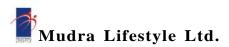


16th Annual Report 2012-13



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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	-	Independent Director

MEMBERS OF AUDIT COMMITTEE

Mr. Gagan Rai- Chairman Mr. Eung Kyun Shin - Member Mr. Chong Tae Baek- Member Mr. Wan Ki Eun- Member

CHIEF FINANCIAL OFFICER

Mr. Whonyoung Chung

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ashitosh Sheth

REGISTERED OFFICE

3026, A Wing, 3rd Floor, Oberoi Garden Estate, Chandivali Farms Road Chandivali, Andheri (E), Mumbai- 400072

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

AUDITORS

M/s KCPL & Associates

SOLICITORS & LEGAL ADVISORS

Kanchwaha & Partners KSB Partners

REGISTRAR AND TRANSFER AGENT

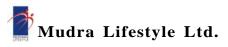
Bigshare Services Pvt. Ltd. E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka. Andheri(E), Mumbai - 400 072. Tel: 91-22-2847 0652 | 40430200| 2847 0653 Fax: 91-22-2847 5207 E-mail: investor@bigshareonline.com

WORKS

Weaving

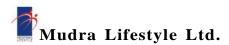
Bhiwandi(Sonale and Kahler) Tarapur Daman Process House Navi Mumbai Tarapur Garmenting Bangalore

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NOTICE

NOTICE is hereby given that 16th Annual General Meeting of the Members of the Company will be held at the Hotel Savoy Suites, Saki Vihar Complex, Saki Naka, Andheri (East), Mumbai 400 072 on Monday, 30th September, 2013 at 10.00 a.m to transact the following businesses:-

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the financial year ended on 31st March, 2013, along with the Report of the Auditors and Director thereon.
- 2. To appoint a Director in place of Mr. Gagan Rai, who retires by rotation, and being eligible, offers himself for reappointment.
- 3. To appoint a Director in place of Mr. Kwang Hyuck Choi, 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 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."

By order of the Board of Directors

-/Sd Ashitosh Sheth Company Secretary

Date: 12th August, 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 INSTEAD 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. 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.
- 4. 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.
- 5. 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2013 to Friday, 27th September, 2013 (both days inclusive).
- 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.
- 8. Members holding shares in physical form are requested to forward all applications for transfers and all other shares

Mudra Lifestyle Ltd.

related correspondence, including intimation for change in address, if any, to the Share Transfer Agents of the Company, M/s. Bigshare Services Private Limited

- 9. 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.
- 10. 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 Companies Act, 1956. Members who have not encashed the dividend warrant (s) so far for the financial year ended 31st March, 2007, 31st March, 2008, 31st March, 2008, 31st March, 2009 & 31st March, 2008, 31st March, 2009 & 31st March, 2010 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 Investor Education and Protection Fund, as above, no claim shall lie in respect thereof against IEPF or the Company or officials, agents etc.
- 11. 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.
- 12. 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 Meeting for 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.
- 13. 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
- 14. The Annual Report of the Company circulated to the members of the Company is also available at the Company's Website i.e. <u>www.mudralifestyle.com</u>
- 15. Bigshare Services Private 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.
- 16. 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 Companies Act, 1956, 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.

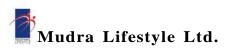
The Company expects whole hearted support from its members towards Green Initiative of the MCA and request all its members to communicate their email ID and changes thereon from time to time to the Depository Participant / Bigshare Services Private Limited to enable the Company to send all its reports, 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: 12th August, 2013 Place: Mumbai



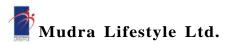
ADDITIONAL INFORMATION

Details of Directors seeking appointment/ re-appointment in the 16th Annual General Meeting pursuant to Clause 49 of the Listing Agreement of the Stock Exchange

Name of Director	Mr.Gagan Rai	Mr. Kwang Hyuck Choi
Director Identification Number (DIN)	03585171	02229626
Date of Birth	12/11/1964	3/10/1961
Date of Appointment	23/08/2011	23/08/2011
Existing Position	Independent Director	Whole Time Director
Qualification	BA (Hons)Delhi university	Soong Sil University, Textile Engineering(BS)
Specialization	General Management in Textile Business	General Management in Overseas production
List of outside Directorship *	Nil	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company**	1	Nil
Chairman/ Member of the Committee of the Board of Directors of the other Companies	Nil	Nil
Shareholding in the Company	Nil	Nil

* excludes directorship in Foreign Companies, Private Companies & Section 25 Companies

**only statutory committees are considered



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DIRECTORS REPORT

To,

The Members of Mudra Lifestyles Limited,

Your Directors take pleasure in presenting their 16th Annual Report of the Company together with the audited financial statements for the year ended 31st March, 2013.

