79)
Actuarial (gain)/loss due to change in demographic assumption	-	(27.99)
Actuarial (gain)/loss arising during period	(63.69)	(63.53)
Actual return on plan assets less interest on plan assets	-	-
<b>Actuarial (gains)/ losses recognized in OCI</b>	<b>(63.69)</b>	<b>(63.53)</b>

<b>Defined Benefit Cost Particulars</b>	<b>As at March 31, 2018 (Rs. in Lakhs)</b>	<b>As at March 31, 2017 (Rs. in Lakhs)</b>
Service cost	79.55	122.18
Net interest on net defined benefit liability / (asset)	16.64	16.48
Actuarial (gains)/ losses recognized in OCI	(63.69)	(63.53)
<b>Defined Benefit Cost</b>	<b>32.50</b>	<b>75.14</b>

**Net Balance Sheet position**

<b>Particulars</b>	<b>As at March 31, 2018 (Rs. in Lakhs)</b>	<b>As at March 31, 2017 (Rs. in Lakhs)</b>	<b>As at April 1, 2016 (Rs. in Lakhs)</b>
Defined benefit obligation (DBO)	233.77	262.50	222.37
Fair value of plan assets (FVA)	-	-	-
Funded status [surplus/(deficit)]	233.77	262.50	222.37
Effect of Asset ceiling	-	-	-
<b>Net defined benefit asset/ (liability)</b>	<b>233.77</b>	<b>262.50</b>	<b>222.37</b>



<b>Reconciliation of net defined benefit liability Particulars</b>	<b>As at March 31, 2018 (Rs. in Lakhs)</b>	<b>As at March 31, 2017 (Rs. in Lakhs)</b>
Opening net liability	262.50	222.37
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employee benefit Expense for the year	96.19	138.67
Amount recognised in OCI	(63.69)	(63.53)
Contribution to plan assets	-	-
Benefit paid directly by the Company	(61.23)	(35.00)
<b>Closing net defined benefit liability</b>	<b>233.77</b>	<b>262.51</b>

<b>Actuarial assumptions</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Discount Rate	7.25%	6.80%	7.60%
Rate of salary increase	10.00%	10.00%	10.00%

**Disclosure of Defined Benefit Cost for the year ended 31st March, 2018 and year ended 31 March 2017**

<b>Change in Defined Benefit Obligation (DBO) Particulars</b>	<b>As at March 31, 2018 (Rs. in Lakhs)</b>	<b>As at March 31, 2017 (Rs. in Lakhs)</b>
DBO at end of prior period	262.52	222.37
Current service cost	79.55	122.18
Interest cost on the DBO	16.64	16.48
Curtailment (credit)/ cost	-	-
Settlement (credit)/ cost	-	-
Past service cost - plan amendments	-	-
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	(4.69)	17.25
Actuarial loss / (gain) arising from change in demographic assumptions	-	(27.99)
Actuarial loss / (gain) arising on account of experience changes	(59.00)	(52.79)
Benefits paid directly by the Company	(61.23)	(35.00)
Benefits paid from plan assets	-	-
Liabilities assumed / (settled)*	-	-
<b>DBO at end of current period</b>	<b>233.77</b>	<b>262.52</b>

<b>Expected benefit payments for the year ending Particulars</b>	<b>As at March 31, 2018 (Rs. in Lakhs)</b>
Year 1	30.99
Year 2	36.14
Year 3	38.16
Year 4	37.21
Year 5	34.68
Year 6 to Year 10	103.83





Current and Non Current Liability portion Particulars	As at March 31, 2018 (Rs. in Lakhs)	As at March 31, 2017 (Rs. in Lakhs)	As at April 1, 2016 (Rs. in Lakhs)
Current Liability	30.99	23.15	11.20
Non Current Asset/ (Liability)	202.78	239.34	211.16
<b>Net Asset/(Liability)</b>	<b>233.77</b>	<b>262.52</b>	<b>222.37</b>

**Sensitivity Analysis**

(Rs. in Lakhs)

