



**E-LAND  
APPAREL**

Date: 29<sup>th</sup> September, 2017

**The General Manager,  
Department of Corporate Services,  
BSE Limited,  
New Trading Ring,  
Rotunda Building, 1<sup>st</sup> Floor,  
P.J Towers, Dalal Street,  
Fort, Mumbai- 400 001  
Scrip Code: 532820**

**The Manager,  
Listing Department,  
National Stock Exchange of India  
Limited  
Exchange Plaza, Plot No. C/1, G-Block,  
Bandra-Kurla Complex, Bandra (East)  
Mumbai- 400 051  
Symbol: ELAND**

Dear Sir,

**Sub: Submission of Annual Report 2016-17 pursuant to Regulation 34 of the  
Listing Obligations and Disclosure Regulations (LODR)**

Pursuant to Regulation 34 of the SEBI Listing (Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith 20<sup>th</sup> Annual Report 2016 - 2017 of the Company duly approved and adopted at 20<sup>th</sup> Annual General Meeting of the Company held on Friday, 29<sup>th</sup> September, 2017

Kindly take the same on your records.

Thanking You,  
Yours faithfully,

**For E-Land Apparel Limited**

  
**Sunita Kanungo  
Company Secretary  
Membership No.A16678**

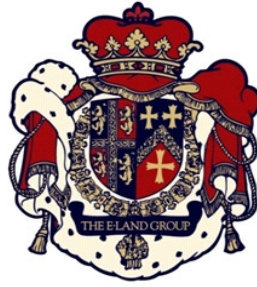


Encl A/a

**E-Land Apparel Limited**

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

Reg Off :- Office No. 404, 4th Floor, Western Edge-1, 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")*

**20<sup>th</sup> Annual Report 2016-2017**







## **BOARD OF DIRECTORS**

Mr. Kwang Hyuck Choi	- Managing Director (Resigned w.e.f. 30 <sup>th</sup> May, 2017)
Mr. Jae Ho Song	-Managing Director (w.e.f. 30 <sup>th</sup> May, 2017)
Mr. Jung Ho Hong	- Whole-time Director
Mr. Chong Tae Baek	- Independent Director
Mr. Sivabalan Paul Pandian	- Independent Director
Mr. Kyong Hur	- Independent Director
Mrs. Elizabeth Ravi	- Independent 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. Byoungsoon Yi (Resigned w.e.f. 03 <sup>rd</sup> October, 2016)	Mr. Ashitosh Sheth (Resigned w.e.f. 11 <sup>th</sup> February, 2017)
Mr. Choi Haeoi (Appointed w.e.f. 14 <sup>th</sup> February, 2017)	MS. Sunita Kanungo (Appointed w.e.f. 14 <sup>th</sup> February, 2017)

## **REGISTRAR AND SHARE TRANSFER AGENT**

Bigshare Services Pvt. Ltd.  
1<sup>st</sup> 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](mailto: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, 4<sup>th</sup> 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



<b>Contents</b>	<b>Page No.</b>
Notice -----	1
Directors' Report-----	10
Management Discussion & Analysis -----	17
Report on Corporate Governance -----	34
Auditor's Report -----	50
Balance Sheet -----	56
Statement of Profit & Loss -----	57
Cash Flow Statement -----	58
Notes to Accounts -----	59



## NOTICE

**NOTICE** is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of the Company will be held at Bay Leaf Banquet Hall, Shop No 67, 68, 69, Saraf Choudhary Nagar, Thakur Complex, Opposite Sarodev Hospital, Kandivali (East), Mumbai - 400101 on Friday, the 29<sup>th</sup> day of September, 2017 at 10.00 a.m. to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2017 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Jung Ho Hong (having DIN: 02229634), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appoint of Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of , M/s. Deloitte Haskins & Sells LLP, Chartered Accountants having Firm Registration No.117366W/W-100018 as Statutory Auditors of the Company, for the financial year commencing from 1<sup>st</sup> April, 2016 to hold office as such from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be decided by Board of Directors of the Company."

### SPECIAL BUSINESS

#### 4. Appointment of Mr. Jae Ho Song as Managing Director of the Company and fixing his remuneration

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and subject to approval of Central Government and such other regulatory/ statutory authorities, as may be required to appoint Mr. Jae Ho Song (DIN 07830731) as Managing Director of the Company for a period of three years w.e.f. 30<sup>th</sup> May, 2017 on the following terms and conditions:

- I. Period: w.e.f. 30<sup>th</sup> May, 2017 till 29<sup>th</sup> May, 2020;
- II. Remuneration payable:
  - (A) Rs. 5.00 lakhs per month including all perquisites, performance related incentives and allowances (this remuneration can be increased upto Rs. 9.00 lakhs per month);
  - (B) Company's contribution to Provident Fund : As per Company's policy;
  - (C) Gratuity: As per Company's policy;
  - (D) Leave encashment: As per Company's policy

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Jae Ho Song, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** Mr. Jae Ho Song shall not be paid any sitting fees for attending the meeting of the Board of Directors of the Company and/ or any Committee thereof

**RESOLVED FURTHER THAT** the Board of Directors, including any Committee thereof, be and is hereby given power to alter or vary the terms and conditions of appointment and/ or remuneration, subject to the limits specified under Schedule V of the Companies Act, 2013 and any statutory modification or re-enactment thereto.

**RESOLVED FURTHER THAT** any one Director of the Company or Company Secretary, be and are hereby severally authorized to file the necessary forms and returns with the Registrar of Companies, Maharashtra and application to the Central Government for its approval and to make necessary entries in the Statutory Registers prescribed under the Companies Act, 2013 and do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."



**5. Appointment of Mr. Jung Ho Hong as Whole Time Director of the Company and fixing his remuneration**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and subject to approval of Central Government and such other regulatory/ statutory authorities, as may be required to appoint Mr. Jung Ho Hong (DIN 02229634) as Whole Time Director of the Company for a period of three years w.e.f. 30th September, 2017 on the following terms and conditions:

III. Period: w.e.f. 30<sup>th</sup> September, 2017 till 29<sup>th</sup> September, 2020;

IV. Remuneration payable:

- (A) Rs. 5.50 lakhs per month including all perquisites, performance related incentives and allowances (this remuneration can be increased upto Rs. 9.50 lakhs per month);
- (B) Company’s contribution to Provident Fund : As per Company’s policy;
- (C) Gratuity : As per Company’s policy;
- (D) Leave encashment : As per Company’s policy

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Jung Ho Hong, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** Mr. Jung Ho Hong shall not be paid any sitting fees for attending the meeting of the Board of Directors of the Company and/ or any Committee thereof

**RESOLVED FURTHER THAT** the Board of Directors, including any Committee thereof, be and is hereby given power to alter or vary the terms and conditions of appointment and/ or remuneration, subject to the limits specified under Schedule V of the Companies Act, 2013 and any statutory modification or re-enactment thereto.

**RESOLVED FURTHER THAT** any one Director of the Company or Company Secretary, be and are hereby severally authorized to file the necessary forms and returns with the Registrar of Companies, Maharashtra and application to the Central Government for its approval and to make necessary entries in the Statutory Registers prescribed under the Companies Act, 2013 and do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Date: 19<sup>th</sup> August, 2017  
Place: Mumbai

**Sunita Kanungo**  
Company Secretary  
Membership Number: A16678

**Registered Office:**

Office No. 404, 4<sup>th</sup> Floor, Western Edge-I,  
Western Express Highway, Magathane,  
Borivali (East), Mumbai – 400066  
CIN: L17110MH1997PLC106945

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as proxy on behalf of member or members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out above is annexed hereto and forms part of this notice.



3. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
4. Brief resume of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as 'Listing Regulations') is annexed to the Notice. The Company is in receipt of relevant disclosures/consents from the Director pertaining to his re-appointment.
5. Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 23<sup>rd</sup> September, 2017 to Friday, 29<sup>th</sup> September, 2017 (both days inclusive).
6. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account Details along with self-attested document proof. Members holding shares in the electronic form may update such details with their respective Depository Participants.
7. Members / Proxy are requested to bring their Attendance Slip along with their copy of Annual Report at the time of the Annual General Meeting. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting.
8. The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contract or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be open for inspection by the members during the Annual General Meeting.
9. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
10. Members are requested to address all correspondences, including NECS mandates, etc. to the Registrar and Share Transfer Agents – Bigshare Services Private Limited, Unit – E-Land Apparel Limited (formerly known as Mudra Lifestyle Limited), 1<sup>st</sup>, Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059 and are further requested to always quote their Folio Number in all correspondences with the Company.
11. Members holding shares in identical order of names in one or more than one folio are requested to write to the Company / RTA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio to facilitate better services.
12. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID for easier identification of attendance at the meeting.
13. Any member seeking information with regards to accounts of the Company is requested to write atleast 7 days before the meeting to enable the Company to keep the information ready.
14. Pursuant to the provisions of Section 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividend amount for the financial year ended 2007-2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The balance amount lying in Unpaid Dividend Account for the financial year 2009-2010 is due for transfer to the IEPF by 5<sup>th</sup> December, 2017 as per the requirements under Section 205C of the Companies Act, 1956. The shareholders whose dividend remained unclaimed for the aforesaid financial year and subsequent financial years are requested to claim it immediately from the Company.
15. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card etc., having photo identity) while attending the meeting.
16. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating members' details.  
Members are thus requested to submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning this letter by post.  
The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.
17. Route Map for the venue of the ensuing Annual General Meeting of the Company is given in the Annual Report.
18. The Notice of the AGM and instructions for remote voting, along with, the Attendance Slip and Proxy Form are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for hard copy of the same. For members who have not registered their email Ids, physical copies of the aforesaid documents are being sent by courier.





**19. E-Voting process**

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulation, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services Limited (CDSL) as an alternative, for all members of the company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 20<sup>th</sup> Annual General Meeting of the Company, dated 19<sup>th</sup> August, 2017 (the AGM Notice).

The facility for voting, either through ballot / polling paper shall also be made available at the venue of the 20<sup>th</sup> Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed M/s. Manish Ghia & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and the voting process at the Annual General Meeting in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed Friday, 22<sup>nd</sup> September, 2017 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Friday, 22<sup>nd</sup> September, 2017 only.

20. The remote e-voting period begins on Tuesday, 26<sup>th</sup> September, 2017 (09:00 am) and ends on Thursday, 28<sup>th</sup> September, 2017 (5:00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 22<sup>nd</sup> September, 2017 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on Thursday 28<sup>th</sup> September, 2017.

**I. PROCEDURE & INSTRUCTION FOR E-VOTING:**

- A. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- B. Now click on "Shareholders" to cast your votes.
- C. Fill up the following details in the appropriate boxes:
  - i. Now Enter your User ID
    - a) For CDSL: 16 digits beneficiary ID,
    - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - ii. Next enter the Image Verification as displayed and Click on Login.
  - iii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - iv. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.  * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.



- D. After entering these details appropriately, click on “SUBMIT” Tab.
- Members holding shares in Physical form will then reach directly to the EVSN selection screen. Members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- E. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- F. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- G. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- H. Click on the EVSN for E-Land Apparel Limited on which you choose to vote.
- I. On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- J. Click on the Resolution File Link if you wish to view the entire AGM Notice.
- K. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- L. Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- M. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- N. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- O. Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively Please follow the instructions as prompted by the mobile app while voting on your mobile.
- P. Note for Non – Individual Shareholders and Custodians
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Friday, 29<sup>th</sup> September, 2017.

## II. GENERAL

- A. In case of any queries regarding e-voting members may refer to the Frequently Asked Questions (‘FAQs’) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under ‘HELP’ section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- B. If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- C. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Friday, 22<sup>nd</sup> September, 2017.
- D. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 22<sup>nd</sup> September, 2017, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- E. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- F. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- G. M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai has been appointed as Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- H. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- I. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, not later than three days of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- J. The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.elandapparel.com](http://www.elandapparel.com) and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to the Stock Exchanges.

**Brief resume of Directors being re-appointed (in pursuance of Regulation 36(3)(a) of the Listing Regulations) and Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) regarding Director seeking appointment / re-appointment**

**(Annexure-1)**

<b>Name of the Director</b>	<b>Mr. Jung Ho Hong</b>	<b>Mr. Jae Ho Song</b>
DIN	02229634	07830731
Date of Birth	19 <sup>th</sup> March, 1971	3 <sup>rd</sup> December, 1977
Nationality	South Korean	South Korean
Date of Appointment on the Board	7 <sup>th</sup> February, 2012	30 <sup>th</sup> May, 2017
Designation	Whole Time Director	Managing Director
Qualification	Graduate in Laws from Hanyang University	Graduate in Textile Engineering from Soongsil University
Experience/Expertise	Vast experience in Mergers, Acquisitions and other Legal matters of the Company	Vast experience in Overseas Production (Garmenting Division) of the Company.
Shareholding in the Company	Nil	Nil
Names of other listed entities in which the director also holds Directorship	Nil	Nil
Names of other listed entities in which the director also holds membership of Committees of the Board	Nil	Nil
Relationship with existing Directors of the Company	Nil	Nil
Last Drawn Remuneration	29,40,819	NIL
No. Of Board Meeting Attended	6	NIL



**Explanatory Statement under Section 102(1) of the Companies Act, 2013**

**Item No. 4:**

Mr. Jae Ho Song, Korean National aged 40 years, holds the qualification of BE in Textile from Soong Sil University, South Korea. He has 16 years of vast experience in the Garment Industry. He has also obtained the required Specialization/ Expertise in Garment Production in Textile Business. Mr. Song working with E-Land group since 16 years in various positions, educationally Highly qualified graduate & having 16 years of rich experience in Garment industry & grew up from production Manager to Managing Director Level with his hard work, Discipline, Honesty & loyalty. He lives with his three children's and wife at South Korea.

Considering his qualification, expertise and experience, it has been recommended by the Nomination and Remuneration Committee the Board of Directors of the Company at its meeting held on 30<sup>th</sup> May, 2017 appointed him as Managing Director of the Company for a period of three years with effect from 30<sup>th</sup> May, 2017 to 29<sup>th</sup> May, 2020 on the terms and conditions as detailed in the resolution as set out in item no. 4 of this notice, subject to approval of members of the Company and the Central Government.

The Board of Directors recommends passing of the Special Resolution as set out at item no. 4 of the Notice for your approval.

Except Mr. Jae Ho Song, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

**Item No. 5:**

Mr. Jung Ho Hong, a Korean National, aged about 46 years is a Law Graduate from Hanyang University. He has vast experience in Mergers, Acquisitions and other Legal matters.

Mr. Hong was re-appointed as Whole-Time Director of the Company w.e.f. 30<sup>th</sup> September, 2014 for a period of three years and his tenure expired on 29<sup>th</sup> September, 2017. Taking in view his long association with the Company, vast experience and expertise in handling Mergers, Acquisitions and other Legal matters of the Company and as recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 19<sup>th</sup> August, 2017 re-appointed him as Whole-Time Director of the Company for a further period of three years with effect from 30<sup>th</sup> September, 2017 to 29<sup>th</sup> September, 2020 on the terms and conditions as detailed in the resolution as set out in item no. 5 of the notice, subject to approval of members of the Company and the Central Government.

The Board of Directors recommends passing of the Special Resolution as set out at item no. 5 of the Notice for your approval.

Except Mr. Jung Ho Hong, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.



**ADDITIONAL INFORMATION FOR ITEM NOS. 4**

The details as required under Clause (iv) to second proviso of Section II B of Part II of Schedule V of the Companies Act, 2013 are given below:

<b>I. General Information</b>			
(1) Nature of industry	The Company is engaged in the business of manufacturing and export of fashion garments.		
(2) Date or Expected date of commencement of commercial production	The company is an existing company and is in operation for commercial production since 31 <sup>st</sup> March, 1997.		
(3) In case of new companies, expected date of commencement of activity as per project approved by the financial institution appearing in the prospectus	Not applicable as the Company is an existing Company.		
(4) Financial performance based on given indicators	(Rs. In Lakhs)		
Particulars	FY 2014-15 (Amount in Rs.)	FY 2015-16 (Amount in Rs.)	FY 2016-17 (Amount in Rs.)
Sales (Gross)	17,503.16	23,454.56	21814.55
Loss Before Tax & Extra-Ordinary Item	(1,845.89)	(1376.75)	(3835.88)
Loss After Tax & Exceptional Item	(3,902.34)	(1867.12)	(3835.88)
Shareholders Fund	(16,415.16)	(18580.83)	(22948.19)
Rate of Dividend on Equity	-	-	-
(5) Foreign investments or collaborations, if any	Nil		
<b>II. Information about the appointee Mr. Jae Ho Song</b>			
(1) Background details	Mr. Jae Ho Song, Korean National aged 40 years, holds the qualification of BE in Textile from Soong Sil University, South Korea. He has 16 years of vast experience in the Garment Industry. He has also obtained the required Specialization/Expertise in Garment Production in Textile Business. Mr. Song working with Eland group since 16 years in various positions.		
(2) Past Remuneration	Nil		
(3) Recognition or awards	Nil		
(4) Job profile and his suitability	Mr. Jae Ho Song has been appointed as the Managing Director by the Board of Directors and is in Charge of the Garment Division of the Company. Mr. Song has a vast experience of the Garmenting Activities in his past employment in E-Land Group in Korea.		
(5) Remuneration proposed	Rs. 5,00,000/- (Rupees Five Lakhs) per month as Managing Director since 30 <sup>th</sup> May, 2017 with a power to the Board of Directors to increase the same upto Rs. 9,00,000 (Rupees Nine Lakhs only) per month.		
(6) Comparative remuneration profile with respect to industry, size of Company, profile of the position and person	At par with the industry standards in which the Company operates.		
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Other than the remuneration stated above, Mr. Song has no other pecuniary relationship directly or indirectly with the Company.		
<b>III. Other information</b>			
(1) Reasons of loss or inadequate profits	Due to unfavorable market conditions, Global recession, High input cost, inflationary trend, the Company could not achieve high levels of profits.		
(2) Steps taken or proposed to be taken for improvement	The Company has taken cost cutting and restructuring measures to improve profitability.		
(3) Expected increase in productivity and profits in measurable terms	The Company hopes increase in revenue and profits by improved margins in coming years.		



