

Annual Report 2009 - 2010



MUDRA LIFESTYLE LTD.

Chairman's Message



Mudra Lifestyle is an integrated textile Company being managed by a highly experienced management. Mudra has been working with renowned global and domestic textile players providing them quality products and timely delivery at competitive prices.

Our working experience with large global and domestic corporations, constant research in fabrics designs and proven efforts demonstrate the consistency in quality of our products.

Our company is multi products, multi fiber and multi market players covering the entire textile value chain at length. With a target market that is a diverse mix of the domestic market, institutional sales, garment export trade and international market (exports) that ensure spread of risk and stability of earning.

Over the last 12 months we have increased weaving and yarn dying projects of Phase II of Mega Expansion Project and we expect to complete the processing and garment project of Phase II in the current year. In current year, we expect to add another 77 looms to increase our weaving capacity. During the year, we reported improvement in EBIDTA margins inspite of tough market conditions.

The Indian textile industry is estimated to be around US\$52 billion. The textile industry is very crucial to the Indian economy in terms of contribution to GDP and employment as shown below:-

- During the year 2008-09, the sector contributed 14% to industrial production, 4% to the GDP and 17% to country's export earnings*
- It provides direct employment to over 35 million people in spinning, weaving, knitting, processing, ready made garments etc. and it is the second largest provider of employment after agriculture.*

At Mudra, we have geared ourselves to contribute towards this challenge and take Indian industry to an altogether new universe. I sincerely thank all our shareholders, employees and valued customers for sharing our vision and supporting us and foresee a continued support in our future endeavours in wrapping the universe in comfort and style.

Our Vision

- Through all of our products, services and relationships, we add to life's contentment.
- To be a renowned textile player globally known for its quality products which leads the trend.
- To build a world class professional team and be a respectable employer in the world.
- To be a trend-setter in fashions and work towards and be known as a creator of value to its stake-holders.



Our Mission

- Upholding highest standards of ethical values at all levels institutionalizing systems-approach in all functions of the management.
- Creating a conducive environment for talent to blossom.
- Forging long-term relationship with all the stake-holders.



Corporate Objectives

- To provide total solutions from weaving to garmenting.
- To ensure total customer satisfaction.
- To create an affordable lifestyle for people through constant up gradation of technology.
- To be a Global Enterprise and expand all avenues in clothing through quality, innovation and pricing.
- To be a leader in quality clothing that improves and enhances lifestyle.





Board Of Directors

Mr. Murarilal B. Agarwal	-	Chairman & Managing Director
Mr. Ravindra B. Agarwal	-	Joint Managing Director
Mr. Vishwambharlal K. Bhoot	-	Executive Director
Dr. S.A.Dave	-	Independent Director
Mr. S.C.Bhargava	-	Independent Director
Mr. S.P.Pandian	-	Independent Director

MEMBERS OF AUDIT COMMITTEE

Mr. S.C.Bhargava	-	Chairman
Dr. S.A.Dave	-	Member
Mr. Ravindra B. Agarwal	-	Member

CHIEF FINANCIAL OFFICER

Mr. Ganeshmal Surana

COMPANY SECRETARY

Mr. Mahesh K. Poddar

REGISTERED OFFICE

5129-41, D Wing, 5th Floor
Oberoi Garden, Chandivali Farms Road,
Chandivali, Andheri (E),
Mumbai – 400 072.

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 Travencore

AUDITORS

V. K. Beswal & Associates, Chartered Accountants, Mumbai

WORKS

Weaving	Process House	Garmenting
Daman	Navi Mumbai	Daman
Bhivandi (Sonale and Kalher)	Tarapur	Bangalore
Tarapur		

Contents

■ NOTICE	■ 01
■ DIRECTORS' REPORT	■ 03
■ REPORT ON CORPORATE GOVERNANCE	■ 09
■ MANAGEMENT DISCUSSION & ANALYSIS	■ 17
■ AUDITOR'S REPORT	■ 20
■ BALANCE SHEET	■ 23
■ PROFIT & LOSS ACCOUNT	■ 24
■ SCHEDULES	■ 25
■ NOTES ON ACCOUNTS	■ 30
■ BALANCE SHEET ABSTRACT	■ 36
■ CASH FLOW STATEMENT	■ 37



NOTICE

NOTICE is hereby given that 13th Annual General Meeting of the Company will be held on Thursday, 30th September 2010 at 10.30 a.m. at the Hotel Vits, Andheri-Kurla Road, Andheri (East), Mumbai - 59, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date together with the Report of auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. V. K. Bhoot , who retire by rotation and being eligible offer himself for reappointment.
4. To appoint auditors for the year 2010-11 and fix their remuneration.