<b>DBO on base assumptions</b>	<b>233.77</b>	<b>262.52</b>
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**Discount Rate**

	As at March 31, 2018	As at March 31, 2017
<b>Discount Rate</b>	<b>7.25%</b>	<b>6.80%</b>
1 Effect on DBO due to 50 bps increase in Discount Rate	-2.14%	-2.28%
2 Effect on DBO due to 50 bps decrease in Discount Rate	2.23%	2.37%

**Salary escalation rate**

	As at March 31, 2018	As at March 31, 2017
<b>Salary Escalation Rate</b>	<b>10.00%</b>	<b>10.00%</b>
1 Effect on DBO due to 50 bps increase in Salary Escalation Rate	2.16%	2.22%
2 Effect on DBO due to 50 bps decrease in Salary Escalation Rate	-2.10%	-2.15%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

**31. Financial Instruments**

**Capital management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders. The capital structure of the Company consists of net debt and total equity of the Company. The management of the Company reviews the capital structure on a semi-annual basis.

The capital structure is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Total equity attributable to the equity share holders of the company	(23,472.70)	(9,803.68)	(176.26)
Borrowings (Current and Non-current)	1,000.97	12,801.67	13,867.22
<b>Total capital (borrowings and equity)</b>	<b>(22,471.74)</b>	<b>2,998.00</b>	<b>13,690.96</b>



**Categories of financial instruments**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>Financial Assets</b>			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Investments in Equity shares (Refer Notes 6 and 10]	23.78	38.40	37.32
Measured at amortised cost			
(a) Cash and bank balances	560.74	1,150.12	860.27
(b) Other financial assets at amortised cost(including trade receivables) [Refer Notes 7 and 11]	2,581.93	4,218.12	4,885.02
<b>Financial liabilities</b>			
<b>Measured at amortised cost</b>	<b>4,633.59</b>	<b>17,430.36</b>	<b>17,889.13</b>

**Financial risk management objectives**

The Company's risk management is carried out by Treasury department under policies laid down by the management. The Company's activities expose it to market risk (which includes currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

**Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary liabilities (Trade payables) and Assets (Trade receivables) at the end of the reporting period are as follows.

(₹ in Lakhs)

Currency	Trade payables as at		
	March 31, 2018	March 31, 2017	April 1, 2016
USD	65.26	21.01	821.87

(₹ in Lakhs)

Currency	Trade receivables as at		
	March 31, 2018	March 31, 2017	April 1, 2016
USD	1,344.03	1,334.84	2,314.38
GBP	37.89	232.69	15.02
EURO	-	-	1.06

**Foreign currency sensitivity analysis**

The Company is mainly exposed to USD on account of outstanding trade receivables and trade payables.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The amounts given below are the impact on loss and equity where the INR weakens 5% against USD. Positive number indicates decrease in loss / increase in equity whereas negative number indicates increase in loss / decrease in equity.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Impact on profit or loss for the year	57.23	65.69
Impact on total equity as at the end of the reporting period	57.23	65.69

For a 5% strengthening of the INR against USD, there would be equivalent amount of loss as mentioned in the above table.



**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company monitors its trade receivables on case to case basis, depending on the ageing of days the receivables are due. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks.

**Reconciliation of loss allowances provision - Trade receivables**

	(₹ in Lakhs)
Loss allowance on April 1, 2016	794.14
Change in loss allowance	354.74
Loss allowance on March 31, 2017	1,148.88
Change in loss allowance	(191.33)
Loss allowance on March 31, 2018	957.55

**Liquidity risk**

Liquidity risk is the risk that the company could be unable to meet its short term financial demands. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Liquidity analysis for non derivative financial liabilities-**

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay. The contractual maturity is based on the earliest date on which the Company would be required to pay.