**ADDITIONAL INFORMATION FOR ITEM NOS. 5**

The details as required under Clause (iv) to second proviso of Section II B of Part II of Schedule V of the Companies Act, 2013 are given below:

<b>I. General Information</b>			
(1) Nature of industry	The Company is engaged in the business of manufacturing and export of fashion garments.		
(2) Date or Expected date of commencement of commercial production	The company is an existing company and is in operation for commercial production since 31 <sup>st</sup> March, 1997.		
(3) In case of new companies, expected date of commencement of activity as per project approved by the financial institution appearing in the prospectus	Not applicable as the Company is an existing Company.		
(4) Financial performance based on given indicators	(Rs. In Lakhs)		
<b>Particulars</b>	<b>FY 2014-15 (Amount is Rs.)</b>	<b>FY 2015-16 (Amount is Rs.)</b>	<b>FY 2016-17 (Amount is Rs.)</b>
Sales (Gross)	17,503.16	23,454.56	21814.55
Loss Before Tax & Extra-Ordinary Item	(1,845.89)	(1376.75)	(3835.88)
Loss After Tax & Exceptional Item	(3,902.34)	(1867.12)	(3835.88)
Shareholders Fund	(16,415.16)	(18580.83)	(22948.19)
Rate of Dividend on Equity	-	-	-
(5) Foreign investments or collaborations, if any	Nil		
<b>II. Information about the appointee Mr. Jung Ho Hong</b>			
(1) Background details	Mr. Jung Ho Hong, aged about 43 years is a Law Graduate from Hanyang University. He has vast experience in Mergers, Acquisitions and other Legal matters of the Company. Mr. Hong is holding the position of Whole-Time Director in Mudra Lifestyle Limited w.e.f. 7 <sup>th</sup> February, 2012.		
(2) Past Remuneration	29,408,19		
(3) Recognition or awards	Nil		
(4) Job profile and his suitability	Mr. Hong has been appointed as the Whole-Time Director by the Board of Directors and is in Charge of all Mergers, Acquisitions, Legal and HR Related Matters. Mr. Hong has a vast experience of handling Legal Matters in his past employment in E-Land Group in Korea.		
(5) Remuneration proposed	Rs. 5,50,000/- (Rupees Five Lakhs Fifty Thousands)per month as Whole Time Director since 30 <sup>th</sup> September, 2017 with a power to the Board of Directors to increase the same uptoRs. 9,50,000 (Rupees Nine Lakhs Fifty thousand only) per month.		
(6) Comparative remuneration profile with respect to industry, size of Company, profile of the position and person	At par with the industry standards in which the Company operates.		
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Other than the remuneration stated above, Mr. Hong has no other pecuniary relationship directly or indirectly with the Company.		
<b>III. Other information</b>			
(1) Reasons of loss or inadequate profits	Due to unfavorable market conditions, Global recession, High input cost, inflationary trend, the Company could not achieve high levels of profits.		
(2) Steps taken or proposed to be taken for improvement	The Company has taken cost cutting and restructuring measures to improve profitability.		
(3) Expected increase in productivity and profits in measurable terms	The Company hopes increase in revenue and profits by improved margins in coming years.		



## DIRECTORS' REPORT

To,  
The Members of E-Land Apparel Limited

Your Directors present the 20<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS:

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2017 is summarized below:

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Operational & Other Income	21,611.25	23,866.92
Loss before Interest, Depreciation, Prior period items, Exceptional Items & Tax	(2,987.39)	(759.10)
Interest	481.99	359.00
Depreciation & Amortization	366.49	258.65
Loss before exceptional items and tax	(3,835.88)	(1376.75)
Prior period items		490.37
Exceptional Items		-
Loss before tax	(3,835.88)	(1867.12)
Less/(Add): Provision for Taxation including prior period adjustments	-	-
Deferred Tax	-	-
Loss after tax	(3,835.88)	(1,867.12)

### OPERATIONS OF THE COMPANY / COMPANY PERFORMANCE:

The Company's total income from operations for F.Y. 2016-17 at Rs. 21,534.10 Lakhs was lesser than by 8.00% over last year (Rs. 23,454.56 Lakhs in F.Y. 2015-16). The total expenses for F.Y. 2016-17 at Rs.24965.14 Lakhs were higher by 32% over last year (Rs. 24,884.67 Lakhs in F.Y. 2015-16). Loss after tax for F.Y. 2016-17 stood at Rs.3835.88 Lakhs as against Rs. 1,867.12 Lakhs for F.Y. 2015-16 reflecting an Increase of losses by 105.44%.

### TRANSFER TO RESERVES:

As there are losses for the financial year 2016 – 2017, 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 2016 – 2017.

### CORPORATE DEBT RESTRUCTURING (CDR):

In order to overcome debt repayment obligations, the Company had applied for the restructuring of its debts through CDR Mechanism envisaged under the Reserve Bank of India (RBI) guidelines dated 23<sup>rd</sup> August, 2001 and subsequent amendments thereto which was approved by the CDR Cell vide their letter of approval dated 27<sup>th</sup> June, 2012 subject to the compliance of the conditions mentioned therein and the implementation of the CDR Scheme within a period of 120 days from the issuance of the Letter of Approval. The Company has already executed Master Restructuring Agreement (MRA) and has opened the Trust and Retention Account (TRA) with SBI on the terms and conditions set out in Trust and Retention Account Agreement. Other follow-on procedures such as Security creation in favour of SBICAP Trustee Ltd., as a security Trustee for beneficial interest of all existing CDR lenders for majority of its properties is completed. The Company has proposed an offer to the CDR lender banks on 25th January, 2016 for One Time Settlement (OTS) of all its existing debts with the banks and repayment of entire outstanding principal and interest due and the waiver of the entire recompense portion.

The Company has submitted the proposal for One Time Settlement to all the Lender Banks/ Consortium Banks on 27<sup>th</sup> June, 2017 for the outstanding dues of the Company and the Company is waiting for the approval of the Proposal submitted by the Company to Consortium Banks.



**Refund of 1% Security Deposit from BSE:**

During the year Company had submitted the application to SEBI on 3<sup>rd</sup> October, 2016 for refund of 1% security Deposit due from BSE and received the NOC from SEBI on 8<sup>th</sup> December, 2016 vide letter OIAE/IGRD/OW33068/2016 (the same NOC had directed to BSE to release the 1% Security deposit to the Company). The Company had received the whole amount of 1% security deposit on 27<sup>th</sup> December, 2016 by the Bank of Maharashtra.

**RBI Compounding Order:**

During the year ended March 31, 2014, 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 (Old Promoters) whereby the loan outstanding towards the Old promoters had been directly paid by the holding Company on behalf of the Company. As the loan was used to meet general corporate purpose, the Company had made an application under the applicable provisions of the Foreign Exchange Management Act ("FEMA") and the rules and regulations there under for regularizing the same. Company had received approval from the Reserve Bank of India (RBI), treating the Loan as an External Commercial Borrowing, subject to the applicable provisions for compounding under FEMA and the Regulations thereunder. Subsequently Company made Compounding application with RBI. Company had received the Compounding order on 3<sup>rd</sup> August from RBI and directed the Company to pay the penalty of Rs. 7,40,000/-. The company had paid the penalty on 16<sup>th</sup> August to the said authority. The Company is filing ECB – 2 Return by 5<sup>th</sup> of every month to State Bank of India for onward submission to Reserve Bank of India.

**Investigation Audit of irregularities as per letters from employee**

SRBC & Co LLP, the Statutory Auditors of E land Apparel Limited had received two letters dated 21<sup>st</sup> November, 2015 and dated 15<sup>th</sup> December, 2015 from the employee Mr. Ramdarsh Singh stating certain irregularities conducted in the operation of the company. The said Letters has pointed out the following irregularities:

- a. Selling of Properties below Market Price.
- b. Non-payment of ESIC & PF Contribution from 2007 to 2014;
- c. Non Payment of Service tax from 2007 to 2014;

On receipt of such Letters from employee referred also as "Whistle Blower", Company had planned to set up small internal team to verify all allegations made in those letters and status of all irregularities ( If any). However, with the suggestions of the Chairman of Audit Committee, the Company had decided to appoint the external investigation party to conduct investigation on the aforementioned irregularities (If any). Further, Hinesh R Doshi & Co. LLP, Chartered Accountants, Mumbai, referred as "Investigation Agency", were also appointed by the Audit Committee in its meeting held on 10<sup>th</sup> February, 2016 to conduct investigation on the complaint letters pertaining to point a, b and c. An Interim Report was prepared and issued by the Investigation Agency in May 2016 and Final Report was submitted dated 17<sup>th</sup> March, 2017. In the Audit Committee Meeting, held on 25<sup>th</sup> March, 2017 the Audit Committee had concluded the matter of complaint by whistle blower with the fact and findings of Investing Agency and Legal Counsel that there were no such irregularities as alleged by the Whistle Blower and investigated by the Agency.

The Board took the Note of the Conclusion given by the Audit Committee on the Investigation Audit of irregularities in Statutory Compliances as complaint made by the Whistle Blower Ramdarsh Singh. The same was thoroughly investigated by the Investigating Agency Hinesh R. Doshi & Company, LLP, Chartered Accountants, Mumbai and concluded that all the allegations raised by Whistle Blower had been appropriately addressed and concluded and no further action was required. The Board had advised the management to submit all the required documents to ESIC and PF Authorities and expedite the completion of the proceedings.

**MATERIAL CHANGES AND COMMITMENTS:**

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

**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, 2017, none of the Directors of the Company holds shares of the Company.





#### **SHIFTING OF REGISTERED OFFICE OF THE COMPANY**

During the year under review, the Board of Directors of your Company at its Meeting held on Tuesday, 14<sup>th</sup> February, 2017 had decided to shift the Registered Office of the Company from State of Maharashtra, Mumbai – situated at 404, 4<sup>th</sup> Floor, Western Edge-1, Western Express Highway, Magathane, Borivali (East), Mumbai-400066 to State of Karnataka, Bengaluru at '16/2B, Sri Vinayaka Industrial Estate, Singasandra, near Dakshin Honda Showroom, Hosur Road, Bengaluru – 560068'. The approval of Members was received through Postal Ballot, result of which was declared on Friday, 24<sup>th</sup> March, 2017.

As the Registered Office of the Company has shifted from one state to another, the application for the same has to submit to Regional Director of western Region through Form INC – 23 and physically too. The same application has to submit to Chief Secretary of the State Government. The Applications to both the statutory Bodies had already been submitted on 30<sup>th</sup> May, 2017. The Company is awaiting for the order of Regional Director of Western Region for the shifting of Registered Office 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 – 2018 has been paid to both the Stock Exchanges.

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

The Board of the Company comprises of Six Directors, including one Managing Director, one Whole Time Director, and Four Independent Directors including One Woman Director as required under Section 149(1) of the Companies Act, 2013 as on 31st March, 2017.

Mr. Kwang Hyuck Choi (having DIN 02223626) Managing Director of the Company had resigned from Board w.e.f. 30<sup>th</sup> May, 2017. Your Directors take this opportunity to express their deep sense of appreciation for the valuable services rendered by Mr. Kwang Hyuck Choi during his tenure as Managing Director.

Mr. Jae Ho Song (having DIN 7830731) the additional Director, has been appointed as the Managing Director of the Company with effect from 30<sup>th</sup> May, 2017 and his appointment will be subject to the approval of the Members of the Company and the Central Government, if required under Section 196, 197, 203 read with Schedule V of the Companies Act, 2013.

The remuneration to be paid to Mr. Jae Ho Song, Managing Director, had already been approved by the Nomination and Remuneration Committee at its meeting held on 30<sup>th</sup> May, 2017.

Mr. Supriyo Kumar Chaudhuri has been appointed as Nominee Director of State Bank of India on the Board of the Company W.E.F. 30<sup>th</sup> May, 2017.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Jung Ho Hong is liable to retire by rotation at the ensuing Annual General Meeting of the Company. Mr. Jung Ho Hong, being eligible, offers himself for re-appointment.

The term of appointment of Mr. Jung Ho Hong as Whole Time Director of the Company will be expired on 29<sup>th</sup> September, 2017. As recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 19<sup>th</sup> August, 2017 has re-appointed him as Whole-Time Director of the Company for a further period of three years with effect from 30<sup>th</sup> September, 2017 to 29<sup>th</sup> September, 2020 on the Board of the Company and his appointment will be subject to the approval of the Members of the Company and the Central Government, if required under Section 196, 197, 203 read with Schedule V of the Companies Act, 2013.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Listing Agreement with the Stock Exchanges where the shares of the Company are listed are given in the Notice convening 20<sup>th</sup> Annual General Meeting.

The Company had filed requisite Form MR-2 for seeking approval from Central Government for appointment of Mr. Kwang Hyuck Choi, as Managing Director on 06<sup>th</sup> March, 2017. The Company has received Central Government approval for appointment of Mr. Kwang Hyuck Choi vides order No. SRN G 3743372/2017 – CL – VII dated 28<sup>th</sup> April, 2017. The Company had received the approval from Central government for reappointment and payment of remuneration to Mr. Jung Ho Hong vides order No SRN G 06002273/2016 – CL – VII dated 29<sup>th</sup> March, 2017.

#### **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. And etc. 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.

**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 6 meetings of the Board of Directors were convened and held on 30<sup>th</sup> May, 2016, 27<sup>th</sup> June, 2016, 12<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016, 14<sup>th</sup> February, 2017 and 25<sup>th</sup> March, 2017. 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.

**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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017 and of the loss of the Company for the year ended 31<sup>st</sup> March, 2017;
- (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://www.elandapparel.com/NominationRemunerationPolicy.pdf>

**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 31<sup>st</sup> March, 2017 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 a period up to 31<sup>st</sup> March, 2017 and for the financial year 2016-17. 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. The Company has obtained the approval of the shareholders by way of special resolution for the material related party transactions. The Board of Directors and the Audit Committee have also approved the said related party transactions.

There are 'material' related party transactions as defined under Regulation 23 of the SEBI Listing Regulations, 2015, 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://www.elandapparel.com/policyonrelatedparty.pdf>

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 31 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.



**REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (“BIFR”) UNDER THE PROVISIONS OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985:**

The total losses of the Company as on 31<sup>st</sup> March, 2017 have exceeded its entire Net Worth. Accordingly, your Company is proposing to make a reference to the BIFR under the provisions of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 for determination of the measures that should be adopted by your Company to revive the Company. Your Company is in the process of collating all the requisite data needed for making the reference to the BIFR.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The Company has an 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 HARRASSMENT 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.

During the financial year 2016 – 2017, the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31<sup>st</sup> March, 2017.

**SUBSIDIARY**

The Company has no Subsidiary.

**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 (“ICOFR”) 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 last 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. Further, Deloitte Haskins & Sells LLP, Chartered Accountants Mumbai, have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment. 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 alongwith 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 31<sup>st</sup> March, 2017. 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 Matta & 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 has pointed out some observations in the

Secretarial Audit Report and the Company's response to the same is as bellow.

<b>SR. No.</b>	<b>Observations by Secretarial Auditor</b>	<b>Company's Response</b>
1.	Intimation about closure of trading window to designated persons for the Board Meeting, held on 14 <sup>th</sup> November, 2016 and 12 <sup>th</sup> August, 2016 were made on 7 <sup>th</sup> November, 2016 and 5 <sup>th</sup> August, 2016 respectively after 3.30 P.M.	Even though the intimation of closure of trading window was made after 3.30P.M. to designated persons, there were no trading in shares of the Company on the 7 <sup>th</sup> November, 2016 and 5 <sup>th</sup> August, 2016.
2.	In the E – Form ADT – 1 filed for newly appointed Auditors Deloitte Haskins Sells & Co. LLP, Chartered Accountant, point No. 4(i) of the same is incorrectly filled as functioning for number of financial years is FIVE (5)	It is Human error done unintendedly.
3.	The Company has filed shareholding pattern at BSE on 11 <sup>th</sup> April, 2016 for the quarter ended 31 <sup>st</sup> March, 2016 was not filled accurately.	The XBRL format of filing was introduced first time on BSE, due to this human error was occurred at the time of filing the data.
4.	The Company has not followed the procedure as provided in the Secretarial Standard 7.0 whiling preparing the Minutes of the Annual General Meeting.	The Resolutions of the Annual General Meeting of the Company had passed through required majority by the members of the Company through e- voting as the Scrutinizer's Report.

