

Limited Review Report


Review Report to
The Board of Directors
Mudra Lifestyle Limited

1. We have reviewed the accompanying statement of unaudited financial results of Mudra Lifestyle Limited ('the Company') for the quarter ended September 30, 2014 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognised 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.

Emphasis of Matter

4. Without qualifying our conclusion, we draw attention to Note 9 of the Statement. The Company has incurred losses during the current period and the accumulated losses of the Company at the close of the period exceed its paid up capital and reserves and surplus. These conditions, along with other matters as set forth in Note 9, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.
5. Without qualifying our conclusion, attention is invited to Note 10 of the Statement, pending receipt of approval from Reserve Bank of India, no adjustment has been made in the unaudited financial results for the quarter ended September 30, 2014.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E


per Vikram Mehta
Partner
Membership No.: 105938
Place: Mumbai
Date: November 14, 2014



MUDRA LIFESTYLE LIMITED

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 Email : contact@mudralifestyle.com * Website : www.mudralifestyle.com CIN - L17110MH1997PLC106945

(Rs. in Lacs)

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2014

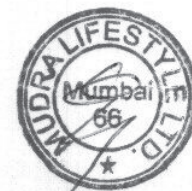
Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2014 (Unaudited)	30.06.2014 (Unaudited)	30.09.2013 (Unaudited)	30.09.2014 (Unaudited)	30.09.2013 (Unaudited)	31.03.2014 (Audited)
1	Income from operations						
	a) Net sales	3,963.70	4,299.75	9,372.43	8,263.45	17,297.49	32,463.50
	b) Other Operating Income	195.72	140.85	263.17	336.57	528.08	926.62
	Total income from operations	4,159.42	4,440.60	9,635.60	8,600.02	17,825.57	33,390.12
2	Expenses						
	a) Cost of raw materials consumed	1,955.17	2,200.04	5,046.10	4,155.21	9,622.70	18,113.38
	b) Purchases of traded goods	-	639.54	13.73	639.54	589.02	1,055.36
	c) Changes in inventories of finished goods, work-in-progress and traded goods	(153.03)	(437.47)	1,268.17	(590.50)	798.20	1,906.99
	d) Employee benefits expense	1,377.16	1,261.63	1,992.50	2,638.79	3,821.32	7,314.02
	e) Depreciation and amortisation expense	54.36	58.35	639.48	112.71	1,270.54	2,489.79
	f) Other expenses	1,244.47	1,110.13	2,854.13	2,354.60	5,332.98	11,707.82
	Total expenses	4,478.13	4,832.22	11,814.11	9,310.35	21,434.76	42,587.36
3	Profit / (Loss) from operations before other income, finance costs, prior period and exceptional items (1-2)	(318.71)	(391.62)	(2,178.51)	(710.33)	(3,609.19)	(9,197.24)
4	Other Income	55.89	103.82	104.50	159.71	154.72	1,280.31
5	Profit / (Loss) from operations before finance costs, Prior period and exceptional items (3 + 4)	(262.82)	(287.80)	(2,074.01)	(550.62)	(3,454.47)	(7,916.93)
6	Finance costs	109.49	69.66	1,019.47	209.51	2,064.59	3,579.34
7	Profit / (Loss) from operations before Prior period and exceptional items and tax (5 - 6)	(372.31)	(357.46)	(3,093.48)	(760.13)	(5,519.06)	(11,496.27)
8	Prior Period items (Refer Note 6)	836.82	-	84.69	806.46	93.97	-
9	Exceptional items (Refer Note 5)	-	1,430.19	-	1,430.19	-	8,013.88
10	Profit / (Loss) before tax (7-8+9)	(1,209.13)	1,072.73	(3,178.17)	(136.40)	(5,613.03)	(3,482.39)
11	Tax expense of earlier years (Refer Note 7)	2,623.96	-	-	2,623.96	-	(2,148.94)
12	Net Profit / (Loss) after tax (10- 11)	(3,833.09)	1,072.73	(3,178.17)	(2,760.36)	(5,613.03)	(1,333.45)
13	Paid-up Equity Share Capital (Nominal value - Rs. 10 Each)	4,799.05	4,799.05	4,799.05	4,799.05	4,799.05	4,799.05
14	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						(21,154.69)
15	Earnings Per Share (Rs.)						
	Basic & Diluted EPS for the period	(7.99)	2.24	(6.62)	(5.75)	(11.70)	(2.78)

PART II

INFORMATION FOR THE QUARTER ENDED ON 30TH SEPTEMBER, 2014

A	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2014 (Unaudited)	30.06.2014 (Unaudited)	30.09.2013 (Unaudited)	30.09.2014 (Unaudited)	30.09.2013 (Unaudited)	31.03.2014 (Audited)
PARTICULARS OF SHAREHOLDING (Refer Note 2)							
1	Public Shareholding:						
	- Number of Shares	11,998,074	6,818,074	6,818,074	11,998,074	6,818,074	6,818,074
	- Percentage of Shareholding	25.00%	14.21%	14.21%	25.00%	14.21%	14.21%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	- Number of shares	35,992,395	41,172,395	41,172,395	35,992,395	41,172,395	41,172,395
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	75.00%	85.79%	85.79%	75.00%	85.79%	85.79%

B	Particulars	Quarter ended 30 th September 2014
	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	1
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	NIL



