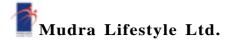
15th Annual Report 2011-12







BOARD OF DIRECTORS

Mr. Eung Kyun Shin - Executive Chairman
Mr. Yangweon Yoo - Managing Director
Mr. Jung Ho Hong - Executive Director
Mr. Kwang Hyuck Choi - Executive Director
Mr. Sivabalan Paul Pandian - Independent Director
Mr. Chong Tae Baek - Independent Director
Mr. Gagan Rai - Independent Director

Mr. Wan Ki Eun - Additional Independent Director

Mr. Murarilal Agarwal - Executive Director resigned on 22nd March, 2012
Mr. Ravindra Agarwal - Executive Director resigned on 22nd March, 2012

Mr. Eun Hong Lee - Director resigned on 31st January, 2012

Mr. S.C Bhargava - Independent Director resigned on 9th November, 2011
Mr. Kyoung Hur - Independent Director resigned on 4th August, 2012
Mr. Mrithyunjay Amblimath - Independent Director resigned on 4th August, 2012

Mr. Parameshwaran Nair - Independent Director from on 11th May, 2011 to 13th August, 2011

BANKERS

Mr. Surendra Ambalal Dave - Independent Director resigned on 11th May, 2011

MEMBERS OF AUDIT COMMITTEE

Mr. Gagan Rai - Chairman–from 4th August, 2012

Mr. Eung Kyun Shin - Member from 30th September, 2011

Mr. Chong Tae Baek - Member– from 23rd August, 2011

CHIEF FINANCIAL OFFICER

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Whon Young Chung Mr. Ashitosh Sheth

REGISTERED OFFICE

3026, A Wing, 3rd Floor,State Bank of IndiaOberoi Garden Estate,Axis Bank Limited

Chandivali Farms Road, Oriental Bank of Commerce

Chandivali, Andheri (E), State Bank of Patiala

Mumbai- 400072 Bank of India

State Bank of Hyderabad State Bank of Travancore

State Industrial Development Bank of India(SIDBI) Industrial Development Bank of India (IDBI)

STATUTORY AUDITORS

COST AUDITOR

M/s KCPL & Associates M/s Rohit Vora & Associates

SOLICITORS

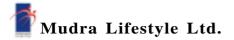
Kachwaha & Partners

Crawford Bailey

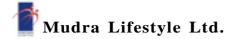
WORKS

WeavingProcess HouseGarmentingBhiwandi(Sonale and Kahler)Navi MumbaiDamanTarapurTarapurBangalore

Daman



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NOTICE

NOTICE is hereby given that 15th Annual General Meeting of the Members of the Company will be held at the Hotel Savoy Suites, Saki Vihar Complex, Saki Naka, Andheri (E), Mumbai-400072 on Friday, 22nd March, 2013 at 9.30 a.m to transact the following businesses:-

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Balance Sheet as at 30th September, 2012 and Profit and Loss Account for the financial year ended on 30th September, 2012, along with the Report of the Auditors and Director thereon.
- 2. To appoint a Director in place of Mr.Sivabalan Paul Pandian, who retires by rotation, and being eligible, offers himself for reappointment.
- 3. To appoint a Director in place of Mr. Chong Tae Beak, who retires by rotation, and being eligible, offers himself for reappointment.
- 4. To appoint 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 224 and other applicable provisions if any, of the Companies Act 1956, M/s. KCPL & Associates, Chartered Accountants, Mumbai having ICAI Registration No.119223W, the retiring auditors be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be decided by Board of Director of the Company."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Wan Ki Eun, who was appointed as Additional Director of the Company with effect from 13th August, 2012 and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") and Article 147 of the Articles of Association and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the appointment of Director as per the provisions of Section 257 of the Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board of Directors

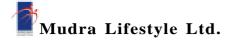
Sd/-

Ashitosh Sheth Company Secretary

Date: 4th February, 2013 Place: Mumbai

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY
 TO ATTEND THE MEETING AND VOTE ON A POLL, IF ANY, IN HIS/HER STEAD AND THE PROXY NEED NOT BE A MEMBER
 OF THE COMPANY. The instrument appointing proxies, in order to be effective, must be received by the Company at the
 registered office, not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to this
 notice.
- Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
- 3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 ('the Act'), relating to the Special Business to be transacted at the meeting (Item No.5 of the notice) is annexed hereto.
- 4. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. Members holding shares in dematerialized form shall write their Client ID and DP ID numbers and those who hold shares in physical form shall write their Folio Number in the Attendance Slip.
- 5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.



- Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered
 Office of the Company on all working days except Saturdays, between 11.00 a.m. to 1.00 p.m. up to one day prior to the
 date of the Meeting.
- 7. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 18th March, 2013 to Friday, 22nd March, 2013 (both days inclusive).
- 8. Section 109A of the Act, permits Nomination by the shareholders of the Company in prescribed Form No.2B. Shareholders are requested to avail of this facility. The duly filed in and signed Form No 2B should be sent to the Share Transfer Agents of the Company at their address.
- 9. Members holding shares in physical form are requested to forward all applications for transfers and all other shares related correspondence, including intimation for change in address, if any, to the Share Transfer Agents of the Company, M/s. Bigshare Services Private Limited.
- 10. The Equity Shares of the Company are compulsorily traded in dematerialized form and the shareholders who have not yet dematerialized their shares are requested to dematerialize their shares by opening DP Account with nearest Depository Participants at the earliest to avail the benefits of dematerialization.
- 11. Dividend for the financial years ended 31st March, 2007, 31st March, 2008, 31st March, 2009 & 31st March, 2010 if remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Act. Members who have not encashed the dividend warrant (s) so far for the above mentioned financial year are requested to make their claims without any delay to Bigshare Services Private Limited. It may be noted that once the unclaimed dividend is transferred to the IEPF, as above, no claim shall lie in respect thereof against IEPF or the Company or officials, agents etc.
- 12. Details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/re-appointment at the Annual General Meeting are separately annexed hereto.
- 13. Members are requested to:
 - a) Complete the attendance slip and deliver the same at the entrance of the meeting hall.
 - b) Send their questions to the Company, if any, at least 10 days before the Annual General Meetingfor obtaining any information as regards accounts and operations of the Company so that the same could be compiled in time and made available at the meeting.
- 14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holdings shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants (DP) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.
- 15. The Annual Report of the Company circulated to the members of the Company is also available at the Company's Website i.e. www.mudralifestyle.com.
- 16. Bigshare Services Pvt. Ltd is the Registrar & Share Transfer Agent (R&T Agent) of the Company. All investor related communication may be addressed to Bigshare Services Private Limited.
- 17. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars on 21st April, 2011 and 29th April, 2011 inter-alia stating that a Company would have complied with Section 53 of the Act, if the service of documents has been done through electronic mode. In that case, the Company is required to obtain email addresses of its members for sending the notice / documents through email by giving an advance opportunity to every member to register his / her email address and changes therein, if any, from time to time with the Company.

The Company expects whole hearted support from its members towards Green Initiative of the MCA and request all its members to communicate their email ID and changes thereon from time to time to the Depository Participant / Bigshare Services Private Limited to enable the Company to send all its reports, notices and all other communications to its members via email.

Please note that member will be entitled to receive free of cost, all reports, notices and other communication that may be sent to the members by the Company, from time to time, electronically via email, upon receipt of a requisition from the member of the Company.

By order of the Board of Directors

Sd/-

Ashitosh Sheth Company Secretary

Date: 4th February, 2013

Place: Mumbai



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ("the Act"), sets out all material facts relating to the subject mentioned in the accompanying Notice dated 4th February, 2013.

Item no.5

Mr. Wan Ki Eun was appointed as an Additional Director of the Company with effect from 13th August, 2012 in accordance with Section 260 of the Act, and provisions of Article 147 of the Articles of Association of the Company. Mr Wan holds his position up to the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Act, along with the necessary deposit amount from a member, proposing his candidature for appointment as Director of the Company liable to retire by rotation.

Mr. Wan Ki Eun has given his consent to act as an Independent Director of the Company, if appointed. The Company has received the requisite Form DDA from Mr. Wan Ki Eun in terms of the Companies (Disqualification of Directors under Section 274(1) (g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Mr. Wan Ki Eun is Graduate in Chemical Engineering from Soong Sil University, Seoul, South Korea and has gained specialization in Project Management, Marketing and Sales functions.

The Board of Director, therefore, recommends the Resolution set out at Item no. 5 of accompanying notice for the approval of the members as an Ordinary Resolution.

Mr. Wan Ki Eun is interested in the resolution to the extent of his appointment as Director. None of the Directors except Mr. Wan Ki Eun, in any way, concerned or interested in passing of the said resolution.