**March 31, 2018**

(₹ in Lakhs)

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Borrowings from banks	-	-	-	-	-
Borrowings from related parties	-	115.06	2,543.07	2,658.13	1,000.97
Trade payables and others	3,618.62	14.01	-	3,632.63	3,632.63
<b>Total</b>	<b>3,618.62</b>	<b>129.07</b>	<b>2,543.07</b>	<b>6,290.76</b>	<b>4,633.59</b>

**March 31, 2017**

(₹ in Lakhs)

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Borrowings from banks	3,459.77	-	-	3,459.77	3,459.77
Borrowings from related parties	-	-	22,823.17	22,823.17	9,341.90
Trade payables and others	4,272.19	-	-	4,272.19	4,272.19
Financial guarantee contracts	40,000.00	-	-	40,000.00	356.49
<b>Total</b>	<b>47,731.96</b>	<b>-</b>	<b>22,823.17</b>	<b>70,555.13</b>	<b>17,430.35</b>

**April 1, 2016**

(₹ in Lakhs)

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Borrowings from banks	3,384.88	-	-	3,384.88	3,384.88
Borrowings from related parties	-	-	29,360.68	29,360.68	10,482.34
Trade payables and others	3,514.78	12.17	-	3,526.95	3,526.95
Financial guarantee contracts	40,000.00	-	-	40,000.00	494.96
<b>Total</b>	<b>46,899.66</b>	<b>12.17</b>	<b>29,360.68</b>	<b>76,272.51</b>	<b>17,889.13</b>



**Equity Price Risk**

The Company is exposed to equity price risks arising from equity investments. If equity prices had been 5% higher/lower, loss for the year ended March 31, 2018 would increase/decrease by Rs. 1.14 lakhs (for the year ended March 31, 2017: increase/decrease by Rs. 1.87 lakhs) as a result of the changes in fair value of equity investments.

**Fair Valuation Techniques and Inputs used**

Assets measured at fair value	Fair value as at			Fair value hierarchy	Basis for valuation
	March 31, 2018	March 31, 2017	April 1, 2016		
Investments in Equity Shares	22.78	37.40	36.32	Level 1	Quoted market price
Land	2,246.17	2,227.42	3,011.80	Level 3	Market approach

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements approximate their fair values

**32 Related Parties Disclosure:**

Name of Related Parties and Description of relationship:

**A) Key Management Personnel**

Mr. Yangweon Yoo

Mr. Jae Ho Song

Mr. Jung Ho Hong

Mr. Kwang Hyuck Choi

Mr. Yi Byoung Hoon

Mr. Haeoi Choi

**Relationship**

Managing Director (upto February 14, 2017)

Managing Director (w.e.f May 30, 2017)

Whole Time Director

Whole Time Director

Chief Financial Officer (from May 30, 2014 to Oct 3, 2016)

Chief Financial Officer (w.e.f. February 14, 2017)

**B) Ultimate Holding Company**

E Land World Co. Ltd.

**C) Holding Company**

E Land Asia Holdings Pte Ltd

**D) Fellow Subsidiary Companies \***

E Land Accessories Trading (Shanghai) Co. Ltd.

E Land Fashion India Private Ltd.

E Land Fashion (Shanghai) Co. Ltd

E Land Retail Ltd

E.Land International Fashion (Shanghai) Co., Ltd

E-Land Fashion Hong Kong Limited

Wish Fashion (Shanghai) Co.Ltd

WHOAU Holdings Inc.

Wish Trading (Shanghai) Co. Ltd.