**RECONCILIATION OF SHARE CAPITAL AUDIT:**

In compliance of circular noD&CC/FITTC/CIR-16/2002 dated 31<sup>st</sup> December, 2002 further amended by Circular No.CIR/MRD/DP/30/2010 dated 6<sup>th</sup> September, 2010 issued by the Securities and Exchange Board of India ("SEBI"), Reconciliation of Share Capital Audit has being 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.

**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 hardwork, and support, your Company's achievements would not havebeen 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: 19<sup>th</sup> August, 2017  
Place: Mumbai

**Jae Ho Song**  
Managing Director  
DIN:07830731

**Jung Ho Hong**  
Whole-time Director  
DIN:02229634



## **MANAGEMENT DISCUSSION & ANALYSIS**

### **OVERVIEW OF THE ECONOMY**

#### **Global Economy**

Global economy growth continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies. Major global events during the year included United Kingdom's decision to leave the European Union and the outcome of presidential Elections in United States of America both the events are expected to have long-term effects on the global economy. Global growth in 2016 was estimated at 3.1% and is projected to rise to 3.5% in 2017. Growth in emerging markets and developing economies is expected to pick up in 2017 on the back of fiscal stimulus measures in developed economies and narrowing of divergence between commodity exporters and importers. The main factors that could possibly weigh on the medium-term growth prospects across many emerging markets and developing economies are weak investments, below par levels of productivity coupled with heightened policy uncertainty, and protectionist pressures.

#### **Indian Economy**

India emerged as a 'bright spot' in an otherwise subdued world economy when it overtook China in 2015-16 as the fastest-growing major economy in the world. Though India's fundamentals still remain strong, the recent demonetization initiative undertaken by the Indian Government is expected to lower India's GDP growth from 7.6% in FY16 to 6.8% in FY17. The IMF mentioned that this cash shortage and slowed private consumption would only be a temporary disruption and the otherwise healthy economy will return to familiar territories post the predicted slowdown in FY17. The Indian Government's decisive policy measures towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years ahead. India's eight core infrastructure industries – coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity registered cumulative growth of 4.9% during the April-November period compared to 2.5% a year ago.

### **ANALYSIS AND REVIEW**

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

##### **Textile Industry**

The Indian textiles industry is one of the oldest industries of the country. The textile industry has two broad segments. First, the unorganized sector consisting of handloom, handicrafts and sericulture and the second is the organized sector consisting of spinning, weaving, knitting, garments and home textiles segment. The industry has a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes 14% to industrial production, 4% to India's Gross Domestic Product (GDP) and 15% to the country's export earnings. It is the second largest employment provider in the country employing nearly 51 million people directly and 68 million people indirectly in 2015-16. Exports have been a core feature of India's textile sector. The Indian textiles export market estimated at \$18 billion is expected to grow at a CAGR of 4% as compared to the global CAGR of 3% over 2016-26.

##### **Apparel Industry:**

The domestic apparel market which is estimated at \$46 billion is expected to grow at a CAGR of 9.7% over 2016-26 driven by increase in both the per capita consumption and the average spends on apparel. Currently, at 41% Men's wear is the biggest category in the Indian apparel market; however the rate of growth in women's wear and kid's wear has been rapid. It is estimated that, within another decade, the Women's wear category will rival the Men's wear. On the exports front, the apparel exports estimated at \$17 billion is expected to grow at 10% (2x the global CAGR of 5%) over 2016-26. The up-gradation of technology in the industry has led to emergence of new trend of "Smart Garments". Currently, the wearable technology market mainly consists of wearable devices such as fitness bands, smart watches. But, recently there has been a shift towards smart garments among premium and luxury customers

*(Source: International Monetary Fund (IMF) and Economic Survey)*

### **CONCLUSION**

To effectively tackle the situation India needs to invest in research and development to develop new products, reduce transaction costs, reduce per unit costs, and finally, improve its raw material base. India needs to move from the lower-end markets to middle level value-for-money markets and export high value-added products of international standard. Thus the industry should diversify in design to ensure quality output and technological advancement.

The government also needs to make policy changes like DE reserving the small-scale sector so that it can achieve economies of scale and adopt a synergistic approach.

Handlooms by their very nature can adopt a strategy of "niche" marketing. In this respect, export promotion, common credit and marketing facilities and more significantly publicity are important areas for co-operation. Here too, a co-operative structure would be useful though government agencies should be involved because of their outreach. Newer and more innovative forms of involvement are required where decentralization should be a key element.

India has made little attempt to forge partnerships – in equity, technology and distribution in overseas markets. The newer nuances of global apparel trade demand joint control of brand positioning, distributing and quality assurance systems.

#### **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.

The key initiatives announced in the Union Budget 2017-18 to boost the textiles sector are listed below:

- Encourage new entrepreneurs to invest in sectors such as knitwear by increasing allocation of funds to Mudra Bank from Rs 1,36,000 crore (US\$ 20.4 billion) to Rs 2,44,000 crore (US\$ 36.6 billion).
- Upgrade labour skills by allocating Rs 2,200 crore (US\$ 330 million)



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

- The Government of India plans to introduce a mega package for the power loom 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 Ministry of Textiles has signed memorandum of understanding (MOU) with 20 e-commerce companies, aimed at providing a platform to artisans and weavers in different handloom and handicraft clusters across the country for selling their products directly to the consumer.
- Memorandum of Understanding (MOU) worth Rs 8,835 crore (US\$ 1.3 billion) in areas such as textile parks, textile processing, machinery, carpet development and others, were signed during the Vibrant Gujarat 2017 Summit.
- The Union Minister for Textiles inaugurated Meghalaya's first-ever apparel and garment making center to create employment opportunities in the region. The Union Minister for Textiles also mentioned Meghalaya has been sanctioned Rs 32 crore (US\$ 4.8 million) for promotion of handlooms.
- The Government of India has announced a slew of labour-friendly reforms aimed at generating around 11.1 million jobs in apparel and made-ups sectors, and increasing textile exports to US\$ 32.8 billion and investment of Rs 80,630 crore (US\$ 12.09 billion) in the next three years.
- The Clothing Manufacturers' Association of India (CMAI) has signed a memorandum of understanding (MOU) with China Chamber of Commerce for Import and Export of Textiles (CCCT) to explore potential areas of mutual co-operation for increasing apparel exports from India.
- The Government of India has started promotion of its 'India Handloom' initiative on social media like Facebook, Twitter and Instagram with a view to connect with customers, especially youth, in order to promote high quality handloom products.
- The Government of India has implemented several export promotion measures such as:
  - Specified technical textile products are covered under Focus Product Scheme. Under this scheme, exports of these products are entitled for duty credit scrip equivalent to 2 per cent of freight on board (FOB) value of exports.
  - Under the Market Access Initiative (MAI) Scheme, financial assistance is provided for export promotion activities on focus countries and focus product countries.
  - Under the Market Development Assistance (MDA) Scheme, financial assistance is provided for a range of export promotion activities implemented by Textiles Export Promotion Councils.

#### **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 with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organized 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 finalizing guidelines for the revised Textile Upgradation 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 utilization and steady domestic demand\*.

#### **GST – An Overview**

The Goods and Service Tax ('GST'), considered India's biggest and most historic tax reform is just around the corner. To err is to perceive GST as just any other "Tax Reform". GST signifies "Change" that too a Game changer!! With the Government leaving no stone unturned to usher in GST on 01 July 2017, GST roll-out is going to change market dynamics by creating an integrated market place. This new taxation regime would not only require organizations to capture appropriate data for computation and compliance, but also presents a unique opportunity for cost optimization and cash liberation. The hitherto shadow economy in business would be forced to join the mainstream and time of fake bills could end. Unless tax is paid no one can avail credit and claim refund on exports.

#### **Downside of Current Tax structure**

- Multiplicity of taxes - Multiple taxable events - Manufacture, Sales & Services
- Cascading effect- Restriction in credit availment
- Varied compliances under statutes
- Different Compliances under varied states
- Lack of automation in SME sector
- Cash economy thriving in a big way

#### **GST Regime Key Features**

- One comprehensive levy on Goods & Services "ONE NATION ONE TAX"
- Shift to "Destination based Taxation"
- Common - taxable event - "Supply"
- Increase in credit base –near seamless flow of eligible credits
- Improves business competencies with rewarding the honest and compliant



### **Impact of GST on Textile Industry**

The Indian textile industry provides employment to a large number of skilled and unskilled workers in the country. It contributes about 10% of the total annual export, and this value is likely to increase under GST. GST would affect the cotton value chain of the textile industry which is chosen by most small medium enterprises as it currently attracts zero central excise duty (under optional route).

According to the Ministry of textiles (Government of India) total textile export during 2011-12 was US\$ 33161.74 and the total value of textile machinery produced during the same period was Rs. 5280 crore. It is expected that the tax rate under GST would be higher than the current tax rate for the textile industry. Natural fibers (cotton, wool) which are currently exempt from tax, would be taxed under GST. Despite this, the textile industry as a whole would benefit from the introduction of GST due to following changes:-

#### **1. Break in input credit chain**

A significant portion of the textile industry in India operates under the unorganized sector or composition scheme, thus creating a gap in flow of input tax credit. Input tax credit is not allowed if the registered taxpayers procure the inputs from composition scheme taxpayers or the unorganized sector. GST would enable a smoother input credit system, which would shift the balance towards the organized sector.

#### **2. Reduction in manufacturing costs**

GST is also likely to subsume the various fringe taxes like Octroi, entry tax, luxury tax etc. which would help reduce costs for manufacturers in the textile industry.

#### **3. Input credit allowed on capital goods**

Currently, the import cost of procuring the latest technology for manufacturing textile goods is expensive as the excise duty paid is not allowed as input tax credit. Whereas under GST, there will be input tax credit available for the tax paid on capital goods.

### **Export of textile products to get a boost**

GST would streamline the process of claiming input tax credit thus allowing the textile industry to be more competitive in the export market. The same opinion is shared by the secretary of ITF (Indian Textpreneurs Federation) Prabhu Dhamodharan.

Currently, manufacturers/traders are not inclined towards exports due to the extensive procedure costs and delays made in the processing of duty drawback.

Under GST, the system of duty drawback will lose its significance. Input tax credit will be provided as a refund under GST instead of current duty drawback schemes. This would be a significant boost for promoting the export of textile products.

Export promotion capital goods scheme is available for all the cotton-based textile exporters. Under this scheme, exporters can claim the exemption for duty paid if they export six times the value of duty within a period of next six years. It is expected that this scheme would lose its significance under GST.

### **Conclusion**

The expected rate of GST would be Rate 5% (if Apparel is more than Rs. 1000 than 12%) net of credit may be still 6-9%. To some extent final cost would increase. However GST would help exporters. The cash dealing would significantly reduce. The unorganized industry would not be advantaged. The compliant would find their goods competitive and this protected sector would also join in contributing to tax in addition to employment etc which was there even today. Stocking pre GST would reduce in this industry. Smaller players whether in the textile processing, job workers, fabric manufacturers or garment units would have to bring in discipline in their recorded purchases and proper accounting which has not been strong in the past.

There may be a few drawbacks for the textile industry due to the higher tax rate and removal of benefits under cotton value chain, but it is safe to say that GST will help this industry in the long run by getting more registered taxpayers under a well-regulated system. It can also be hoped that GST will help the textile industry to get more competitive in both the global and domestic markets and create opportunities for sustainable, long-term growth.

### **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, 2017**

[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 – 400 066 Contact: 022 40972600
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer, if any	M/s. Bigshare Services Pvt. Ltd, 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400059. <b>Contact Number : 40430200</b>

**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>31598094</b>	<b>65.84</b>	<b>31598094</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>31598094</b>	<b>65.84</b>	<b>31598094</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	596476	-	596476	1.24	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	122102	-	122102	0.25	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) - Foreign Banks	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>718578</b>	-	<b>718578</b>	<b>1.50</b>	<b>596476</b>	-	<b>596476</b>	<b>1.24</b>	<b>-0.25</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>	2926513	37	2926550	6.10	1707480	37	1707517	3.56	-2.54
i) Indian									
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6275751	68104	6343855	13.22	7081810	65604	7147414	14.89	1.67
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5495442	12500	5507942	11.48	6301723	12500	6314223	13.16	1.68
<b>c) Others</b>									
- Clearing members	575871	-	575871	1.20	268094	-	268094	0.56	0.64
- Trusts	-	-	-	-	-	-	-	-	-
- Director's Relative	-	-	-	-	-	-	-	-	-
- Employee	-	-	-	-	-	-	-	-	-
- Non Resident Indian	316671	-	316671	1.86	358343	-	358343	1.31	-0.55
- Overseas Bodies Corporate	-	-	-	-	-	-	-	-	-
- Unclaimed Securities Suspense A/c	-	-	-	-	-	-	-	-	-
- others	2908	-	2908	0.01	308	0	308	0.00	-0.01
Foreign Portfolio Investor Corporate	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>15593156</b>	<b>80641</b>	<b>15673797</b>	<b>32.66</b>	<b>15717758</b>	<b>78141</b>	<b>15795899</b>	<b>32.91</b>	<b>0.25</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>16311734</b>	<b>80641</b>	<b>16392375</b>	<b>34.16</b>	<b>16314234</b>	<b>78141</b>	<b>16392375</b>	<b>34.16</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>47909828</b>	<b>80641</b>	<b>47990469</b>	<b>100</b>	<b>47912328</b>	<b>78141</b>	<b>47990469</b>	<b>100</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 01.04.2016		Cumulative Shareholding at the end of the year 31.03.2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Vishwambharlal Kanahiyalal Bhoot	7,65,000	1.59	4,15,921	0.87
2	Ravindra Bisheshwar Agrawal	6,06,376	1.26	6,06,376	1.26
3.	*Murarilal Bisheshwar Agarwal	35,053	0.07	0	0
4	Central Bank of India	5,94,476	1.24	5,94,476	1.24
5	Vora Financial Services Pvt. Ltd	5,91,122	1.23	26,358	0.05
6	*Sunil Capital and Securities Pvt. Ltd	5,37,550	1.12	0	0
7	Rima Kunal Jhaveri	4,46,590	0.93	4,23,000	0.88
8	Vikram Sharad Sheth	11,644	0.02	4,28,215	0.89
9	JMP Securities Pvt. Ltd.	5,03,460	1.05	46	0.00
10	Anil Vishanji Dedhia	3,99,000	0.83	3,99,000	0.83
11	*Kashyap M Vora (HUF)	3,09,559	0.65	0	0
12	Marwadi Shares and Finance Ltd.	2,54,508	0.53	30,278	0.06
13	Edelweiss Broking Ltd.	97,797	0.20	1,87,013	0.39
14	\$Varsha Vikram Sheth	0	0	1,71,719	0.36
15	\$Magnum Equity Services Limited	0	0	1,56,085	0.33
16	Anil Jindal (HUF)	1,54,201	0.32	1,51,707	0.32

\* The same is reflected above since they were part of top 10 shareholders as on 01.04.2016 and ceased to be in the list of top 10 as on 31.03.2017

\$ Not in the list of Top 10 shareholders as on 01.04.2015 but the same has been reflected above as they are the part of top 10 shareholders as on 31.03.2017



**(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	338,488,340.54	2,821,004,918.69	-	3,159,493,259.23
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>338,488,340.54</b>	<b>2,821,004,918.69</b>	<b>-</b>	<b>3,159,493,259.23</b>
<b>Change in indebtedness during the financial year</b>				
Addition	1,934,626,707.64	-	-	1,934,626,707.64
Reduction	1,927,138,068.19	653,750,826.34	-	2,580,888,894.53
<b>Net Change</b>	<b>7,488,639.45</b>	<b>(653,750,826.34)</b>	<b>-</b>	<b>(646,262,186.89)</b>
<b>Indebtedness at the end of the financial year</b>				
1) Principal Amount	345,976,979.99	2,167,254,092.35	-	2,513,231,072.34
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>345,976,979.99</b>	<b>2,167,254,092.35</b>	<b>-</b>	<b>2,513,231,072.34</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. Yangweon Yoo	Mr. Kwang Hyuck Choi	Mr. Jung Ho Hong	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961.	1,571,061	7,011,112	2,940,819	11,522,992
	(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>1,571,061</b>	<b>7,011,112</b>	<b>2,940,819</b>	<b>11,522,922</b>
	Ceiling as per the Act				



**B. Remuneration to other directors**

**1. Independent Directors**

(in Rs.)