By Order of the Board of Directors
For **MUDRA LIFESTYLE LIMITED**

Place: Mumbai
Date: 25th August, 2010

MAHESH K. PODDAR
(Company Secretary)

NOTES

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not to be a member of the Company. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. Section 109A of the Companies Act, 1956 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.
3. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchange, on Directors recommended for appointment/ reappointment at the Annual General Meeting, is appearing in the Report and Accounts.
4. Members are requested to bring the admission slips along with their copy of the Report to the meeting.
5. Members holding shares in physical form are requested to notify/send the change in their address at the Registered Office of the Company and holding shares in electronic form are advised to send the same information to their respective Depository Participant.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 28th September 2010 to Thursday, 30th September 2010 [both days inclusive]

ADDITIONAL INFORMATION

1. Brief profile of Mr. V.K. Bhoot:-

Mr. V.K. Bhoot, who retires by rotation and being eligible, offers himself for reappointment. He is a matriculate and has experience of over 39 years in the textile industry. He controls the company's administration function. He is supported by a team of experienced professionals

By Order of Board of Directors
FOR MUDRA LIFESTYLE LIMITED

MAHESH K. PODDAR
(Company Secretary)

Place: Mumbai
Date: 25th August, 2010



Yarn Dying



Directors' Report

To the Members,

Your Directors have pleasure in presenting their 13th Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2010.





RF Yarn Dryer

FINANCIAL RESULTS

(Rs. in Lacs)

	2009-10	2008-09
Operational & Other Income	36391.86	31476.70
Profit Before Interest, Depreciation & Tax	5527.07	4144.19
Interest	2222.47	1290.45
Depreciation	1615.49	797.65
Profit before tax	1689.11	2056.09
Less: Provision for Taxation including prior period adjustments	232.88	249.50
Deferred Tax	395.87	434.05
Net Profit after tax	1060.36	1372.54
Appropriations		
Proposed Dividend	215.94	215.94
Dividend Tax	35.86	44.92
Balance brought forward	4488.30	3840.19
Balance carried to Balance Sheet	5296.86	4488.30

OPERATIONS OF THE COMPANY

The Company has achieved total income for the year Rs. 36391.86 Lacs as against Rs. 31476.70 Lacs in the previous year. The net profit for the year was Rs. 1060.36 Lacs as against Rs. 1372.54 Lacs in the previous year. The Profit before Interest, Depreciation & Tax improved from Rs. 4144.19 Lacs in previous year to Rs. 5527.07 Lacs in the current year, however, due to increase in interest and depreciation cost, net profit declined to Rs. 1060.36 lacs in the current year as against net profit of Rs. 1372.54 Lacs in the previous year.

The Company has positioned itself as an integrated multi product, multi fiber and multi market player covering the entire textile value chain at length. The Company's target market is a diverse mix of the domestic market, garment export trade and international market (exports) to ensure risk diversification and stability of earning. After commissioning of mega project at Tarapur, the company has positioned itself in upper segment of the textile market. The Company is making continuous efforts in up-gradation of technology and also expanding its capacity to reduce the cost and to remain as a competitive supplier of high quality products in the domestic as well as in the international market.

MEGA EXPANSION PROJECT

During the year, the company implemented weaving and yarn dyeing project of phase II of Mega Expansion Project. Expansion of Processing and Garmenting segment is expected to be completed by first half of the Current Year 2010-11.

DIVIDEND

Your Directors are pleased to recommend dividend of Rs 0.60/- per Equity Share on face value of Rs. 10/- per equity share i.e @ 6% for your approval. Total outgo including dividend tax would be Rs 251.80 lacs

DIRECTORS

During the year, there were no change in the Directorship of the Company. Mr. V.K.Bhoot, Director of the Company retire by rotation at this Annual General Meeting and is eligible for re-appointment which the Board recommends.

FIXED DEPOSITS

During the year, the Company has not accepted any fixed deposits u/s 58A of the Companies Act, 1956.

RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any.
2. In preparation of Accounts, the Company had selected accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit and Loss of the Company for the year.
3. In the preparation of accounts, the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. In the preparation of Accounts, the going concern concept has been followed.

PARTICULARS OF EMPLOYEES

The Company has no employee drawing remuneration above the limit mentioned at 217(2A) of the Companies Act, 1956 and accordingly no statement is annexed.

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

A statement showing particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, read with Section 217(1)(e) of the Companies Act, 1956, in the prescribed forms (Form A and Form B) is attach herewith and marked as Annexure A.

During the year foreign exchange earnings were Rs. 3242.49 Lacs and Foreign Exchange outgoings were Rs. 3789.87 Lacs. Thus the Company is a net foreign exchange user with net flow of Rs. 547.38 Lacs.