**\* Related Parties with whom transactions have taken place during the year**

**in Lakhs**

Nature of Transaction	Key Management Personnel		Ultimate Holding Company		Holding Company		Fellow Subsidiary Companies	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>1) Transactions during the year</b>								
<b>Purchase</b>								
E Land Fashion India Private Ltd.	-	-	-	-	-	-	2,477.26	2,131.90
E.Land International Fashion (Shanghai) Co., Ltd	-	-	-	-	-	-	3.46	41.51
Wish Trading (Shanghai) Co. Ltd.	-	-	-	-	-	-	60.82	19.87
E Land World Co. Ltd.	-	-	-	-	-	-	-	-
<b>Sale of Products</b>								
E Land World Co. Ltd.	-	-	2,970.20	2,634.84	-	-	-	-
E Land Fashion India Private Ltd.	-	-	-	-	-	-	70.45	1.82
E.Land International Fashion (Shanghai) Co., Ltd	-	-	-	-	-	-	224.78	261.00
E Land Fashion (Shanghai) Co. Ltd	-	-	-	-	-	-	22.96	630.26
E Land Retail Ltd	-	-	-	-	-	-	1,012.59	97.37
E-Land Fashion Hong Kong Limited	-	-	-	-	-	-	1.91	341.48
Wish Fashion (Shanghai) Co.Ltd	-	-	-	-	-	-	23.25	88.60
<b>Commission</b>								
E Land World Co. Ltd.	-	-	-	41.00	-	-	-	-
E Land Fashion (Shanghai) Co. Ltd	-	-	-	-	-	-	-	4.59
E Land Retail Ltd	-	-	-	-	-	-	-	7.32
E.Land International Fashion (Shanghai) Co., Ltd	-	-	-	-	-	-	-	6.93
E-Land Fashion Hong Kong Limited	-	-	-	-	-	-	-	3.76
WHOAU Holdings Inc.	-	-	-	-	-	-	-	-
<b>Notional Interest expense on Borrowings</b>								
E Land Asia Holdings Pte Ltd	-	-	-	-	34.05	30.13	-	-
E Land Fashion India Private Ltd.	-	-	-	-	-	-	5,955.03	3,013.05
Reduction of capital contribution on account of early repayment of loan taken from a group company	-	-	-	-	-	-	5,890.21	2,409.10
<b>Advance Received</b>								
E Land Asia Holdings Pte Ltd	-	-	-	-	22,668.20	6,314.56	-	-
<b>Repayment of borrowings</b>								
E Land Fashion India Private Ltd.	-	-	-	-	-	-	22,572.23	6,537.51
<b>2) Outstanding balances as at year end:</b>								
<b>Non-current borrowings</b>								
E Land Asia Holdings Pte Ltd	-	-	-	-	295.99	261.93	-	-
E Land Fashion India Private Ltd.	-	-	-	-	-	-	704.98	9,079.97
<b>Capital Contribution</b>								
E Land Asia Holdings Pte Ltd	-	-	-	-	984.21	984.21	-	-
E Land Fashion India Private Ltd.	-	-	-	-	-	-	13,338.63	19,228.84
<b>Other Non-current liabilities</b>								
E Land Asia Holdings Pte Ltd	-	-	-	-	28,982.75	6,314.56	-	-
<b>Trade Payables</b>								
E Land World Co. Ltd.	-	-	32.88	37.39	-	-	-	-
E Land Fashion India Private Ltd.	-	-	-	-	-	-	1,390.23	1,153.15
Mr. Kwang Hyuck Choi	-	6.03	-	-	-	-	-	-
Mr. Jung Ho Hong	1.83	1.65	-	-	-	-	-	-
Mr. Yangweon Yoo	-	-	-	-	-	-	-	-
Mr. Yi Byoung Hoon	-	-	-	-	-	-	-	-
Mr. Song Jae Ho	4.97	-	-	-	-	-	-	-
<b>Trade Receivables</b>								
E Land World Co. Ltd.	-	-	231.14	787.07	-	-	-	-
E Land Fashion India Private Ltd.	-	-	-	-	-	-	19.03	3.33
E Land Fashion (Shanghai) Co. Ltd	-	-	-	-	-	-	97.11	124.03
E Land Retail Ltd	-	-	-	-	-	-	86.22	103.16
E.Land International Fashion (Shanghai) Co., Ltd	-	-	-	-	-	-	118.65	118.95
Wish Fashion (Shanghai) Co.Ltd	-	-	-	-	-	-	-	-
WHOAU Holdings Inc.	-	-	-	-	-	-	105.21	105.82
E-Land Fashion Hong Kong Limited	-	-	-	-	-	-	10.48	97.57
<b>Other Assets</b>								
Slump sale receivable	-	-	-	-	-	-	-	-
E Land Fashion India Private Ltd.	-	-	-	-	-	-	230.72	230.72