Particulars of Remuneration	Sivabalan Paul Pandian	Chong Tae Baek	Kyoung Hur	Elizabeth Ravi	Total Amount
Fee for attending Board / committee meetings*	45,000	1,05,000	75,000	1,20,000	3,45,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-

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

**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. Byoungsoon Yi, Chief Financial Officer	Mr. Choi Haeoi, Chief Financial Officer	Mr. Ashitosh Sheth, Company Secretary	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.	1,624,312	-	15,66,420	146,697	3,337,429
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961.	-	-	-	-	-
2.	Others - retirement benefit	-	-	-	-	-
	<b>Total (A)</b>	<b>1,624,312</b>	<b>-</b>	<b>15,66,420</b>	<b>146,697</b>	<b>3,337,429</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, 2017. 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.	213,190,411	30 <sup>th</sup> September, 2016	NIL
	b. Corporate guarantee provided by E-Land Apparel Limited	b. Tenure of loan (i.e. upto 30th September, 2022)	UptoRs. 400 Crores	Corporate guarantee to be executed	30 <sup>th</sup> September, 2016	NIL
	c. Corporate guarantee received by E-Land Apparel Limited	c. Tenure of loan (i.e. upto 30th September, 2022)	UptoRs. 60 Crores	Corporate guarantee to be executed	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.	300,183,223	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	631,456,009



**“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, 2017.

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 (2016 – 2017)	Previous Year (2015 – 2016)
<b>1. Electricity</b>			
(a) Purchased			
Unit (Lakhs)		20.33	20.72
Total amount (Rs. Lakhs)		151.89	156.77
Rate/unit		7.47	7.56
(b) Own generation			
(i) Through diesel generator			
Unit (Lakhs Ltrs)		1.52	1.78
Total amount (Rs. Lakhs)		88.99	88.97
Cost/unit		58.43	49.98
(ii) Through steam turbine/generator			
Units		NIL	NIL
Total amount (Rs. Lakhs)			
Cost/units			
<b>2. Coal (specify quality and where used)</b>			
Quantity (Tonnes)		NIL	NIL
Total amount (Rs. Lakhs)			
Average rate			
<b>3. Furnace oil</b>			
Quantity (K. Ltrs.)		NIL	NIL
Total amount			
Average rate			



**B. Consumption per unit of production**

Standards (if any)	Garment	
	Current Year (2016-17)	Previous Year (2015-16)
Products unit	49.28 Lakhs Pieces	58.85 Lakhs Pieces
Electricity (Rs.)	3.06 / Piece	2.66 / 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. 11,111.73 Lakhs (Previous period Rs. 15,307.18 Lakhs) as per audited financials of 2016-17 towards Garments.

Foreign Exchange outgo during the year towards Capital Goods was Rs. 9.43 Lakhs (Previous period Rs. 327.25 Lakhs), towards Raw material was Rs. 10.63 (Previous period Rs. 80.77), towards Consumable and spares parts was Rs. 236.56 Lakhs (Previous period Rs. 589.64 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 31<sup>st</sup> 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, 4<sup>th</sup> 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**. (hereinafter called “The Company”). Secretarial Audit was conducted 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 31<sup>st</sup> March, 2017 (‘Audit Period’) 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 31<sup>st</sup> March, 2017 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;
- (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 (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing.
- (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 under 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (e) 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 issued by The Institute of Company Secretaries of India w.e.f. 1<sup>st</sup> July, 2015.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited
- (iii) SEBI (LODR) Regulations, 2015.

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. *As per clause 5 of Code of Conduct of the Company for Regulating, Monitoring and Reporting of Trading by Insiders, the Compliance officer shall intimate the closure of trading window to all directors, officers, designated employees and stock exchanges of the Company at least 7 days before Board Meeting. The company informed the stock exchange that the trading window of the company shall remain closed from 5<sup>th</sup> August, 2016 to 14<sup>th</sup> August, 2016 (both days inclusive) for the board meeting to be held on 12<sup>th</sup> August, 2017 and from 7<sup>th</sup> November, 2016 to 16<sup>th</sup> November, 2016 (both days inclusive) for the board meeting to be held on 14<sup>th</sup> November, 2016.*

*Both intimations were made on 5<sup>th</sup> August 2016 and 7<sup>th</sup> November 2016 respectively at after 3:30 PM. These intimations should be on or before 9:30 am on 5<sup>th</sup> August 2016 and 7<sup>th</sup> November, 2016.*

2. *Deloitte Haskin & Co LLP (Chartered Accountant) has been appointed First time as statutory auditor of Company in place of SRCB & Co LLP in the 19<sup>th</sup> Annual General Meeting dated 12<sup>th</sup> August, 2016 till the conclusion of annual general meeting held in 2022. The Company has filed E-form ADT-1 for the same. But point no 4(i) of E-form ADT-1 was incorrectly filled, As information provided regarding the 'tenure of previous appointment(s) of the auditor or auditor's firm or its member in the same company in which audit was conducted or is functioning for number of financial years' is FIVE (5). However Deloitte Haskin & Co LLP has been appointed First time as statutory auditor of Company and they are not previous auditor during the period mentioned in E- form.*
3. *As per Regulation 31(1)(1) SEBI (LODR) 2015. The Company has filed shareholding pattern at BSE on 11<sup>th</sup> April, 2016 for the quarter ended 31<sup>st</sup> March, 2016. Such pattern was not filled accurately.*
4. *As per Clause 7.1 of Secretarial Standard II. Every Resolution shall be proposed by a Member and seconded by another Member. The company has not followed the procedure as provided.*
5. *The Company's Auditor has received two complaints on 21/11/2015 and 15/12/2015 from one whistle blower (employee of the Company) in which he allege some serious issues against the Company's Management such as non-deposit of Provident Funds and Employee State Insurance Contribution of workers of the Company from 2007-2014, non-payment of service tax on service received from the contractor under reverse charge mechanism and sale of Company's property at a discounted rate. Acting upon the Complaint received from whistle blower, The Company has appointed Hinesh R Doshi & Co LLP as an independent investigation agency to investigate the matter. All this matters raised by the whistle blower are sub judice (under judicial consideration). Hence, I reserve my comments on these matters.*

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 and agenda were sent at least 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



I further report that 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 the Company has taken Corporate Guarantee from its foreign holding Company without comply the norms of External Commercial Borrowing guidelines, however on the direction of the central government Company has compounded his offence and comply the said guidelines thereafter.

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

Place: Mumbai

Date: 19<sup>th</sup> August, 2017

**CS SHANU MATA**  
**FOR SHANU MATA AND ASSOCIATES**  
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 Law related to Direct and indirect Taxation, Labour Law and other incidental Law of respective states.

Place: Mumbai

Date: 19<sup>th</sup> August, 2017

**CS SHANU MATA**  
**FOR SHANU MATA AND ASSOCIATES**  
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: 19<sup>th</sup> August, 2017

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



**“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 2016 – 2017

Name	Designation	Percentage Increase	Ratio of remuneration to the median remuneration of all the employees
Mr. YangweonYoo	Managing Director	0.00%	13.47
Mr. Kwang Hyuck Choi	Managing Director	54.36%	60.12
Mr. Jung Ho Hong	Whole-time Director	-35.95%	25.22
Mr. Byounghoon Yi	Chief Financial Officer	0.00%	13.93
Mr. Choi Haeoi	Chief Financial Officer	0.00%	0.00
Mr. AshitoshSheth	Company Secretary	5.93%	13.43
Mr. Sunita Kanungo	Company Secretary	0.00%	1.26

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.

- ii. The median remuneration of employees of the Company during the financial year was Rs. 1,16,616
- iii. Percentage increase in the median remuneration of employees in the financial year 2016 – 2017 8.13%
- iv. The number of permanent employees on the rolls of company: 3517.
- 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 2016 – 2017

(Rs. in lakhs)

Remuneration paid to Key Managerial Personnel (to MD, WTD, CFO & CS)	Total Turnover of the Company	Net Loss of the Company
148.60	21,534.10	3835.88

- 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	2015 – 2016	2016 – 2017
Market capitalization	179.96 Crore	106.06 crore
PE Ratio	(9.64)	(2.77)
Market Rate	37.50	22.10
EPS	(3.89)	(7.99)
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 8.13%, as against an increase of 54.36% in the salary of the Managing Director (managerial personnel as defined under the Act).

- 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:

0.60: 1

- 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:

One

Sr. No.	Particulars	Mr. Park In Yong
1	Designation of the Employee	Manager
2	Remuneration received	10,483,927
3	Nature of employment, whether contractual or otherwise	Employee
4	Date of commencement of employment	01/08/2012
5	Age of such employee	37 Yrs
6	Qualifications and experience of the employee	From 2004 yr, trained in Eland group as MDP managing, Sourcing Merchandising, and Strategy & Planning manages under Eland Group CPO. Qualification : B.A(Philosophy, Psychology) Korea University
7	Last employment held by such employee before joining the company	Eland world korea
8	Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Non
9	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Non

**Details of the employees employed for the part of the year and having salary of not less than Rs. 5 lakhs per month:**

Non

**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:**

Non



## **CORPORATE GOVERNANCE REPORT**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, 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:-

- Transparency
- Independence
- Accountability
- Responsibility
- Fairness
- 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").

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges.

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**

Presently, the Company has 7 (Seven) Directors. 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 and one Nominee 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 31<sup>st</sup> March, 2017 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.	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, 2017			No. of Board Meetings attended out of 6 Meetings held	
			Directorship	Committee Member	Committee Chairmanship	Board	Last AGM
1.	Mr. Kwang Hyuck Choi	Managing Director	-	-	-	5	No
2.	Mr. YangweonYoo	Executive Director	-	-	-	2	No
3.	Mr. Jung Ho Hong	Executive Director	-	-	-	6	Yes
4.	Mr. Sivabalan Paul Pandian	Independent Director	1	-	-	2	Yes
5.	Mr. Chong Tae Baek	Independent Director	-	-	-	6	Yes
6.	Mr. Kyoung Hur	Independent Director	-	-	-	4	No
7.	Mrs. Elizabeth Ravi	Independent Director	-	-	-	5	No

**Notes:-**

- (i) A brief resume and profile of the Directors eligible for appointment and 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 6 (Six) times during the F.Y. 2016-17 (i.e. 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017) on 30<sup>th</sup> May, 2016, 27<sup>th</sup> June, 2016, 12<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016, 14<sup>th</sup> February, 2017 and 25<sup>th</sup> March, 2017. 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:

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

#### **Separate Meeting of Independent Directors**

A meeting of the Independent Directors of the Bank was held on 14<sup>th</sup> February, 2017 and the same was attended by Mr. Sivabalan Paul Pandian, Mr. Chong Tae Baek, Mr. Kyoung Hur 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 judgement, 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 19<sup>th</sup> Annual General Meeting of the Company..

The committee met 5 (Five) times during the financial year 2016-17 on 30<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 14<sup>th</sup> November 2016, 14<sup>th</sup> February 2017 and 25<sup>th</sup> March, 2017. 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 (Independent Director)	5	5
Mr. Yangweon Yoo	Member (Executive Director)	1	1
Mr. Kyoung Hur	Member (Independent Director)	5	2
Mrs. Elizabeth Ravi	Member (Independent Director)	5	5



ii) Roles and Responsibilities of Audit Committee

The role of the audit committee includes the following:

- 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.
- Recommending to the Board the appointment, remuneration and terms of appointment of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 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.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 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.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Approval or any subsequent modification of transaction of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertaking or assets of the company, whenever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower mechanism.
- 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.
- 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 2016-2017. Ms. Sunita Kanungo, Company Secretary is the Compliance Officer to resolve the investor grievances and can be contacted at E-Land Apparel Limited, Office No. 404, 4<sup>th</sup> 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](mailto: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 2016-17	Received during financial year 2016-17	Redressed during the financial year 2016-17	Closing balance
NIL	1	1	NIL

**C. 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 2016-17 i.e on 27<sup>th</sup> June, 2017 and 14<sup>th</sup> February, 2017.

Name of the Member	Status & Category	Nomination and Remuneration Committee	
		Held	Attended
Mr. Kyoung Hur	Chairman (Independent Director)	2	2
Mr. Chong Tae Baek	Member (Independent Director)	2	2
Mr. Sivabalan Paul Pandian	Member (Independent Director)	2	1



**ii) 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 2016-17 are as under

Name of Director	Designation	Salary Paid (Rs)	No. of shares held as on 31 <sup>st</sup> March, 2017	Relationship with other Director
Mr. Yangweon Yoo	Executive Director	15,71,061	Nil	None
Mr. Kwang Hyuck Choi	Managing Director	70,11,112	Nil	None
Mr. Jung Ho Hong	Executive Director	29,40,819	Nil	None

**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 2016-17.

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 2016-17, 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 2016-17 are as under:

Name of Director	Designation	Total Sitting Fees paid ( Rs)
Mr. Sivabalan Paul Pandian	Independent Director	45,000
Mr. Chong Tae Baek	Independent Director	1,05,000
Mr. Kyoung Hur	Independent Director	75,000
Mrs. Elizabeth Ravi	Independent Director	1,20,000

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. Kwnag Hyuck Choi, Chairman, Mr. Jung Ho Hong as Member of the Committee. No meeting was held of the Committee during the Financial Year 2016-2017.

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 2016-2017.

**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.



**Risk Management Policy**

The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives. As required under Clause 49 of Listing Agreement, 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
2013-14	30.09.2014	Bay Leaf Banquet Hall, Shop No 67, 68, 69, Saraf Choudhary Nagar, Thakur Complex, Kandivali East, Mumbai- 400101.	10.00 A.M	Special Resolution for increase in borrowing limit of company under section 180(1)(c) of companies Act,2013.  Special Resolution for creation of charge/mortgage on Assets of the Company under section 180(1)(a) of Companies act,2013.
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

**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.

**Postal Ballot**

During the financial year ended 31<sup>st</sup> March, 2017, the Company sought approval of its shareholders for passing Special Resolutions through process of Postal Ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Board of Directors of the Company had appointed Mr. Manish L. Ghia, of Manish Ghia & Associates, Practicing Company Secretary, a Scrutinizer to conduct the voting (including e-voting process), through Postal Ballot in a fair and transparent manner. The Company provided Electronic Voting (e-voting) facility to its Members as an alternative mode to cast their votes electronically, instead of replying in physical Postal Ballot Form through post. The Postal Ballot forms received were kept in boxes sealed by the Scrutinizers. The result of the Postal Ballot was announced at the Registered Office of the Company and was also displayed on the Website of the Company [www.elandapparel.com](http://www.elandapparel.com).

**Voting Pattern**

**Postal Ballot Procedure**

In compliance with Sections 108, 110 and other applicable provisions of the Act, read with related Rules, the Company provides electronic voting facility to all its Members, to enable them to cast their votes electronically. The Company dispatches the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appear in the Register of Members/the List of beneficiaries as on a cut-off date. The Postal Ballot Notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's Registrar and Transfer Agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements asmandated under the Act and the applicable Rules. The Company engages the services of Bigshare Private Limited for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or by e-voting. Voting rights are reckoned on the paid-up value of shares registered in names of Members as on the cutoff date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms



duly completed and signed, to the Scrutinizer on or before the end of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting. The Scrutinizer submits his/her report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman or Director authorized by the Board. The results are also displayed on the website of the Company, [www.elandapparel.com](http://www.elandapparel.com) besides being communicated to the Stock Exchanges and the Registrar and Transfer Agent.

**Voting Pattern**

Particulars	Type of Resolution	Total valid Votes	Total valid Votes cast in favour	Total valid Votes cast against	% of Votes in favour of aggregate votes polled	% of Votes against of aggregate votes polled
To Approve shifting of Registered Office of Company from State of Maharashtra, (Mumbai) to State of Karnataka (Bengaluru) pursuant to Section 12 and 13 of the Companies Act, 2013	Special Resolution	31,601,776	31,600,767	1,009	99.997	0.003
To Approve maintenance of Register of Members and other Statutory Registers of the Company at the Corporate office of the Company pursuant to Section 94 of the Companies Act, 2013	Special Resolution	31,601,776	31,601,658	118	99.9996	0.0004
To Approve sale of an undertaking of the Company at Unit 2 and 3 located at 40 Basapura Road, Electronic City, Post Begur Hobli, Bengaluru – 560010 pursuant to Section 180(1)(a)	Special Resolution	31,601,776	31,601,158	618	99.998	0.002

**5. 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>

**6. 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 2016 – 2017 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. 31 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 totime.

**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 14<sup>th</sup> 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 31<sup>st</sup> March, 2017 was placed before the Board of Directors of the Company in their meeting held on 19<sup>th</sup> August, 2017 and is annexed to this Report.

The CEO and CFO also give 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 2016-17.

**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.



**9. GENERAL SHAREHOLDER INFORMATION**

(a) As indicated in the Notice to our Members, the Annual General Meeting of the Company will be held on Friday, 29<sup>th</sup> September, 2017, at 10.00 am at Bay Leaf Banquet Hall, Shop No 67, 68, 69, SarafChoudhary Nagar, Thakur Complex, Opposite Sarodev Hospital, Kandivali East, Mumbai-400 101

**(b) Financial Year:**

The current financial year of the company was from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

**(c) Dividend payment date:**

Within 30 days from the date of Annual General Meeting.