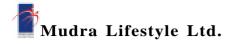
By order of the Board of Directors

Sd/-

Ashitosh Sheth Company Secretary

Date: 4th February, 2013

Place: Mumbai



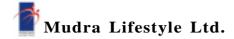
ADDITIONAL INFORMATION

Details of Directors seeking appointment/ reappointment in the 15th Annual General Meeting pursuant to Clause 49 of the Listing Agreement of the Stock Exchange

Name of Director	Mr.S.P Pandian	Mr. Wan Ki Eun	Mr. Chong Tae Baek
Director Identification Number (DIN)	01573458	02974379	01566661
Date of Birth	21/09/1958	17/09/1949	6/03/1960
Date of Appointment	29/04/2007	13/08/2012	23/08/2011
Existing Position	Independent Director	Additional Director (independent)	Independent Director
Qualification	M.Sc. Tech from Mumbai University	Graduate in Chemical Engineering from Soong Sil University, Seoul, South Korea	PhD from Mumbai University; MA in Intercultural Studies, Wheaton College, USA, MA in Ancient Indian History & Culture, Mumbai; B.A in English literature, Ajou University
Specialization	Mr.Pandian is a Textile Technologist having worked for more than 20 years in the manufacturing areas of various leading textile mills.	Mr. Wan Ki Eun has gained specialization in Project Management, Marketing and Sales functions.	Mr. Chong Tae Baek has experience in General Management Trading and Logistics Business on Textiles.
List of outside Directorship *	Lovable Lingerie Limited	-	-
Chairman/ Member of the Committee of the Board of Directors of the Company**	-	1	2
Chairman/ Member of the Committee of the Board of Directors of the other Companies	-	-	
Shareholding in the Company	Nil	Nil	Nil

^{*}excludes directorship in Foreign Companies, Private Companies & Section 25 Companies.

^{**}only statutory committees are considered. (viz Audit Committee, Shareholders/Investor Grievance Committee)



DIRECTORS' REPORT

To.

The Members of Mudra Lifestyles Limited,

Your Directors take pleasure in presenting their 15th Annual Report of the Company together with the Audited Financial Statement of Accounts for the year ended 30th September, 2012.

FINANCIAL RESULTS:

The financial performance of the Company for the year ended 30th September, 2012 is summarized below:

(Rs in Lacs)

Particulars	2011-12	2010-11
Operational & Other Income	31364.23	42991.00
Profit Before Interest, Depreciation & Tax	(22799.75)	4214.99
Interest	6942.03	4171.88
Depreciation & Amortization	4115.26	2619.25
Profit before tax	(33857.04)	(2576.14)
Less/(Add): Provision for Taxation including prior period adjustments	(1331.67)	(200.86)
Deferred Tax	(2426.33)	(251.57)
Net Profit /(Loss)after tax	(32762.38)	(2525.43)
Appropriations	NIL	
Proposed Dividend	NIL	NIL
Dividend Tax	NIL	NIL
Balance brought forward	2771.43	5296.86
Balance carried to Balance Sheet	(29990.95)	2771.43
EPS Basic	(68.27)	(6.30)
EPS Diluted	(68.27)	(6.30)

Note: The Company's current financial year is 18 months ending 30th September, 2012, hence the current year figures are not comparable with the previous year figures.

OPERATIONS OF THE COMPANY

The Company's total revenue stood at Rs 31,364.23 Lakhs. Total Expenses were Rs 65,221.27 Lakhs. Loss before tax stood at Rs 34,076.09 Lakhs and Loss after tax stood at Rs 32,762.38 Lakhs. The current Financial Year consist of 18 months (as the same was extended by 6 months upto 30th September, 2012), hence current year figures are not comparable.

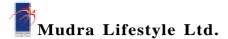
DIVIDEND

As there are no profits for the year, your Directors has not recommended any dividend on the shares for the financial year 2011-12. Accordingly, no amounts are proposed to be transferred to reserves.

The register of members and share transfer books will remain closed from Monday, 18th March, 2013 to Friday, 22nd March, 2013 both days inclusive. The Annual General Meeting of the Company is scheduled to be convened on 22nd March, 2013 at Mumbai.

CORPORATE DEBT RESTRUCTURING(CDR):

During the year, due to factors affecting economies at macro-economic level and industry downtown and substantial working capital erosion, the Company started facing liquidity crunch and it was not able to fulfill its repayment obligations on timely basis. 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 August 23, 2001 and subsequent amendments thereto which was approved by the CDR Cell vide their letter of approval dated June 27, 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 executed Master Restructuring Agreement (MRA) on 24th September 2012 and other follow-on procedures such as Security creation in favour of SBI Cap Trustee Ltd., as a Security Trustee for beneficial interest of all existing lenders, opening of Trust & Retention Accounts (TRA) are at advance stage of completion.



SHARE CAPITAL

During the year under review, your Company's Authorised Share Capital is at Rs 6,001.0 Lakhs comprising of 60,010,000 Equity Shares of Rs. 10/- each. The Company's paid up capital Rs 4,799.05 Lakhs comprising of 4,79,90,469 Equity Shares of Rs. 10/- each fully paid up.