There are no write-off /write back of debt due from/to related parties

Provision made in respect of dues from related parties is ₹ 231.69 lakhs (As at 31 March, 2017: ₹ 197.59 lakhs; As at 1 April, 2016, ₹ Nil)



**Related party balances outstanding as at April 1, 2016**

Nature of Transaction	Key Management Personnel	Ultimate Holding Company	Holding Company	Fellow Subsidiary Companies
<b>Non-current borrowings</b>				
E Land Asia Holdings Pte Ltd	-	-	231.80	-
E Land Fashion India Private Ltd.	-	-	-	10,250.54
<b>Capital Contribution</b>				
E Land Asia Holdings Pte Ltd	-	-	984.21	-
E Land Fashion India Private Ltd.	-	-	-	21,637.94
<b>Trade Payables</b>				
E Land World Co. Ltd.	-	32.88	-	-
E Land Fashion India Private Ltd.	-	-	-	-
Mr. Kwang Hyuck Choi	1.96	-	-	-
Mr. Jung Ho Hong	2.73	-	-	-
Mr. Yangweon Yoo	3.48	-	-	-
Mr. Yi Byoung Hoon	2.87	-	-	-
<b>Trade Receivables</b>				
E Land World Co. Ltd.	-	813.42	-	-
E Land Fashion (Shanghai) Co. Ltd	-	-	-	181.56
E Land Retail Ltd	-	-	-	198.89
E.Land International Fashion (Shanghai) Co., Ltd	-	-	-	217.83
Wish Fashion (Shanghai) Co.Ltd	-	-	-	10.91
WHOAU Holdings Inc.	-	-	-	105.22
E-Land Fashion Hong Kong Limited	-	-	-	59.46
<b>Other Current Assets</b>				
E Land Fashion India Private Ltd.	-	-	-	736.17

**Key Management personnel Remuneration for the year ended-**

Particulars	March 31, 2018	March 31, 2017
Sitting fee	5.85	3.45
Short term employee benefits (other than sitting fee)	122.57	131.47
<b>Total</b>	<b>128.42</b>	<b>134.92</b>

**33. Earnings per share**

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Loss after tax as per Statement of Profit and Loss (Rs. in Lakhs)	(A)	(7,842.49)	(8,021.03)
Weighted average number of equity shares outstanding (Basic)	(B)	47,990,469	47,990,469
Weighted average number of equity shares outstanding (Diluted )	(C)	47,990,469	47,990,469
Nominal value of shares (Rs.)	10	10	10
Earnings per share (basic) (Rs.)	(A/B)	(16.34)	(16.71)
Earnings per share (diluted ) (Rs.)	(A/C)	(16.34)	(16.71)



**Notes to financial statements**

**34. Leases**

The Company has entered into operating lease arrangements for office premises and residential accommodation. The amount of rent expense and rent income are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent expense	516.36	601.95
Rent Income	22.09	26.56

The future minimum lease rental obligation under non-cancellable operating leases are given below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Within one year	315.52	326.90
Later than one year and not later than five year	748.85	368.86
Later than five year	-	-

**35. Contingent Liabilities and Capital Commitments**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Works Contract Tax - Pertains to dues along with interest and penalty (Refer Note i)	250.22	250.22	250.22
Claims against the Company not acknowledged as debts	16.77	16.77	109.82
Income-tax matters under appeal relating to certain disallowances under the Income Tax Act, 1961 (Refer Note i)	140.36	140.36	140.36
Capital Commitment remaining to be executed (net of advances)	-	-	53.04
Interest recompense on working capital loan under CDR scheme	-	-	229.02

(i) The above amount is based on the notice of demand / Assessment Orders by the tax authorities and the Company is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

**36.** The Company has incurred losses of 7,842.49 lakhs (before other comprehensive income) for the year ended March 31, 2018 ( Previous year 8,021.03 lakhs) and the accumulated losses amounting to 58,171.19 lakhs (Previous year 50,392.38 lakhs) exceeds the paid up capital and reserves as on that date. These conditions indicate the existence of 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 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 financial statements have been prepared under the going concern assumption.