**(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 2017-18.

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

Saturday, 23<sup>rd</sup> September, 2017 to Friday, 29<sup>th</sup> September, 2017 (Both days inclusive)

**(f) Financial Calendar (2017 – 2018) (tentative):**

First Quarterly Results	Before 14 <sup>th</sup> September, 2017
Second Quarterly Results	Before 14 <sup>th</sup> December, 2017
Third Quarterly Results	Before 14 <sup>th</sup> February, 2018
Financial Year ending	Before 30 <sup>th</sup> May, 2018

**(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

**(h) Stock Market price data for the year 2016-17:**

Month	BSE		Sensex (Closing)	NSE	
	High (Rs)	Low(Rs)		High (Rs)	Low(Rs)
April 2016	37.70	30.40	25606.52	37.60	30.35
May 2016	38.90	28.90	2667.96	38.70	28.90
June 2016	40.50	30.35	2699.72	40.00	29.70
July 2016	41.45	33.85	28051.86	41.50	33.15
Aug 2016	36.65	28.15	28452.17	36.75	28.00
Sept 2016	30.90	24.90	27865.96	30.40	24.55
Oct 2016	33.30	25.80	27930.21	33.20	26.00
Nov 2016	29.70	20.10	26652.81	29.65	20.00
Dec 2016	25.95	21.00	26626.46	24.80	20.85
Jan 2017	28.80	21.25	27655.96	28.85	21.30
Feb 2017	29.50	24.25	28743.32	29.45	23.50
Mar 2017	25.40	21.15	29918.40	25.30	21.30



(i) **Distribution of Shareholding as on 31<sup>st</sup> March, 2017:**

Range (In Rs.)	Total Holders	% of Total Holders	Total Holding in Rupees	% of Total Capital
1 – 5000	12344	79.8964	20064740	4.1810
5001 – 10000	1401	9.0680	11975030	2.4953
10001 – 20000	734	4.7508	11673270	2.4324
20001 – 30000	303	1.9612	7859100	1.6376
30001 – 40000	126	0.8155	4568770	0.9520
40001 – 50000	141	0.9126	6755730	1.4077
50001 – 100000	205	1.3269	15602380	3.2511
100001 - 99999999	196	1.2686	401405670	83.6428
<b>Total</b>	<b>15450</b>	<b>100.00</b>	<b>479904690</b>	<b>100.00</b>

(j) **Pattern of Shareholding as on 31<sup>st</sup> March, 2017:**

Category	No. of Shareholders	No. of Shares	% of Shareholding
Promoter	1	31598094	65.84
Mutual Funds	0	0	0.00
Financial Institution/ Banks	2	596476	1.24
Venture Capital Funds	0	0	0
Foreign Institutional Investor	0	0	0
Corporate Bodies	292	1707517	3.56
Residential Individual	14947	13461637	28.05
NBFCs Registered with RBI	2	308	0.0006
Others (Clearing Members)	64	268094	0.56
NRI	142	358343	0.75
Trust	0	0	0.00
<b>Total</b>	<b>15450</b>	<b>47990469</b>	<b>100.00</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 31<sup>st</sup> March, 2017:

Particulars	No. of Shares	Percentage of Total issued Capital
Held in Dematerialized form in CDSL	8374571	17.45%
Held in Dematerialized form in NSDL	39537757	82.38%
Physical	78141	0.17%
<b>Total</b>	<b>4,79,90,469</b>	<b>100.00%</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](mailto:investor@bigshareonline.com)

E-mail address of the Company for redressal of investors' complaints: [investor@elandapparel.com](mailto:investor@elandapparel.com)

(n) Address for Correspondence:-

E-LAND APPAREL LIMITED  
Office No. 404, 4<sup>th</sup> 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: 1,Old Mangammanapalya Road, Bommnahalli, Bangalore-560068.

Unit No-2&3: 40,Basapura Road, Electronic City Post, Begur Hobli, Bangalore-5600100.

Unit no-4: 16/2B, Sri Vinayaka Indl, Estate, Singasandra, Near Dakshin Honda Showroom, Hosur Road, Bangalore-560068.

Unit No-5: 1857 Hanumantha Nagar, B M Road, Channapatna, Ramanagar- 562160/571501.

Unit No-6: No.-9, m. Yarandlahalli sub l/o Bommsandra, Industrial area, Bommsandra, Anekal, Bangalore

(p) Unclaimed Dividend:

The balance amount lying in Unpaid Dividend Account for the financial year 2009-2010 is due for transfer to the IEPF administered by the Central Government during the month of December, 2017 as per the requirements under Section 205A of the Companies Act, 1956. The shareholders whose dividend remained unclaimed for the aforesaid financial year and subsequent financial years are requested to claim it immediately from the Company.

(q) Details of Unclaimed Shares:

The Company came out with Initial Public Offering (IPO) in 2007. The Equity shares issued pursuant to the said IPO which remained unclaimed are lying in the escrow account with Bigshare Services Private Limited. The Company



has sent 5 reminders to the shareholders asking for intimating the correct demat account details. As per Clause 5A (1) of the Listing Agreement the Company reports the following details in respect of unclaimed shares:

Particulars	No. of Shareholders	No. of Shares
Aggregate No. of shareholders & Shares pending as on 01.04.2015	5	530
No. of shareholders who approached for transfer of shares from suspense account during the year	0	0
No. of shareholders & Share transferred from suspense account during the year	0	0
No. of shareholders & Shares outstanding at the end of the year i.e 31.03.2016.	5	530

The voting rights on the shares outstanding in the suspense account as on 31<sup>st</sup> March, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

Other Information: Shareholders who have not yet encashed their dividend warrant for the earlier years may approach the Company / Registrar and Transfer Agents for revalidation/ issues of duplicate dividend warrant quoting the Ledger Folio Nos. / DP and Client Id.

**(r) Outstanding Global Depository Receipts or Warrants or any Convertible Instrument, conversion dates and likely impact on Equity:**

The Company has not issued any GDRs / ADRs or Warrants or any Convertible Instruments during the financial year.

**CEO and CFO Certification**

We hereby certify that,

- A. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2017 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**

**Jae Ho Song**  
Managing Director  
DIN: 07830731

**ChaoiHeaoi**  
Chief Financial Officer



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**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 31<sup>st</sup> March, 2017.

**Jae HO Song**  
Managing Director  
DIN: 07830731

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**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, 2017 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: 19<sup>th</sup> August, 2017

**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 Financial Statements**

We have audited the accompanying financial statements of **E-LAND APPAREL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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 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 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

#### **Emphasis of Matter**

We draw attention to Note 37, which indicates that, the Company has incurred losses of Rs. 3,835.88 lakhs for the year ended March 31, 2017 and the accumulated losses amounting to Rs. 44,921.20 lakhs as on that date, have completely eroded the net-worth of the Company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the financial statements have been prepared on a going concern basis considering the confirmation of the Holding Company to provide financial and operational support to the Company and the management's future operational plans and cash flows to discharge its liabilities in the normal course of the business as described in the said Note. The ability of the Company to continue as going concern is dependent on the successful outcome of the mitigation plans. Our opinion 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, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) The going concern matter described under the Emphasis of Matters 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 as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 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.
    - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. However, as stated in note 40 to the financial statements, amounts aggregating to Rs.54.90 lakhs as represented to us by the Management have been utilized for other than permitted transactions. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
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  
30<sup>th</sup> May, 2017





## **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** Company Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the 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 Company’s internal financial controls over financial reporting 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

#### **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 as at March 31, 2017 in the Company's internal financial controls over financial reporting in respect of having inadequate internal control system over 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, 2017, 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 weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2017, and these material weakness do not affect our opinion on the said 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  
30<sup>th</sup> May, 2017

**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 fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation 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 except the following.

Particulars of the land and building	Gross Block as at March 31, 2017 (₹ Lakhs)	Net Block as at March 31, 2017 (₹ Lakhs)	Remarks
Freehold land and building located at Bommasandra Industrial Estate, Jigani Hobli Bangalore admeasuring 104,478.83 sft and 42,090.83 sft, respectively	2,520.79	2,473.00	Transferred in the name of the Company on April 25, 2017

Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., held in the name of the Company are verified based on the confirmations directly received by us from lenders.



In respect of immovable properties of land and buildings 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, duty of custom, 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, Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2017 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
Bombay Provincial Municipal Corporation Act, 1949	Property Tax	67.38	2015-16	June 11, 2016	Not paid
Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	0.20	2016-17	September 15, 2016	Not paid
Employees' State Insurance Act, 1948	Employees State Insurance	10.35	2016-17	Various dates from August 21, 2016 to September 21, 2016	Not paid
The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976	Professional Tax	3.36	2016-17	Various dates from May 31, 2016 to September 30, 2016	Not paid
Sales Tax	Central Sales Tax	1.07	2014-15 & 2015-16	April 21, 2015 & August 21, 2015	Not paid

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 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	140.32
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. With regard to the allegations made in the previous year relating to disposal of assets and statutory non-compliances, the Company has concluded, based on the investigation carried out, that there is no financial or other impact with regard to the alleged matters. (Refer Note 42)
- To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no 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)

**Monisha Parikh**

Partner  
(Membership No. 47840)

Bengaluru  
30<sup>th</sup> May, 2017



**Balance sheet as at 31 March 2017**

(₹ in Lakhs)

Particulars	Notes	31.03.2017	31.03.2016
<b>Equity and liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	3	4,799.05	4,799.05
Reserves and surplus	4	(27,747.24)	(23,379.88)
		<b>(22,948.19)</b>	<b>(18,580.83)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	22,823.17	29,360.68
Other long-term liabilities	6	6,361.30	44.38
Long-term provisions	7	239.34	211.16
		<b>29,423.81</b>	<b>29,616.22</b>
<b>Current liabilities</b>			
Short-term borrowings	8	3,459.77	3,384.88
Trade payables	9	-	-
- Micro and Small enterprises		-	-
- Other than Micro and Small enterprises		4,140.30	3,204.70
Other current liabilities	10	1,122.85	1,287.39
Short term provisions	7	299.99	228.23
		<b>9,022.91</b>	<b>8,105.20</b>
<b>TOTAL</b>		<b>15,498.53</b>	<b>19,140.59</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11 A	4,466.84	5,833.06
Intangible assets	11 B	83.84	21.45
		<b>4,550.68</b>	<b>5,854.51</b>
Non-current investments	12	1.00	1.00
Deferred tax assets (net)	13	-	-
Long-term Loans and advances	14	631.70	683.76
		<b>632.70</b>	<b>684.76</b>
<b>Current assets</b>			
Current investments	15	9.00	8.19
Inventories	16	3,037.62	4,460.12
Trade receivables	17	3,749.43	4,456.49
Cash and Bank Balances	18	1,150.12	860.27
Short-term loans and advances	14	751.01	651.23
Other current assets	19	1,617.97	2,165.02
		<b>10,315.15</b>	<b>12,601.32</b>
<b>TOTAL</b>		<b>15,498.53</b>	<b>19,140.59</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Monisha Parikh**

Partner

**Jae Ho Song**

Managing Director

**Haeoi Choi**

Chief Financial Officer

**Jung Ho Hong**

Director

**Sunitha Kanungo**

Company Secretary

Place: Bengaluru

Date: 30<sup>th</sup> May, 2017

Place: Bengaluru

Date: 30<sup>th</sup> May, 2017



**Statement of profit and loss for the period ended 31 March 2017**

(₹ in Lakhs)

Particulars	Notes	2016-17	2015-16
<b>Income</b>			
Revenue from operations (gross)	20	<b>21,814.55</b>	23,491.35
Less: Excise duty		<b>280.45</b>	36.79
Revenue from operations (net)		<b>21,534.10</b>	23,454.56
Other income	21	<b>77.15</b>	412.36
<b>Total revenue</b>		<b>21,611.25</b>	23,866.92
<b>Expenses</b>			
Cost of raw material and components consumed	22	<b>12,349.58</b>	14,476.27
Changes in inventories of finished goods, work-in-progress	23	<b>1,339.96</b>	(855.85)
Employee benefits expenses	24	<b>6,584.55</b>	6,580.04
Depreciation, amortization and impairment expenses	11	<b>366.49</b>	258.65
Finance cost	25	<b>556.76</b>	383.38
Other expenses	26	<b>4,249.79</b>	4,891.55
<b>Total expenses</b>		<b>25,447.13</b>	25,734.04
<b>Loss before tax</b>		<b>(3,835.88)</b>	(1,867.12)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Net tax expense		-	-
<b>Loss after tax for the year</b>		<b>(3,835.88)</b>	(1,867.12)
<b>Earnings per share</b>	<b>28</b>		
Basic (Rs)		<b>(7.99)</b>	(3.89)
<b>Diluted (Rs)</b>		<b>(7.99)</b>	(3.89)
Nominal value per share (Rs.)		<b>10</b>	10

See accompanying notes forming part of the financial statements  
In terms of our report attached

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

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

**Monisha Parikh**  
Partner

**Jae Ho Song**  
Managing Director

**Haeoi Choi**  
Chief Financial Officer

**Jung Ho Hong**  
Director

**Sunitha Kanungo**  
Company Secretary

Place: Bengaluru  
Date: 30<sup>th</sup> May, 2017

Place: Bengaluru  
Date: 30<sup>th</sup> May, 2017



**Cash flow statement for the year ended 31 March 2017**

(₹ in Lakhs)

Particulars	2016-17	2015-16
<b>A) Cash flows from operating activities</b>		
Loss before tax	(3,835.88)	(1,867.12)
Adjustments for:		
Depreciation, amortization and impairment expenses	366.49	344.66
Loss on sale of fixed assets/assets held for sale	4.67	11.51
Interest income	(50.38)	(62.71)
Dividend income	(0.31)	(0.15)
Interest / finance charges	556.76	383.38
Provisions/ liabilities no longer required written back	-	(52.44)
Bad debts written off	135.20	17.92
Provision for doubtful receivables and advances	407.86	306.51
Provision/(Reversal of provision) for diminution in value of investments	(0.82)	0.06
Unrealized foreign exchange loss / (gain)	20.03	(21.89)
<b>Operating profits before working capital changes</b>	<b>(2,396.38)</b>	<b>(940.28)</b>
<b>Movements in working capital:</b>		
Decrease / (Increase) in Inventories	1,422.50	(89.97)
Decrease / (Increase) in Trade receivables	155.90	(257.19)
Decrease / (Increase) in Other current assets	(14.42)	188.09
Decrease / (Increase) in Loans and advances	(45.11)	292.02
(Decrease) / Increase in Trade Payables	829.16	494.25
(Decrease) / Increase in Other liabilities	6,169.13	(50.76)
(Decrease) / Increase in Provisions	102.65	110.02
Net income tax paid	6,223.43	(253.81)
	(12.92)	(32.54)
<b>Net cash flow used in operating activities (Total A)</b>	<b>6,210.51</b>	<b>(286.35)</b>
<b>B) Cash flows from investing activities</b>		
Purchases of fixed assets including capital work-in-progress and capital advances(net)	(312.64)	(603.43)
Proceeds from sale of fixed assets	2.05	-
Proceeds from sale of assets held for sale	761.00	165.92
Proceeds from Slump Sale receivables	505.45	720.00
Interest income	50.77	62.71
Investments/ (redemption) in bank deposits (having original maturity of more than three months)	(99.64)	577.25
Dividend received	0.31	0.15
<b>Net cash flow used in investing activities (Total B)</b>	<b>907.30</b>	<b>922.60</b>
<b>C) Cash flows from financing activities</b>		
Repayment of borrowings	(6,537.51)	(1,332.73)
Proceeds from working capital demand loan	74.88	(135.51)
Payment to Investor Education and Protection Fund	(1.30)	(1.88)
Interest /finance charges paid	(458.71)	(383.38)
<b>Net cash flow used in financing activities (Total C)</b>	<b>(6,922.64)</b>	<b>(1,853.50)</b>
<b>Net increase / (decrease) in cash and cash equivalents (Total A+B+C)</b>	<b>195.17</b>	<b>(1,217.25)</b>
Cash and cash equivalents at the beginning of the year	270.46	1,489.86
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(3.57)	(2.15)
<b>Cash and cash equivalents at the end of the year</b>	<b>462.06</b>	<b>270.46</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	5.08	4.40
Balances with banks		
- in current accounts	164.04	68.20
- in EEFC account	292.94	146.86
- in deposit account	-	51.00
	<b>462.06</b>	<b>270.46</b>

See accompanying notes forming part of the financial statements

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

For and on behalf of the board of directors of E-Land Apparel Limited

**Monisha Parikh**  
Partner

**Jae Ho Song**  
Managing Director

**Haeoi Choi**  
Chief Financial Officer

**Jung Ho Hong**  
Director

**Sunitha Kanungo**  
Company Secretary

Place: Bengaluru  
Date: 30<sup>th</sup> May, 2017

Place: Bengaluru  
Date: 30<sup>th</sup> May, 2017



## Notes to Financial Statements

### 1. Corporate Information

The 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.

#### 1.1 Summary of significant accounting policies

##### A) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act, 2013, ("the Act") and the relevant provisions of the Act. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for land, buildings, plant & equipment and electrical installations which are carried at revalued amounts.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

##### B) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

##### C) Inventories:

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a First in First out (FIFO) basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a FIFO basis.

