



Report on Review of Interim Financial Information

To,

The Board of Directors,

Mudra Lifestyle Limited

We have reviewed the accompanying statement of unaudited financial results of **MUDRA LIFESTYLE LIMITED** for the quarter ended **31st December 2012**, being submitted by the company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter group Shareholding' which have been traced from disclosure made by the management and have not been reviewed by us. Management is responsible for preparation and fair presentation of these interim financial information in accordance with Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standard) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

During the period ended 30th September, 2012 the company had appointed four foreign nationals as Whole Time/Managing Director. The company has not filed the requisite applications with Central Government in terms of the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 ('the Act'), to seek approval for the same. It has been explained to us that the company is in the process of filing of application to Central Government in relation to their approval on the appointment and remuneration along with the condonation of delay.

During the period ended 30th September, 2012, the Company's loan liabilities was reinstated in the Financial Statements based on the bank statements pursuant to Master Restructuring Agreement ('MRA') executed with the lenders read along with the Corporate Debt Restructuring Scheme ("CDR"). However, as per the information and explanation provided to us, the Company is yet to reconcile the accuracy of the working of the interest reversed by all the banks as stated in MRA read along with CDR. In absence of the reconciliation, we are unable to ascertain



as to whether the amount of Profit/Loss of the period and relevant liabilities have been under or overstated.

During the period ended 30th September, 2012, Rs. 190.14 Lakhs (Rs. 7.55 Lakhs from Oct-12 to Dec-12) had been recorded as "Focus Product Receivable" and corresponding income had been credited in the Statement of Profit & Loss. As per the information provided to us, the company is yet to get the license under the scheme and may not be eligible for the benefit and accordingly, the income and assets has been overstated to that extent.

Based on our review conducted as above, with the exception of the matters as described above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have, on the basis of the books of accounts, other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholding, as furnished by the company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

For **K C P L & Associates**
Chartered Accountants
Firm Reg.No.119223W



Paras Jain
Partner
M.No.134160



Place: Mumbai
Date: 4th February, 2013