**37.** During the year ended 31 March, 2014, the Company had entered into a tripartite agreement with E-Land Asia Holdings Pte Ltd, its holding Company and Mr. Murarilal Agarwal, Mr. Ravindra Agarwal and Mr. Vishwambharlal Bhoot (erstwhile Promoters) whereby the loan outstanding to the erstwhile promoters had been directly paid by the Holding Company on behalf of the Company. The Company had made an application under the applicable provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations there under for regularising the payment made by the





Holding Company. During 2015-16, the Company received approval from the Reserve Bank of India ('RBI'), treating the liability as External Commercial Borrowing. During the previous year, the Company had received compounding order from the RBI, levying a penalty of 7.40 lacs and the same has been charged to the Statement of Profit and Loss for the year ended 31 March, 2017.

38. During 2015-16, there were certain allegations made by an employee of the Company relating to the disposal of assets and statutory non-compliances for which the Company had appointed an external agency to conduct an investigation. During the previous year, the audit committee / board of directors have considered their report and concluded the investigation and noted that there is no financial or other impact with regard to the alleged matters and no further action was required.
39. In respect of the Company's leasehold land at Doddaballapura, the Company had entered into a lease cum sale agreement with the Karnataka Industrial Areas Development Board (KIADB) wherein the Company has to develop the land, construct building and set up a manufacturing unit of readymade garments and will provide employment opportunities as per the terms mentioned in the agreement. The Company is in the process of complying with the aforesaid conditions.
40. In view of the accumulated losses and in accordance with Ind AS 12 - "Income Taxes", the Management believes that there is no reasonable certainty supported by convincing evidence for recognising deferred tax asset on carry forward losses.

**41. Ind AS adoption reconciliations**

**Reconciliation of Equity**

(₹ in Lakhs)

Particulars	Explanatory note	As at March 31, 2017	As at April 1, 2016
Share capital		4,799.05	4,799.05
Reserves		(27,747.24)	(23,379.88)
<b>Equity as reported under Indian GAAP</b>		<b>(22,948.19)</b>	<b>(18,580.83)</b>
<b>Adjustments</b>			
Deemed capital contribution	1	20,213.06	22,622.16
Notional interest on interest free borrowings (net of deemed guarantee commission income)	1	(6,975.76)	(4,238.79)
Notional guarantee commission expense	1	(112.58)	
Fair valuation of lease deposits	2	(8.64)	(6.93)
Loss on account of fair valuation of investments	3	28.43	28.13
<b>Equity as per Ind AS</b>		<b>(9,803.68)</b>	<b>(176.26)</b>



**Reconciliation of Total Comprehensive Income**

(₹ in Lakhs)

Particulars	Explanatory note	For the year ended March 31, 2017
<b>Net loss as per Indian GAAP</b>		<b>(3,835.88)</b>
Add/(Less):		
Notional Interest on interest free borrowings (net of deemed guarantee commission income)	1	(2,736.93)
Notional guarantee commission expense	1	(113.40)
Fair valuation of lease deposits	2	(1.72)
Loss on account of fair valuation of investments	3	1.08
Impairment loss adjusted against reserves under the previous GAAP now routed through the Statement of Profit and Loss	4	(1,270.65)
Employee benefit expenses (actuarial gain) routed through the Statement of Profit and Loss under the previous GAAP now routed through OCI	5	(63.53)
<b>Profit as per Ind AS</b>		<b>(8,021.03)</b>
Other Comprehensive Income:		
Items that will not be reclassified to profit and loss		
Remeasurements of the defined benefit plans - gains / (losses)	5	63.53
Surplus on revaluation of land	6	739.18
<b>Total Comprehensive Income as per Ind AS</b>		<b>(7,218.32)</b>