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

##### D) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured:

###### Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer.

###### Export Incentives

Export Incentives are recognized on an accrual basis in the Statement of Profit and Loss as a part of Other operating revenue. These are recognized when there is reasonable certainty that the Company will comply with the conditions attached and that the incentives will be received.

###### Dividend

Dividend is accounted on accrual basis when the right to receive the dividend is established.

###### Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.





**E) Fixed Assets:**

**Tangible Assets:**

All tangible fixed assets, except land, buildings, plant & equipment and electrical installations are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the Statement of Profit and Loss, in which case the increase is recognized in the Statement of Profit and Loss. A revaluation deficit is recognized in the Statement of Profit and Loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation reserve.

Subsequent expenditure related to an item of fixed asset is capitalized if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss in the year during which such expenses are incurred.

The revaluation reserve relating to the Assets which are classified as held for sale is transferred to Surplus/(deficit) in Profit and Loss, when derecognized.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

**F) Depreciation and Amortization:**

Depreciable amount of assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on fixed assets 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>Tangible Fixed Assets</b>	<b>Useful lives estimated by the management (years)</b>
Buildings	30
Plant and equipment	20
Furniture and fixtures	10
Office equipment	5
Vehicles	8
Electric Installations	10
Computers	3
Computer Software	3

Leasehold land is amortized on a straight line basis over the period of lease.

Goodwill is amortized over a period of 10 years.

The amortization/depreciation period and the amortization/depreciation method are reviewed at the end of each financial year. If the expected useful life of the asset is significantly different from previous estimates, the amortization/depreciation period is revised accordingly.



**G) Impairment of Assets:**

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

**H) Foreign Currency Transactions:**

- i. All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- ii. Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Non- monetary items of the Company are carried at historical cost.
- iii. Any income or expense on account of exchange difference either on settlement of monetary item or on translation is recognized in the Statement of Profit and Loss.

**I) Retirement and other employee benefits:**

i. Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

ii. Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

iii. Short-term employee benefit

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized 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.

iv. Long-term employee benefit

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 recognized 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.



**J) Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried in the financial statements at Cost less provision for diminution other than temporary in the value of such investment.

Current investments are carried individually at the lower of cost and fair value. Cost of investment includes acquisition charges such as brokerage fee and duties.

**K) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit and Loss.

**L) Lease:**

***Where the company is lessee:***

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

***Where the company is lessor:***

Lease income on operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

**M) Earnings Per Share (EPS):**

Basic EPS is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, which have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**N) Taxes on Income :**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. Tax expense comprises both current and deferred tax. Current tax is the amount of tax payable on the assessable income for the year determined in accordance with the applicable tax rate and the provisions of the Income tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient



future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

Current and deferred tax relating to items directly recognized in reserves is recognized in reserves and not in the Statement of Profit and Loss.

**O) Provisions and Contingencies**

A provision is recognized when the Company has a present obligation as a result of past event 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. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to the financial statements. Contingent assets are not recognized in the financial statements.

**P) Segment Reporting**

The Company's operations comprise of only one business segment "Manufacture & Sale of Garments" as its primary segment.

**Q) Cash and Cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**R) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**S) Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**Notes to financial statements for the year ended 31 March 2017**

(₹ in Lakhs)

**3 Share Capital**

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

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

Particulars	31 March, 2017		31 March, 2016	
	No. of Share	₹ in Lacs	No. of Share	₹ in Lacs
At the beginning of the period	<b>47,990,469</b>	<b>4,799.05</b>	47,990,469	4,799.05
Shares allotted during the year	-	-	-	-
Outstanding at the end of the period	<b>47,990,469</b>	<b>4,799.05</b>	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	31 March, 2017		31 March, 2016	
	No. of Share	% of Total	No. of Share	% of Total
E-Land Asia Holdings Pte Ltd (Holding Company)	3,15,98,094	65.84	3,15,98,094	65.84

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

Particulars	31 March, 2017	31 March, 2016
E-Land Asia Holdings Pte Ltd (Holding Company)	<b>3,159.81</b>	3,159.81
31,598,094 (31 March 2016:31,598,094) equity shares of ₹10 each fully paid		



(₹ in Lakhs)

**4 Reserves And Surplus**

Particulars	31 March, 2017	31 March, 2016
a) Capital Reserve	823.57	823.57
b) Securities Premium Account	14,245.60	14,245.60
c) Revaluation Reserve		
Opening balance	3,828.96	3,876.01
Add:		
- On revaluation of land during the year	739.17	-
- Adjustment on reversal of sale of property {Refer Note 39(a)}	-	251.50
Less:		
-Adjustment on sale of assets	(627.55)	-
- Utilised for set off against impairment	(1,270.65)	(298.55)
- Transfer to Surplus/(Deficit) of Profit & Loss, pursuant to transfer of certain fixed assets to 'Assets held for sale' {Refer Note 39 (b)}	(1,156.96)	-
Closing balance	1,512.97	3,828.96
d) General Reserve	591.82	591.82
e) Surplus/ (Deficit) in the Statement of Profit and Loss		
Opening balance	(42,869.83)	(40,751.21)
Add: Loss for the year	(3,835.88)	(1,867.12)
Less:		
- Adjustment on reversal of sale of property {Refer Note 39(a)}	-	(251.50)
- Transfer from revaluation reserve, pursuant to		
- Transfer of certain fixed assets to 'Assets held for sale' {Refer Note 39 (b)}	1,156.96	-
- Adjustment on account of sale of assets	627.55	-
Closing balance	(44,921.20)	(42,869.83)
<b>Total</b>	<b>(27,747.24)</b>	<b>(23,379.88)</b>

**5 Long-term borrowings**

Particulars	31 March, 2017	31 March, 2016
Unsecured Borrowings		
From related parties (Refer Note 31)		
(i) Holding company (Refer note 38)	1,150.63	1,150.63
(ii) Other related party	21,672.54	28,210.05
<b>Total</b>	<b>22,823.17</b>	<b>29,360.68</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 31 December, 2030	805.44
<b>Total</b>	<b>1,150.63</b>

ii) Loan from other related party is interest free and is repayable as per below schedule or upon exit from the approved "Corporate Debt Restructuring" ("CDR") arrangement with the lenders, whichever is earlier:

- 10% on or before 31 December, 2022
- 20% on or before 31 December, 2023
- Balance 70% on or before 31 December, 2024



**6 Other long-term liabilities**

(₹ in Lakhs)

Particulars	31 March, 2017	31 March, 2016
Rent deposit	14.00	14.00
Lease rent equalization	32.74	30.38
Advance from Holding Company	6,314.56	-
<b>Total</b>	<b>6,361.30</b>	<b>44.38</b>

**7 Provisions**

Particulars	Non-Current		Current	
	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
Provision for employees benefits				
- Gratuity (Refer Note 30 (ii))	239.34	211.16	23.15	11.20
- Compensated absences (Refer Note 30 (iii))	-	-	216.49	217.03
- Provision for disputed matters (Refer Note 41)	-	-	60.35	-
<b>Total</b>	<b>239.34</b>	<b>211.16</b>	<b>299.99</b>	<b>228.23</b>

**8 Short-term borrowings**

Particulars	31 March, 2017	31 March, 2016
Cash credit from banks (Secured)	3,459.77	3,384.88
<b>Total</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..

**9 Trade Payables**

Particulars	31 March, 2017	31 March, 2016
<b>Dues to Micro and Small enterprises, as per Micro, Small and Medium Enterprises Act, 2006</b> (Refer Note 29)	-	-
Dues to other than Micro and Small enterprises Other than acceptances	4,140.30	3,204.70
<b>Total</b>	<b>4,140.30</b>	<b>3,204.70</b>

**10 Other current liabilities**

Particulars	31 March, 2017	31 March, 2016
a) Advance received from customers	44.91	14.27
b) Payable on purchase of fixed assets	13.75	30.49
c) Advances towards assets held for sale	201.10	377.10
d) Statutory remittances (Contribution to PF & ESIC, withholding taxes, VAT, Service tax, Excise duty, etc.)	758.18	585.95
e) Unclaimed Dividends*	2.69	4.08
f) Book overdraft with banks	102.22	275.50
<b>Total</b>	<b>1,122.85</b>	<b>1,287.39</b>

\* There are no amounts payable/due to be credited to Investor Education & Protection Fund.



**Notes to financial statements for the year ended 31 March 2017**

**11 (A) Tangible Assets**

(‘ in Lakhs)

	Leasehold Land [Refer notes (ii) & (iii)]	Buildings	Plant and equipment	Electric Installations	Furniture and fixtures	Office equipment	Vehicles	Computer	Total
	On Valuation			At Cost					
<b>Gross Block</b>									
<b>At 1 April 2015</b>	2,476.50	575.28	2,144.12	152.88	177.70	89.38	192.66	158.66	5,967.18
Additions	-	313.57	381.65	123.38	45.73	39.01	5.55	12.37	921.26
Disposals	-	-	-	-	(1.74)	13.06	-	-	-
Other adjustments	576.00	-	(14.61)	-	-	-	-	-	572.71
<b>At 31 March 2016</b>	3,052.50	888.85	2,511.16	276.26	221.69	141.45	198.21	171.03	7,461.15
Additions	161.06	-	21.65	13.39	4.41	5.52	-	5.90	211.93
Disposals	-	-	-	-	-	-	(9.31)	-	(9.31)
Reclassified as Held for Sale [Refer Note (i)]	(576.00)	(185.42)	-	(40.00)	-	-	-	-	(801.42)
Revaluation increase	739.17	-	-	-	-	-	-	-	739.17
Adjustment towards impairment	(1,153.31)	-	(86.60)	(30.74)	-	-	-	-	(1,270.65)
<b>At 31 March 2017</b>	2,223.42	703.43	2,446.21	218.91	226.10	146.97	188.90	176.93	6,330.87
<b>Depreciation/Impairment</b>									
<b>At 31 March 2015</b>	-	5.29	841.01	105.81	59.38	57.44	123.59	134.49	1,327.01
Charge for the year	88.00	34.21	99.29	25.77	20.66	20.90	23.20	22.17	334.20
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	(47.30)	15.42	(4.55)	-	(0.11)	3.42	-	-	(33.12)
<b>At 31 March 2016</b>	40.70	54.92	935.75	131.58	79.93	81.76	146.79	156.66	1,628.09
Charge for the year	4.00	25.21	105.31	24.87	16.82	17.61	15.41	17.25	226.48
Impairment loss recognised	-	26.63	-	81.48	-	-	-	-	108.11
Reclassified as Held for Sale [Refer Note (i)]	(44.70)	(32.34)	-	(19.02)	-	-	(2.59)	-	(96.06)
Disposals	-	-	-	-	-	-	-	-	(2.59)
<b>At 31 March 2017</b>	-	74.42	1,041.06	218.91	96.75	99.37	159.61	173.91	1,864.03
<b>Net Block</b>									
<b>At 31 March 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>5,833.06</b>
<b>At 31 March 2017</b>	<b>2,223.42</b>	<b>629.01</b>	<b>1,405.15</b>	<b>0.00</b>	<b>129.35</b>	<b>47.60</b>	<b>29.29</b>	<b>3.02</b>	<b>4,466.84</b>

i) During the year, the Company has reclassified certain non-core assets as 'Assets held for sale'.

ii) The Company had entered into lease cum sale agreement with Karnataka Industrial and Development Board ('KIADB') in October 2008 for industrial land situated at Doddaballapur in Bengaluru, subject to compliance of certain conditions. The extended time period to comply with such conditions expires on 20 June, 2017. The carrying value of the land as at 31 March, 2017 is ₹ 379.42 Lacs [31 March, 2016: ₹ 1532.73 Lacs]

iii) Pursuant to the request made by the Company for transfer of leasehold rights with respect to the industrial land at Bommasandra, the KIADB has given the possession certificate endorsement on 25 April, 2017, giving exclusive rights to the Company.

iv) The Company has adopted revaluation model for Land, Buildings, Plant and equipment and Electric installations. Fair valuation exercise has been carried out by an external valuation agency. Gross block includes ₹ 1,512.98 lacs (31 March 2016: ₹ 2,725.94 lacs) on account of revaluation.

v) The Company has leased certain surplus facility and plant and equipment, whose Gross book value is Rs. 13.41 lacs ( 31 March, 2016 Rs. 13.41 lacs) and Accumulated Depreciation is Rs. 5.74 lacs (31 March, 2016 is Rs. 5.16 lacs).





**11 (B) Intangible Assets**

(₹ in Lacs)

	Goodwill	Computer Software	Total
<b>Gross block</b>			
<b>At 31 March 2015</b>	<b>223.32</b>	<b>31.09</b>	<b>254.41</b>
Additions	-	10.78	10.78
Disposals	-	-	-
<b>At 31 March 2016</b>	<b>223.32</b>	<b>41.87</b>	<b>265.19</b>
Additions	-	94.29	94.29
Disposals	-	-	-
<b>At 31 March 2017</b>	<b>223.32</b>	<b>136.16</b>	<b>359.48</b>
<b>Amortization</b>			
<b>At 31 March 2015</b>	<b>223.32</b>	<b>9.96</b>	<b>233.28</b>
Charge for the year	-	10.46	10.46
<b>At 31 March 2016</b>	<b>223.32</b>	<b>20.42</b>	<b>243.74</b>
Charge for the year	-	31.90	31.90
<b>At 31 March 2017</b>	<b>223.32</b>	<b>52.32</b>	<b>275.64</b>
<b>Net Block</b>			
<b>At 31 March 2016</b>	<b>-</b>	<b>21.45</b>	<b>21.45</b>
<b>At 31 March 2017</b>	<b>-</b>	<b>83.84</b>	<b>83.84</b>

**11 (C) Depreciation , Amortization and Impairment for the year**

(₹ in Lacs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>Depreciation/Amortisation</b>		
On Tangible Assets	226.48	334.20
On Intangible Assets	31.90	10.46
	258.38	344.66
Less : Prior period item (Note 26 (i) )	-	(86.01)
Total	258.38	258.65
Impairment Loss	108.11	-
Total	366.49	258.65



(₹ in Lakhs)

**12 Non-Current Investments**

Particulars	31 March, 2017	31 March, 2016
<b>Unquoted, Non-Trade equity instruments (valued at cost)</b>		
The Bharat Co-op. Bank (Mumbai) Limited. 10,000 (31 March, 2016: 10,000) equity shares of ₹10 each fully paid	1.00	1.00
<b>Total</b>	<b>1.00</b>	<b>1.00</b>

**13 Deferred Tax Assets (Net)**

Particulars	31 March, 2017	31 March, 2016
<b>Deferred Tax Liability</b>		
On difference between book balance and tax balance of fixed assets	531.60	689.32
(A)	531.60	689.32
<b>Deferred tax assets</b>		
On unabsorbed depreciation and brought forward business losses *	531.60	689.32
(B)	531.60	689.32
Deferred tax (liabilities) / assets (net)	-	-
(A - B)	-	-

\* The Company has recognised Deferred Tax Asset on unabsorbed depreciation to the extent of the corresponding Deferred Tax Liability on the difference between the book balance and written down value of fixed assets as per Income Tax on account of lack of virtual certainty.