SUBSIDIARY COMPANIES:

Your Company do not have any subsidiary company hence the compliance of provisions of section 212 of the Companies Act, 1956 are not applicable.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY

The Board of Directors at its meeting held on 4th August, 2012 had decided to shift the registered office of the Company to 3026, A-Wing, 3rd Floor, Oberoi Garden Estate, Chandivali Farm Road, Chandivali, Andheri (East), Mumbai-400072 within the same city i.e. Mumbai with effect from 11th August, 2012, accordingly, e-Form 18 was filed with Registrar of Companies, Mumbai which was duly approved.

DIRECTORS

In terms of the provisions of Section 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sivabalan Paul Pandian and Mr. Chong Tae Baek are liable to retire by rotation at the ensuing 15th Annual General Meeting of the Company, Mr. Sivabalan Paul Pandian and Mr. Chong Tae Baek, being eligible, offers themselves for re-appointment.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Wan Ki Eun, was appointed as Additional Director of the Company whose term expires on the date of ensuing Annual General Meeting of the Company. It is proposed to appoint him as an Independent Director of the Company liable to retire by rotation.

The above appointment / re-appointment forms part of the notice convening the Annual General Meeting and the resolutions are recommended for your approval.

The details of their appointment/re-appointment together with nature of their expertise in specific functional areas and names of the companies in which they hold office as Director and/or the Chairman/ Membership of Committees of the Board, if any are provided in the Notice of this Annual General Meeting.

During the year under review, Mr. Surendra Ambalal Dave(w.e.f. 11th May, 2011); Mr. Parameshwaran Nair(w.e.f. 13th August, 2011); Mr. S.C Bhargava (w.e.f. 9th November, 2011); Mr. Murarilal Agarwal (w.e.f. 22nd March, 2012); Mr. Ravindra Agarwal (w.e.f. 22nd March, 2012); Mr. Kyoung Hur (w.e.f. 4th August, 2012) and Mr. Mrithyunjay Amblimath(w.e.f 4th August, 2012), Directors of the Company had expressed their inability to continue as Directors of the Company due to their other professional pre-occupations and had rendered their resignation.

The Board places on record its appreciation for the valuable services rendered by them during their tenure as Directors of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT

Management Discussion & Analysis and Corporate Governance Report for the year under review as stipulated under Clause 49 of Listing Agreement with the Stock Exchange in India is presented in the separate section forming part of this Annual Report.

The Practicing Company Secretary has certified the Company's compliance of the requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is annexed to the Report of the Corporate Governance.

FIXED DEPOSITS

The Company has not accepted any deposit, within the meaning of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975, made there under.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A):

The Company has no employee drawing remuneration above the limits mentioned in section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.



DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state that:-

- (1) In the preparation of the annual accounts for the year ended 30th September 2012, 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 30th September 2012 and of the loss of the Company for the year ended 30th September 2012.
- (3) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) The annual accounts have been prepared on a going concern basis.

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

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in annexure forming part of this report.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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 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 review the various functions of the Company thoroughly and report to the Audit Committee.

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.

AUDITORS' REPORT

As regards observations in point no. 4 of Auditors' Report, the Statutory Auditors have qualified their report with a remark that 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 appointment & remuneration of eight foreign national Directors.

In the opinion of the Directors, approval of the Central Govt. is to be sought for the appointment and payment of remuneration for only 4 foreign national Directors i.e. the Chairman of the Board, Managing Director and 2 Whole Time Directors. Availing of No-Objection Certificate (NOC) from the Bankers is a prerequisite for availing for the approval of the Central Government in respect of the appointment and payment of remuneration to the Managerial Personnel pursuant to Schedule XIII of the Act. Since your company was under the process of the restructuring of its debts, availing of NOC from the Bankers got delayed, which would result in applying for condonation of delay to the Company Law Board (CLB).

However, as on date the NOC has been availed from most of the bankers and the process of filing of application to Central Government along with the condonation of delay shall be complied at the earliest.

- With regard to observation of the Auditors on Sr No. 5 in the Auditor's Report relating to Note 4 "Long Term Borrowings" and Note 8 "Short Term Borrowings" of the Financial Statements, your Company has taken necessary steps to ensure the reconciliation in order to determine the accuracy of the interest working reversed by all the banks as stated in Master Restructuring Agreement (MRA) read along with CDR.
- With regard to observation of the Auditors on Sr no. 6 in the Auditor's Report, the Auditors have stated that "Inventories" (Note
 16) of Financial Statements, wherein the company has shown Inventory of Rs. 6,677.14 Lakhs (P.Y.20,451.23 Lakhs).
 During the period the Company has carried out physical stock taking by independent auditors appointed by the Company