**Cash flow statement:**

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

**Explanatory Notes**

41.1 The Company has received interest free borrowings from "E-Land Asia Holdings Pte Limited" (the holding company) and "E-Land Fashion India Private Limited" (a group company). These loans were recorded at face value (i.e., equal to amount received) under the Indian GAAP. Under Ind AS, these borrowings are recognized at fair value on initial recognition and subsequently, carried at amortized cost by applying effective interest rate method. The said method requires the loan to be recognised at present value using applicable discount rate. The benefit that has been passed on by the lenders of interest free loans, i.e., the difference between the actual amount and discounted amount of the loan is recognized as deemed capital contribution as it signifies or indicates infusion by the lenders of interest free loans into the Company. Subsequently, notional interest expense is computed on the discounted amount of the loan and the same is charged to the Statement of Profit and Loss as "Interest expense".

Further, the Company has given guarantee to banks towards the term loans and working capital facilities availed by "E-Land Fashion India Private Limited". The total amount of loans and working capital facilities with respect to which the Company has given guarantee to banks is Rs. 40,000 lakhs. Under the previous GAAP, the Company disclosed the said guarantee as Contingent liability in accordance with "AS 29-Provisions, Contingent Liabilities and Contingent Assets". Under Ind AS, the fair value of the said guarantee is recognised as liability by recognising the corresponding "deemed investment in E-Land Fashion India Private Limited" in accordance with "Ind AS 109 Financial Instruments". Subsequently, the Company has recognised guarantee commission income as and when it is discharged of its liability towards guarantee on account of repayment of loans by "E-Land Fashion India Private Limited". Also, "E-Land Fashion India Private Limited" has given guarantee for the working capital facilities availed by the Company from Banks. Under Ind AS, the Company has recognised "deemed guarantee commission expense" towards the same. The amount of impact disclosed above is after offsetting the impact on account of discounting of interest free borrowings and recognition of financial guarantee (given and received).



- 41.2 Under the previous GAAP, lease deposits given (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets and financial liabilities are required to be recognised at fair value at the initial recognition. Accordingly, the Company has discounted these deposits for the respective lease period. Difference between the discounted value (fair value) and the transaction value of security deposit has been recognised as prepaid rent. The prepaid rent is amortised over the lease term and interest income is recorded on the fair value of the security deposit at the interest rate which was used for discounting of the security deposit. The difference in rent expense and interest income has been adjusted with retained earnings as at April 1, 2016 and with loss for the year ended March 31, 2017.
- 41.3 Under the previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been measured at Fair Value Through Profit & Loss (FVTPL) on the date of transition and subsequent reporting periods. The fair value changes are recognised in Statement of Profit and Loss as "Gain / (loss) on account of fair valuation of equity investments measured through fair value through profit and loss" under "Other Income".
- 41.4 Under previous GAAP, during the financial year 2016-17, the Company had recognised impairment loss of Rs. 1,270.65 lakhs with respect to assets that have been previously revalued, by offsetting the same with revaluation reserves. On transition to Ind AS, i.e., on April 1, 2016, as the Company has transferred the balance outstanding in "revaluation reserves" to retained earnings (i.e., Surplus/ (deficit) in the Statement of Profit and Loss), the Company has charged the said impairment loss to the Statement of Profit and Loss.
- 41.5 Under the previous GAAP, actuarial gains and losses were recognised in the Statement of Profit or Loss. Under Ind AS, the actuarial gains and losses are recognised in other comprehensive income.
- 41.6 Under the previous GAAP, the surplus on account of revaluation of an asset is recognised directly in equity as "Revaluation reserves". However, under Ind AS such revaluation surplus is recognised in other comprehensive income.

For and on behalf of the Board of Directors

**Jae Ho Song**  
Managing Director

**Jung Ho Hong**  
Director

Place: Mumbai  
Date: May 30, 2018

**Hemlata Gupta**  
Company Secretary

**Haeoi Choi**  
Chief Financial Officer

**To**

*If undelivered, please return to :*

**E-Land Apparel Limited**

(formerly known as Mudra Lifestyle Limited)

(CIN: L17110MH1997PLC106945)

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