**14 Loans and Advances**

Particulars	Non-current		Current	
	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
<b>Unsecured, considered good</b>				
Capital advances	6.46	16.78	-	-
Security deposits	421.85	421.27	87.59	66.89
Balances with government authorities	28.39	83.63	461.50	455.48
Advances to suppliers	-	-	194.99	118.90
Prepaid expenses	-	-	5.14	5.66
Loans to employees	-	-	1.79	4.30
Advance income tax	175.00	162.08	-	-
	<b>631.70</b>	683.76	<b>751.01</b>	651.23
<b>Unsecured, considered doubtful</b>				
Balances with government authorities	95.16	46.62	405.18	379.73
Advances to suppliers	-	-	180.94	180.94
Loans to employees	-	-	-	20.87
	<b>95.16</b>	46.62	<b>586.12</b>	581.54
Less: Provision for doubtful loans and advances	<b>(95.16)</b>	(46.62)	<b>(586.12)</b>	(581.54)
	-	-	-	-
<b>Total</b>	<b>631.70</b>	683.76	<b>751.01</b>	651.23



(₹ in Lakhs)

**15 Current Investments**

Particulars	31 March, 2017	31 March, 2016
<b>Quoted (valued at lower of cost and fair value)</b>		
Equity Instruments		
a) Strides Shasun Limited 3,125 (31 March 2016: 3,125) equity shares of face value of ₹10 each fully paid up	5.89	5.89
b) Mahanagar Telephone Nigam Limited 13,000 (31 March 2016:13,000) equity shares of face value of ₹ 10 each fully paid up	3.11	2.30
<b>Total</b>	<u>9.00</u>	<u>8.19</u>
Aggregate market value of quoted investments	<u>37.40</u>	<u>36.32</u>

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

Particulars	31 March, 2017	31 March, 2016
Raw materials (Includes goods in transit of ₹ 157.04 Lacs (31 March, 2016: ₹ 157.28 Lacs)	1,053.13	1,039.66
Work-in-progress	324.03	492.49
Finished goods	1,404.49	2,575.99
Consumables / Accessories	255.97	351.98
<b>Total</b>	<u>3,037.62</u>	<u>4,460.12</u>

**Details of inventory**

Particulars	31 March, 2017	31 March, 2016
Raw materials		
Fabric	1,309.10	1,039.66
	<u>1,309.10</u>	<u>1,039.66</u>
Work-in-progress		
Fabric Cutting / Batching	324.03	492.49
	<u>324.03</u>	<u>492.49</u>
Finished goods		
Garments	1,404.49	2,575.99
	<u>1,404.49</u>	<u>2,575.99</u>
Consumables / Accessories		
Interlining	57.70	134.32
Trims	198.27	217.66
	<u>255.97</u>	<u>351.98</u>



**17 Trade receivables**

(₹ in Lakhs)

Particulars	31 March, 2017	31 March, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	303.61	425.47
Unsecured, considered doubtful	1,148.88	794.14
	<u>1,452.49</u>	<u>1,219.61</u>
Provision for doubtful receivables	(1,148.88)	(794.14)
	<u>303.61</u>	<u>425.47</u>
Other trade receivables		
Unsecured, considered good	3,445.82	4,031.02
<b>Total</b>	<u>3,749.43</u>	<u>4,456.49</u>

**18 Cash and cash equivalents**

Particulars	31 March, 2017	31 March, 2016
Cash on hand	5.08	4.40
Balances with banks		
(i) In current accounts	164.04	68.20
(ii) In deposit accounts (with original maturity of less than three months)	-	51.00
(iii) In unpaid dividend accounts	2.69	4.08
(iv) In EEFC account	292.94	146.86
Other bank balances		
- Deposits with original maturity for more than 3 months (Rever Note ii) below	685.37	585.73
<b>Total</b>	<u>1,150.12</u>	<u>860.27</u>
<b>Notes:</b>		
i) Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	462.06	270.46
ii) Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date	25.48	3.49

**19 Other Current Assets**

Particulars	31 March, 2017	31 March, 2016
Assets held for sale	1,351.69	1,407.32
Receivable on sale of fixed assets	2.76	2.76
Slump sale receivable	230.72	736.17
Rent receivable	26.49	12.07
Interest on accrued deposits	6.31	6.70
<b>Total</b>	<u>1,617.97</u>	<u>2,165.02</u>



Notes to financial statements for the year ended 31 March 2017

(₹ in Lakhs)

**20 Revenue from Operations**

Particulars	31 March, 2017	31 March, 2016
Sale of products	20,091.48	21,787.45
Sale of services (job work)	75.44	143.44
Commission	63.60	158.42
Other operating revenue		
Scrap sales	17.59	23.86
Export incentives	1,160.25	1,192.07
Other- Sale of fabric and accessories	406.19	186.11
<b>Revenue from operations (gross)</b>	<b>21,814.55</b>	<b>23,491.35</b>
Less: Excise duty	280.45	36.79
<b>Revenue from operations(net)</b>	<b>21,534.10</b>	<b>23,454.56</b>

**Details of products sold**

Particulars	31 March, 2017	31 March, 2016
Finished goods		
Garments	20,091.48	21,787.45
	<b>20,091.48</b>	<b>21,787.45</b>

**21 Other Income**

Particulars	31 March, 2017	31 March, 2016
Interest		
- on deposits with banks	50.38	52.66
- on others	-	10.05
Dividend income on current investment	0.31	0.15
Provisions/ liabilities no longer required written back	-	52.44
Net gain on foreign currency transactions and translations (excluding the amounts considered as finance cost)	-	272.52
Other non-operating income (refer note below)	26.46	24.54
<b>Total</b>	<b>77.15</b>	<b>412.36</b>
<b>Other non-operating income includes:</b>		
Rental income	25.60	24.52
Miscellaneous income	0.86	0.02
<b>Total</b>	<b>26.46</b>	<b>24.54</b>



(₹ in Lakhs)

**22 Cost of raw materials consumed**

Particulars	31 March, 2017	31 March, 2016
Opening stock	1,391.64	2,045.73
Purchases		
- Fabric	9,967.63	10,939.91
- Consumables / Accessories	2,299.41	2,882.27
	<b>12,267.04</b>	13,822.18
Less: Closing stock	(1,309.10)	(1,391.64)
<b>Total</b>	<b>12,349.58</b>	14,476.27

**Details of raw materials consumed**

Particulars	31 March, 2017	31 March, 2016
Fabric	10,050.17	11,649.79
Consumables / Accessories	2,299.41	2,826.48
	<b>12,349.58</b>	14,476.27

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

Particulars	31 March, 2017	31 March, 2016
Inventories at the end of the year		
Finished Goods	1,404.49	2,575.99
Work-in-progress	324.03	492.49
	<b>1,728.52</b>	3,068.48
(A)		
Inventories at the beginning of the year		
Finished Goods	2,575.99	1,908.21
Work-in-progress	492.49	416.21
Less: Adjustment as per note 26 (i)	-	(111.79)
	<b>3,068.48</b>	2,212.63
(B)		
<b>Total (B-A): Net (increase)/Decrease</b>	<b>1,339.96</b>	(855.85)

**24 Employee benefits expenses**

Particulars	31 March, 2017	31 March, 2016
Salaries and wages	5,762.59	5,859.97
Contribution to provident and other funds (Refer note 30 (i))	688.12	605.15
Gratuity expense (Refer note 30 (ii))	75.13	36.04
Staff welfare expenses	58.71	78.88
<b>Total</b>	<b>6,584.55</b>	6,580.04



(₹ in Lakhs)

**25 Finance Costs**

Particulars	31 March, 2017	31 March, 2016
Interest		
-on borrowings from banks (Refer Note 27 (b) )	481.99	359.00
-from others	74.77	24.38
<b>Total</b>	<b>556.76</b>	<b>383.38</b>

**26 Other Expenses**

Particulars	31 March, 2017	31 March, 2016
Power and fuel	254.29	264.20
Water expenses	53.92	14.32
Job work charges	946.79	1,085.32
Repairs and maintenance:-		
Building	21.77	31.80
Plant and machinery	4.13	23.42
Others	28.51	48.13
Payment to auditors [Refer note (ii) below]	25.00	24.26
Freight & forwarding charges	326.27	630.04
Insurance	19.37	21.20
Rent	588.34	535.20
Rates and taxes	131.61	99.78
Increase/(decrease) of excise duty on inventory	(13.43)	17.33
Bad debts and advances written off	135.20	17.92
Provision for doubtful trade receivables and advances	407.86	221.51
Loss on sale of fixed assets/assets held for sale (net)	4.67	11.51
Net loss on foreign currency transactions and translation (other than considered in finance cost)	34.39	-
Travelling & conveyance	335.03	393.53
Legal & professional Charges	266.85	326.50
Prior period items [Refer note (i) below]	-	490.37
Miscellaneous expenses	679.22	635.21
<b>Total</b>	<b>4,249.79</b>	<b>4,891.55</b>

**(i) Prior Period Items**

Particulars	31 March, 2017	31 March, 2016
a) Property Tax, differential premium and other dues on properties	-	207.57
b) Amortisation of lease hold land	-	86.01
c) Provision for shortages/liquidated damages etc.	-	85.00
d) Net realisable value adjustment on inventory	-	111.79
<b>Total</b>	<b>-</b>	<b>490.37</b>

**(ii) Payment to auditors (Exclusive of service tax)**

Particulars	31 March, 2017	31 March, 2016
Statutory Audit	15.00	13.00
Taxation matters	2.00	1.00
Other services	8.00	9.00
Reimbursement of expenses	-	1.26
	<b>25.00</b>	<b>24.26</b>



**27 (a) Contingent Liabilities and Capital Commitment**

(₹ in Lakhs)

Particulars	31 March, 2017	31 March, 2016
Works Contract Tax	250.22	250.22
Claims against the Company not acknowledged as debts	16.77	109.82
Income-tax matters under appeal (Note i)	140.36	140.36
Duty payable under Export Promotion Capital Goods (EPCG) Scheme if the export obligations are not fulfilled	1,673.79	2,521.12
Capital Commitment remaining to be executed (net of advances)	-	53.04
Interest recompense on working capital loan under CDR scheme (Refer note 27 (b))	-	229.02
Corporate Guarantee	40,000.00	40,000.00

- i) The above amount is based on the notice of demand / Assessment Orders by the Income 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.
- ii) In respect of the term loan and working capital loan related to D1 unit at Tarapur, which the Company had transferred to E-Land Fashion India Private Limited ('EFIPL') as on 29 March, 2014 under the slump sale agreement, the lenders of EFIPL continue to have a charge on all movable, current and other assets of the Company pursuant to the revised Master Restructuring Agreement (MRA) executed by the Company. The Company is in the process of executing the cross collateral documents for the same.
- iii) 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. (Refer note 11 (A)(ii))
- (b) The Master Restructuring Agreement (MRA) executed by the Company and the Corporate Debt Restructuring ('CDR') lenders as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR Lenders to get a recompense ('ROR') of their waivers and sacrifices made as part of the CDR Proposal. During the year, the Company has provided ₹ 98.05 lacs towards ROR.

**28 Other Information**

Particulars	31 March, 2017	31 March, 2016
i) CIF Value of Imports		
-Capital Goods	9.43	327.25
-Consumable and spare parts	236.56	589.64
-Raw Material	10.63	80.77
ii) Expenditure in foreign currency (accrual basis)	-	-
iii) Earning in foreign currency (accrual basis)		
-FOB Value of Exports	11,175.33	15,307.18
-Commission on trading activity	63.60	158.42

iv) Value of Imported and Indigenous Raw Materials, Stores and Spare Parts Consumed

Particulars	2016-17		2015-16	
	₹ in Lacs	%	₹ in Lacs	%
<b>Raw Materials</b>				
-Imported	10.62	0.11%	86.69	0.74%
-Indigenous	9,943.54	99.89%	11,563.10	99.26%
	9,954.16		11,649.79	
<b>Consumables and Spares</b>				
-Imported	236.56	9.88%	589.64	20.86%
-Indigenous	2,158.86	90.12%	2,236.84	79.14%
	2,395.42		2,826.48	
<b>Total</b>	<b>12,349.58</b>		<b>14,476.27</b>	





29 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Information required to be disclosed under Micro, Small and Medium Enterprises Development Act, (MSMED) 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

### 30 Employee Benefits

#### i) Contribution to Defined Contribution Plans, recognized as expense for the year is as under :

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Employer's Contribution to Provident Fund	454.47	441.42
Employer's Contribution to ESIC Fund and other funds	233.65	163.73
<b>Total</b>	<b>688.12</b>	<b>605.15</b>

#### ii) Defined Benefit Plan

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet.

Particulars	31 March, 2017	31 March, 2016
<b>Changes in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	222.36	212.03
Current Service Cost	122.18	140.42
Interest Cost	16.47	16.49
Actuarial losses/(gains)	(63.52)	(120.87)
Benefits paid	(35.00)	(25.71)
<b>Closing defined benefit obligation recognised in the Balance Sheet</b>	<b>262.49</b>	<b>222.36</b>
<b>The amounts recognized in the Statement of Profit and Loss are as follows:</b>		
Current Service Cost	122.18	140.42
Interest on obligation	16.47	16.49
Net actuarial losses/(gains) recognized in the year	(63.52)	(120.87)
<b>Total included in employee benefit expense</b>	<b>75.13</b>	<b>36.04</b>



Particulars	31 March, 2017	31 March, 2016
<b>The principal assumptions used in the actuarial valuation of Gratuity are as follows</b>		
Discount Rate	6.80%	7.60%
Expected Return Plan Assets	N.A	N.A
<b>Mortality</b>	<b>Indian Assured Lives</b>	<b>Indian Assured Lives</b>
Future Salary Increase	10%	10%
Attrition	25% at all ages	20% at all ages
Retirement Age	58 Years	58 Years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the Current and Previous periods as per AS 15 are as follows:

₹ in Lacs

Particulars	Gratuity				
	2017	2016	2015	2014	2013
Liability at the end of the year	262.49	222.36	212.03	90.14	123.83
Fair value of plan assets at the end of the year	-	-	-	-	-
Amount recognised in Balance sheet	262.49	222.36	212.03	90.14	123.83
Experience Adjustments on Plan Liabilities (gain)/loss	(45.47)	(58.60)	(9.19)	20.92	(14.52)
Experience Adjustments on Plan Assets (loss)/gain	-	-	-	-	-

iii) Other Long term employee benefits - Compensated absences

₹ in Lacs

Particulars	2016-17	2015-16
Charge in Statement of Profit & Loss	70.09	137.29
Liability as at the year end		
Current	216.49	217.03
Non current	-	-

Actuarial assumptions are same as mentioned above in note 30 (ii)

### 31 Related Parties Disclosure:

#### Name of Related Parties and Description of relationship:

A) Key Management Personnel	Relationship
Mr. Yangweon Yoo	Managing Director
Mr. Jung Ho Hong	Whole Time Director
Mr. Kwang Hyuck Choi	Whole Time Director
Mr. Yi Byoung Hoon	Chief Financial Officer (from 30 May, 2014 to 3 Oct, 2016)
Mr. Haeoi Choi	Chief Financial Officer (w.e.f. 14 Feb, 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 China Holdings Ltd.  
Thanh Cong Textile Garment Investment Trading Joint Stock Company  
E Land Vietnam Co. Ltd.  
E Land Fashion India Private Ltd.  
JEWOO Manufacturing Co. Ltd.  
Wish Hongkong Ltd  
E Land Fashion (Shanghai) Co. Ltd  
Bright Light Garment Mfg Co. Ltd  
E Land International Fashion Co. Ltd.  
E Land Retail Ltd  
E.Land International Fashion (Shanghai) Co., Ltd  
E-Land Fashion Hong Kong Limited  
Elphis Lanka Ltd.  
Wish Fashion (Shanghai) Co.Ltd  
Eland Japan Inc  
WHOAU Holdings Inc.  
Wish Trading (Shanghai) Co. Ltd.  
Wish Trading Co. Ltd

**E) Transactions during the year and Outstanding balances as at the year end:**

₹ in Lacs

	Nature of Transaction	Key Management Personnel		Ultimate Holding Company		Holding Company		Fellow Subsidiary Companies	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
i)	<b>Transactions during the year</b>								
	Remuneration to Key Managerial Personnel								
	Mr. Kwang Hyuck Choi	70.11	45.42	-	-	-	-	-	-
	Mr. Jung Ho Hong	29.41	45.92	-	-	-	-	-	-
	Mr. Yangweon Yoo	15.71	47.01	-	-	-	-	-	-
	Mr. Yi Byoung Hoon	16.24	38.86	-	-	-	-	-	-
	<b>Purchase of Raw materials</b>								
	E Land Fashion India Private Ltd.	-	-	-	-	-	-	2,131.90	997.27
	E.Land International Fashion (Shanghai) Co., Ltd	-	-	-	-	-	-	41.51	74.52
	Wish Trading (Shanghai) Co. Ltd.	-	-	-	-	-	-	19.87	10.22
	E Land World Co. Ltd.	-	-	-	31.63	-	-	-	-
	<b>Sale of Goods</b>								
	E Land World Co. Ltd.	-	-	2,634.84	3,858.12	-	-	-	-
	E Land Fashion India Private Ltd.	-	-	-	-	-	-	1.82	7.57
	E.Land International Fashion (Shanghai) Co., Ltd	-	-	-	-	-	-	261.00	572.19
	E Land Fashion (Shanghai) Co. Ltd	-	-	-	-	-	-	630.26	1,134.30
	E Land Retail Ltd	-	-	-	-	-	-	97.37	209.66
	E-Land Fashion Hong Kong Limited	-	-	-	-	-	-	341.48	280.83
	Wish Fashion (Shanghai) Co.Ltd	-	-	-	-	-	-	88.60	27.23
	<b>Commission on trading activity</b>								
	E Land World Co. Ltd.	-	-	41.00	84.77	-	-	-	-
	E Land Fashion (Shanghai) Co. Ltd	-	-	-	-	-	-	4.59	5.95
	E Land Retail Ltd	-	-	-	-	-	-	7.32	51.36
	E.Land International Fashion (Shanghai) Co., Ltd	-	-	-	-	-	-	6.93	10.67
	E-Land Fashion Hong Kong Limited	-	-	-	-	-	-	3.76	5.29
	WHOAU Holdings Inc.	-	-	-	-	-	-	-	0.38
	<b>Advance Received</b>								
	E Land Asia Holdings Pte Ltd	-	-	-	-	6,314.56	-	-	-
	<b>Loan Repayment</b>								
	E Land Fashion India Private Ltd.	-	-	-	-	-	-	6,537.51	1,332.73



₹ in Lacs

	Nature of Transaction	Key Management Personnel		Ultimate Holding Company		Holding Company		Fellow Subsidiary Companies	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
ii)	<b>Outstanding balances as at year end:</b>								
	<b>Long term borrowings</b>								
	E Land Asia Holdings Pte Ltd	-	-	-	-	1,150.63	1,150.63		
	E Land Fashion India Private Ltd.	-	-	-	-	-	-	21,672.54	28,210.05
	<b>Other long term liabilities</b>								
	E Land Asia Holdings Pte Ltd	-	-	-	-	6,314.56	-	-	-
	<b>Trade Payables</b>								
	E Land World Co. Ltd.	-	-	37.39	32.88	-	-	-	-
	E Land Fashion India Private Ltd.	-	-	-	-	-	-	1,153.15	1.52
	Mr. Kwang Hyuck Choi	6.03	1.96	-	-	-	-	-	-
	Mr. Jung Ho Hong	1.65	2.73	-	-	-	-	-	-
	Mr. Yangweon Yoo	-	3.48	-	-	-	-	-	-
	Mr. Yi Byoung Hoon	-	2.87	-	-	-	-	-	-
	<b>Trade Receivables</b>								
	E Land World Co. Ltd.	-	-	787.07	815.47	-	-	-	-
	E Land Fashion India Private Ltd.	-	-	-	-	-	-	3.33	-
	E Land Fashion (Shanghai) Co. Ltd	-	-	-	-	-	-	124.03	181.56
	E Land Retail Ltd	-	-	-	-	-	-	103.16	198.89
	E.Land International Fashion (Shanghai) Co., Ltd	-	-	-	-	-	-	118.95	217.83
	Wish Fashion (Shanghai) Co.Ltd	-	-	-	-	-	-	-	10.91
	WHOUA Holdings Inc.	-	-	-	-	-	-	112.76	105.22
	E-Land Fashion Hong Kong Limited	-	-	-	-	-	-	105.82	59.00
	<b>Other Current Assets</b>								
	Slump sale receivable								
	E Land Fashion India Private Ltd.	-	-	-	-	-	-	230.72	736.17
	<b>Bank Guarantee</b>								
	E Land Fashion India Private Ltd.	-	-	-	-	-	-	40,000.00	40,000.00

### 32 Segment Reporting:-

The Company is engaged in the manufacture of garments, which is the primary business segment, based on the nature of products manufactured and sold. The geographical segments considered for disclosure are domestic (India) and exports (outside India). Revenue from Operations and trade receivables are disclosed by location of customers while the other geographical information is based on location of assets.