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 BY
SRBC & CO LLP
MUMBAI

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- 1 The statutory auditors have carried out a limited review of the financial results of the Company for the quarter ended September 30, 2014 and those of the previous period have been reviewed by a firm of Chartered Accountants other than S R B C & CO LLP. The same were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 14, 2014.
- 2 In order to comply with Minimum Public Shareholding(MPS), the old promoters during the current quarter offered their shares for sale on the BSE, which were subscribed to, pursuant to which the Company is now in compliance with the MPS requirements.
- 3 During the quarter ended March 31, 2014, the Company had sold its D-1 unit relating to Fabric Business located at Tarapur, with related assets and liabilities as identified, on a going concern basis, by way of slump sale to E-Land Fashion India Private Limited, which is a 100% subsidiary of the holding company, E-Land Asia Holdings Pte. Ltd. Consequently, the figures for the quarter ended September 30, 2013 and half year ended September 30, 2013 include the figures relating to D-1 unit and are not strictly comparable.
- 4 As per Business Continuation Agreement ('BCA') entered into between the Company and E-land Fashion India Private Limited ('Eland India'), the Company is conducting the Fabric Business of D-1 Unit Tarapur for and on behalf of Eland India for facilitating smooth transition of Fabric Business of D-1 Unit Tarapur to Eland India. Pending certain statutory registrations, the sales, purchases, receipts/payments made by the Company in the capacity of an agent of Eland India have been excluded from the financial results of the Company.
- 5 Exceptional items :
 - a) for the quarter ended June 2014 represents profit on disposal of assets held for sale.
 - b) for the year ended March 2014 represents profit on slump sale to Eland India amounting to Rs. 7,462.45 lacs and unsecured loan written back of Rs.551.43 lacs.


6 Prior period items represents the following:-

Particulars	(Rs. In Lacs)			
	Quarter ended 30.09.2014	Quarter ended 30.09.2013	Half year ended 30.09.2014	Half year ended 30.09.2013
Provision for doubtful advances and receivables	1,028.43	-	1,028.43	-
Reversal of impairment loss on asset held for sale	(221.97)	-	(221.97)	-
Interest expense	30.36	-	-	-
Expenses relating to prior years	-	84.69	-	93.97
	836.82	84.69	806.46	93.97

- 7 During the year ended March 31, 2014, the Company had erroneously recognised deferred tax assets on unabsorbed depreciation of Rs 2,623.96 lacs. Accordingly, the same has been reversed in the current quarter as prior period tax expense as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- 8 The results of discontinuing operations (D-1 Tarapur unit) included in above financial results are as follows: (Rs. In Lacs)

Particulars	(Rs. In Lacs)		
	Quarter ended 30.09.2013	Half year ended 30.09.2013	Year ended 31.03.2014
Revenue	4,287.96	7,751.98	14,138.64
Loss before tax	1,089.02	1,201.24	3,676.64

- 9 The Company has incurred losses during the current year and the accumulated losses of the Company at the close of the period exceed its paid up capital and reserves. The management is currently implementing a plan to increase turnover, improve profitability and financial position of the Company and has assessed that it will be able to meet its funding requirements atleast for the next 12 months based on its cash flow projections. The Company is therefore being viewed as a going concern and the unaudited financial results have been prepared under the going concern assumption.
- 10 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. Accordingly, Company is in the process of making application under the applicable provisions of the Foreign Exchange Management Act and the rule and regulations there under for regularising the same.

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11 Statement of Assets and Liabilities :-

Particulars	As at	
	30.09.2014	31.03.2014
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Shareholder's Fund		
(a) Share Capital	4,799.05	4,799.05
(b) Reserves & surplus	(19,924.39)	(15,638.07)
Sub-total - Shareholder's funds	(15,125.34)	(10,839.02)
Non -current Liabilities		
(a) Long Term Borrowings	30,217.40	30,318.58
(b) Other Long term Liabilities	14.00	46.52
(c) Long term Provisions	124.37	86.96
Sub-total - Non -current Liabilities	30,355.77	30,452.06
Current Liabilities		
(a) Short Term Borrowings	2,533.45	3,500.00
(b) Trade Payables	2,287.56	1,790.72
(c) Other Current Liabilities	3,288.82	2,971.94
(d) Short-Term Provisions	122.38	114.10
Sub-total - Current Liabilities	8,232.21	8,376.76
TOTAL - EQUITY AND LIABILITIES	23,462.64	27,989.80
ASSETS		
Non -current Assets		
(a) Fixed Assets	5,506.09	5,128.99
(b) Non-Current Investments	1.00	1.00
(c) Long Term Loans & advances	889.72	1,436.97
(d) Deferred Tax Assets (Net)	-	2,623.96
Sub-total - Non -current assets	6,396.81	9,190.92
Current Assets		
(a) Current investments	9.41	7.87
(b) Inventories	3,122.07	2,490.62
(c) Trade Receivables	2,946.11	4,535.40
(d) Cash and Cash equivalents	2,660.96	1,322.45
(e) Short -term Loans and Advances	863.49	1,360.34
(f) Other current Assets	7,463.79	9,082.20
Sub-total - Current assets	17,065.83	18,798.88
TOTAL - ASSETS	23,462.64	27,989.80

12 The company has only one reportable business segment i.e. Garments.

13 The Unaudited financial results for the above period are available on Company's website at www.mudralifestyle.com and also on websites of BSE and NSE.


14 The figures for the corresponding previous period have been restated/regrouped wherever necessary, to make them comparable.

Place: Mumbai
 Date: 14th November, 2014

For Mudra Lifestyle Limited


 Yangweon Yoo
 Managing Director
 DIN: 03629831



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