Particulars	31 March, 2017	31 March, 2016
a) Revenue from Operations		
India	10,358.77	7,988.96
Outside India	11,175.33	15,465.60
<b>Total</b>	<b>21,534.10</b>	<b>23,454.56</b>
b) Trade Receivables		
India	2,181.90	2,264.92
Outside India *	1,567.53	2,191.57
<b>Total</b>	<b>3,749.43</b>	<b>4,456.49</b>
* All Assets are located in India, other than trade receivables, receivable from outside India, disclosed above.		
c) Capital Expenditure		
India	312.64	603.43
Outside India	-	-
<b>Total</b>	<b>312.64</b>	<b>603.43</b>



**33 Operating Lease**

a) As Lessee

The Company has entered into operating lease arrangements for premises. Lease rental expenses for the year ended 31 March, 2017 was ₹ 588.34 Lacs (31 March 2016 ₹ 535.20 Lacs). The future minimum lease rental obligation under non-cancellable operating leases are given below:

Particulars	31 March, 2017	31 March, 2016
Within one year	326.90	363.36
Later than one year and not later than five year	368.86	574.13
Later than five year	-	-

b) As Lessor

The Company has entered into operating lease arrangements for certain surplus facility and plant and equipment. The lease is cancellable and is for a period of 5 years and may be renewed for a further period of 5 years based on mutual agreement of the parties. The rental income recognised for the year ended 31 March 2017 was ₹ 25.60 Lacs ( 31 March, 2016 ₹ 24.52 Lacs)

**34 Earning Per Share (EPS)**

Particulars	31 March, 2017	31 March, 2016
Net Loss after tax	(3,835.88)	(1,867.12)
Weighted average number of Equity Shares for Basic EPS	47,990,469	47,990,469
Nominal Value of Equity Shares (Rs.)	10.00	10.00
Basic Earnings per Equity Share (Rs.)	(7.99)	(3.89)
Diluted Earnings per Equity Share (Rs.)	(7.99)	(3.89)

**35 Unhedged foreign currency exposure**

Particulars of unhedged foreign currency exposure as at the reporting date is as given below :-

	Foreign Currency	2016-17		2015-16	
		₹ in Lakhs	Amount in Foreign Currency	₹ in Lakhs	Amount in Foreign Currency
Import trade payable	US\$	21.01	32,397.98	821.87	1,239,327
Export trade receivable	US\$	1,334.84	2,058,713	2,314.38	3,523,612
Export trade receivable	GBP	232.69	287,694	15.02	15,418
Export trade receivable	EURO	-	-	1.06	1,429

- 36 During the year ended 31 March, 2015, the Company had filed an application with the Central Government for approval of managerial remuneration paid to three Whole Time Directors. During the previous year, the Company received approval for payment to two Whole Time Directors and in the current year for the third Whole Time Director for a period of three years from 30 September, 2014.
- 37 The Company has incurred losses of ₹ 3,835.88 lacs for the year ended 31 March, 2017 (Previous year ₹ 1,867.12 lacs) and the accumulated losses amounting to ₹ 44,921,20 lacs as on 31 March, 2017 (Previous year ₹ 42,869.83 lacs), exceed its paid up capital and reserves as on that date. The Management is currently implementing a plan to increase turnover, improve profitability and financial position, sell certain non-core assets and has assessed that it will be able to meet the working capital requirements for the next 12 months based on its cash flow projections. The Holding Company has also confirmed financial and operational support to the Company to continue as a going concern. The Company is therefore being viewed as a going concern and the audited financial statements have been prepared under the going concern assumption.
- 38 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 the previous year, the Company received approval from the Reserve Bank of India ('RBI'), treating the liability as External Commercial Borrowing. During the year, the Company has 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.



- 39 (a) During the year ended 31 March, 2015, the Company had entered into an Agreement for Sale of assets for one of its units located in Daman, the conditions of which, subsequently have not been complied with and hence the said agreement was terminated. Accordingly, the above sale was reversed during the year ended 31 March 2016, and the assets were classified as "Asset held for sale" to reflect the current status.
- (b) Pursuant to the Companies (Accounting Standards) Amendment Rules, 2016 and as per the provisions of Accounting Standard (AS) 10 "Property, Plant and Equipment, the Company has adopted the revaluation model for Land, Buildings, Plant & Equipment and Electrical Installations. The revaluation reserve of Rs. 1,156.96 lacs relating to the assets classified as "Assets Held for Sale" has been transferred to Surplus / (Deficit) of Profit and Loss.

**40 Specified Bank Notes (SBN)**

The details of Specified Bank Notes (SBN) held and transacted during the period of 8 November, 2016 to 30 December, 2016 is given below

Particulars	SBN (₹ in Lacs)	Other Denomination Notes (₹ in Lacs)	Total (₹ in Lacs)
Closing Cash in hand as on 8 November, 2016	88.95	1.02	89.97
(+) Permitted receipts	-	11.64	11.64
(-) Permitted payments	9.00	6.00	15.00
(-) Non Permitted payments	54.90	-	54.90
Amount deposited in Banks	25.05	-	25.05
Closing Cash in hand as on 30 December, 2016	-	6.66	6.66

**41 Details of provisions :**

The Company has made provision for disputed liability based on its assessment for the amount it estimates to incur to meet such obligations, the details of which are given below:

(₹ in Lacs)

Particulars	As at 1 April , 2016	Additions	Utilisation	As at 31 March , 2017
Provision for disputed statutory demands *	-	60.35	-	60.35
	(-)	(-)	(-)	(-)

\*The entire amount of provision, is intended to be utilised within one year.

(Figures in brackets are for the previous year)

- 42 During the previous year, 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. 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 is required.
- 43 Previous year figures have been regrouped/reclassified where necessary to conform to this year's classification.

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

**Jae Ho Song**  
Managing Director

**Haeoi Choi**  
Chief Financial Officer

**Jung Ho Hong**  
Director

**Sunitha Kanungo**  
Company Secretary

Place: Bengaluru  
Date: 30<sup>th</sup> May, 2017

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# E-Land Apparel Limited

(formerly known as Mudra Lifestyle Limited)

CIN: L17110MH1997PLC106945

**Regd office:** Office No. 404, 4<sup>th</sup> Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai - 400066  
Tel.: +91-22-40972600, Fax: +91-22-40972601, E-mail: investor@elandapparel.com, Website: www.elandapparel.com

## **FOR KIND ATTENTION OF SHAREHOLDERS**

**Dear Shareholder(s),**

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as are required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

<b>Folio No.</b>
<b>Name of the Shareholder</b>
<b>Father's/Mother's/Spouse's Name</b>
<b>Address (Registered Office Addressing case the Member is a Body Corporate)</b>
<b>E-mail Id</b>
<b>PAN or CIN</b>
<b>UIN (Aadhar Number)</b>
<b>Occupation</b>
<b>Residential Status</b>
<b>Nationality</b>
<b>In case member is a minor, name of the guardian</b>
<b>Date of birth of the Member</b>

**Note: Members holding shares in DEMAT mode may furnish these details to their respective DPs.**

\_\_\_\_\_  
**Signature of the Member**

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz. "**BIGSHARE SERVICES PVT. LTD., 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400059**".

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

**Thanking You,**

**For E-Land Apparel Limited**

**Sunita Kanungo**  
Company Secretary





# E-Land Apparel Limited

(formerly known as Mudra Lifestyle Limited)

(CIN: L17110MH1997PLC106945)

**Regd office:** Office No. 404, 4<sup>th</sup> Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai - 400066  
Tel.: +91-22-40972600, Fax: +91-22-40972601, E-mail: investor@elandapparel.com, Website: www.elandapparel.com

## ATTENDANCE SLIP

**20<sup>TH</sup> ANNUAL GENERAL MEETING ON 29<sup>TH</sup> SEPTEMBER, 2017**

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s)	
Joint Holder 1	
Joint Holder 2	

I/we hereby record my/our presence at the 20<sup>th</sup> Annual General Meeting of the Company held at Bay Leaf Banquet Hall, Shop No 67, 68, 69, Saraf Choudhary Nagar, Thakur Complex, Opposite Sarodev Hospital, Kandivali East, Mumbai-400 101 on Friday, 29<sup>th</sup> September, 2017 at 10.00 a.m.

\_\_\_\_\_  
Member's Folio/DP ID/Client ID No.

\_\_\_\_\_  
Member's/Proxy's name

\_\_\_\_\_  
Member's/Proxy's Signature

(in Block Letters)

**Note:**

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL.**

**Note:** Please read the instructions for e-voting given along with Annul Report. The e-voting period starts from Tuesday, 26<sup>th</sup> September, 2017 (9.00 a.m.) and ends on Thursday, 28<sup>th</sup> September, 2017 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

**Note:** PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.



# E-Land Apparel Limited

(formerly known as Mudra Lifestyle Limited)

(CIN: L17110MH1997PLC106945)

**Regd office:** Office No. 404, 4<sup>th</sup> Floor, Western Edge-I, Western Express Highway, Magathane, Borivali (East), Mumbai - 400066  
Tel.: +91-22-40972600, Fax: +91-22-40972601, E-mail: investor@elandapparel.com, Website: www.elandapparel.com

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### **20<sup>TH</sup> ANNUAL GENERAL MEETING ON FRIDAY 29<sup>TH</sup> SEPTEMBER, 2017**

Name of the member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No/ Client Id: \_\_\_\_\_

DP Id: \_\_\_\_\_

I/We being a member(s) of \_\_\_\_\_ Shares of the above named Company hereby appoint:

(1) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

(2) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

(3) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 29<sup>th</sup> September, 2017 at Bay Leaf Banquet Hall, Shop No 67, 68, 69, Saraf Choudhary Nagar, Thakur Complex, Opposite Sarodev Hospital, Kandivali East, Mumbai - 400 101 at 10.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2017 along with Reports of the Directors and of the Auditors thereon.			
2	Ordinary Resolution for appointment of a Director in place of Mr. Jung Ho Hong, Whole Time Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3	Ordinary Resolution for ratification of appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (having FRN: 117366W/W-100018) as Statutory Auditors of the Company.			
	<b>Special Business:</b>			
4	Special Resolution for appointment of Mr. Jae Ho Song as Managing Director of the Company for a period of 3 years w.e.f. 30 <sup>th</sup> May, 2017.			
5	Special Resolution for re-appointment of Mr. Jung Ho Hong as Whole Time Director of the Company for a period of 3 years w.e.f. 30 <sup>th</sup> September, 2017.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Affix  
Revenue  
stamp  
Re. 0.15

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

#### **Note:**

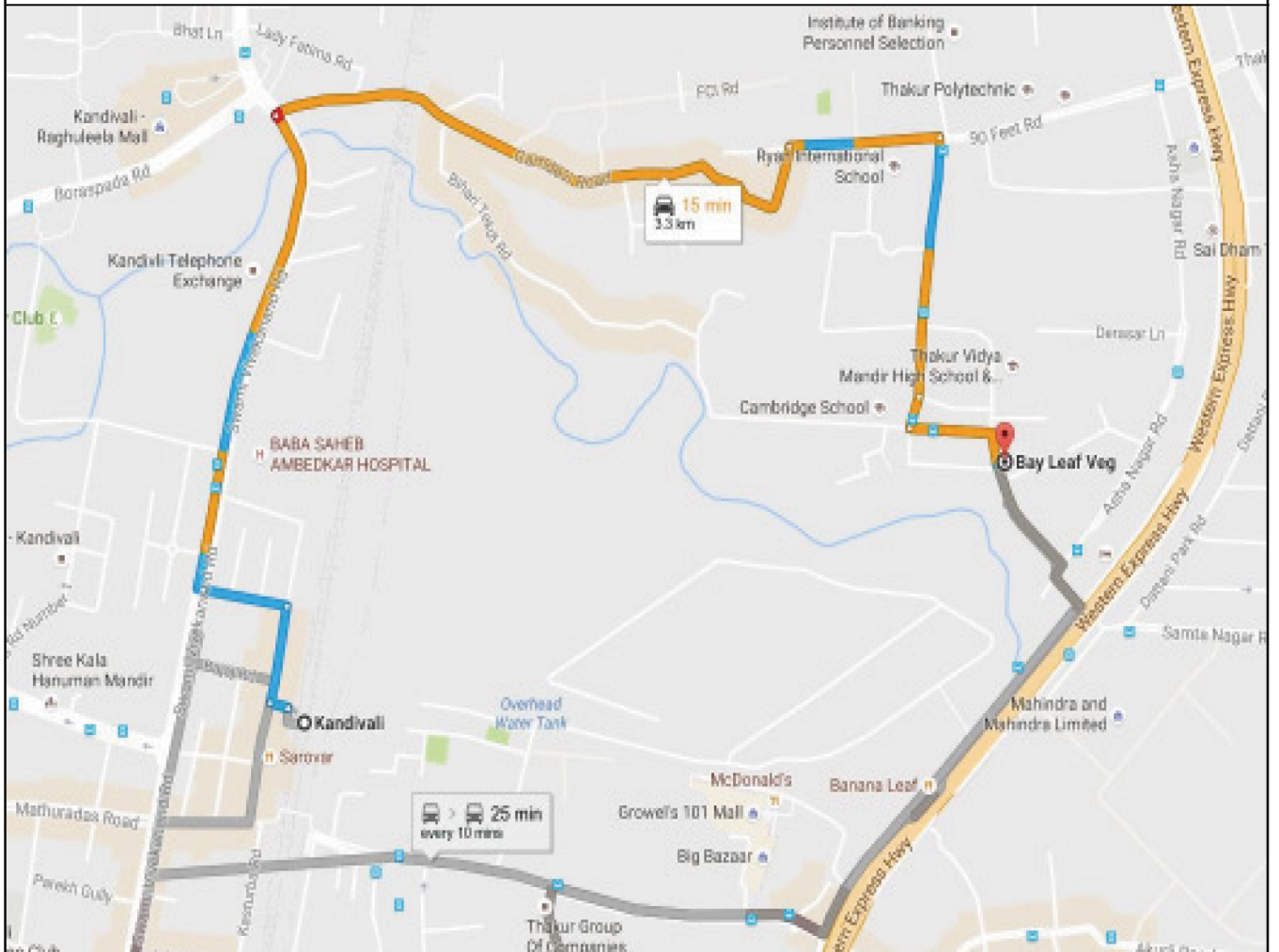
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.







**Route Map for 20<sup>th</sup> Annual General Meeting to be held on Friday, the 29<sup>th</sup> day of September, 2017**





**To**

*If undelivered, please return to :*

**E-Land Apparel Limited**

(formerly known as Mudra Lifestyle Limited)

(CIN: L17110MH1997PLC106945)

**Regd office:** Office No. 404, 4<sup>th</sup> Floor, Western Edge-I,  
Western Express Highway, Magathane,  
Borivali (East), Mumbai - 400066

Tel.: +91-22-40972600, Fax: +91-22-40972601,

E-mail: [investor@elandapparel.com](mailto:investor@elandapparel.com), Website: [www.elandapparel.com](http://www.elandapparel.com)