FINANCIAL RESULTS:

The financial performance of the Company for the year ended 31st March, 2013 is summarized below:

		(Rs in Lakhs)
Particulars	2012-13 (6 Month)	2011-12 (18 Month)
Operational & Other Income	13397.24	31364.23
Profit Before Interest, Depreciation & Tax	(1133.3)	(22799.75)
Interest	2718.3	6942.03
Depreciation & Amortization	1247.69	4115.26
Profit before tax	(5099.28)	(33857.04)
Less/(Add): Provision for Taxation including prior period adjustments	425.19	(1331.67)
Deferred Tax	-	(2426.33)
Net Profit /(Loss)after tax	(5524.47)	(32762.38)
Appropriations	NIL	NIL
Proposed Dividend	NIL	NIL
Dividend Tax	NIL	NIL
Balance brought forward	(29990.95)	2771.43
Balance carried to Balance Sheet	(35515.42)	(29990.95)
EPS Basic	(11.51)	(68.27)
EPS DIluted	(11.51)	(68.27)

Note: The Company's current financial year is 6 months from 1st October, 2012 to 31st March, 2013, 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. 13397.24 Lakhs. Total Expenses were Rs 18496.52 Lakhs. Loss before tax stood at Rs 5234.44 Lakhs. The Current Financial Year consist of 6 months, 1st October 2012 to 31st March, 2013 hence current year figures are not comparable.

DIVIDEND:

As there are no profits, the Board of Directors has not recommended any dividend on the shares for the financial year 2012-13. Accordingly, no amounts are proposed to be transferred to reserves.

The register of members and share transfer books will remain closed from Monday, 23rd September, 2013 to Friday, 27th September, 2013 both days inclusive. The Annual General Meeting of the Company is scheduled to be convened on 30th September, 2013 at Mumbai.

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 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 has already executed Master Restructuring Agreement (MRA) 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 is at the advance stage of completion stage. The Company will be opening a Trust and Retention Account (TRA) with SBI on the terms and conditions set out in Trust and Retention Account Agreement.

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 31st March, 2013 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.

SEBI NOTICE:

Your Company has received an order dated June 4, 2013, issued under Sections 11(1), 11(2)(j), 11(4) and 11(B) of the SEBI Act, 1992 read with section 12A of Securities Contracts (Regulations) Act (SCRA) Act, 1956 in relation to the compliance with requirement of Minimum Public Shareholding (MPS).

Mr. Murarilal Agarwal, Mr. Ravindra Agarwal, Mr. Vishwambharlal Bhoot (Old Promoters) and E-Land Asia Holdings Pte Ltd form the promoter group of your Company. As per the provisions of the Securities Contracts (Regulations) Rules, 1957, as amended (SCRR), your Company is required to maintain a public shareholding of 25% of the aggregate paid-up equity share capital (Minimum Public Shareholding Threshold). Accordingly, at present, the public shareholding of the Company falls short of the required MPS by 10.79%.

In order to comply with MPS, the Company has identified among other options, Sale of shares held by promoters through the secondary market (Offer for Sale) as one of the more feasible options to comply with requirement of MPS. However in view of the extremely low volume of trading in the shares of the Company and also due to the shares being categorized for trading in the "Periodic Call Auction" system, the Company will seek more time from SEBI to meet the MPS requirements.

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 is Rs 4,799.05 Lakhs comprising of 4,79,90,469 Equity Shares of Rs. 10/- each fully paid up.

LISTING:

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE) with script code no. 532820 and The National Stock Exchange of India (NSE) with script code as MUDRA

The listing fee for the year 2013-14 has been paid.

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.

DIRECTORS:

In terms of the provisions of the Articles of Association of the Company, Mr. Gagan Rai and Mr. Kwang Hyuck Choi are liable to retire by rotation at the forthcoming 16th Annual General Meeting of the Company, Mr. Gagan Rai and Mr. Kwang Hyuck Choi being eligible, offers themselves for re-appointment.

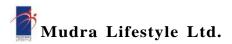
The above appointment / re-appointment forms part of the notice convening the Annual General Meeting and the resolutions are recommended for your approval.

The details of their 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, are provided in the Notice of this Annual General Meeting.

The Company has filed requisite Form 25A for approval of appointment and payment of remuneration for Mr. Yangweon Yoo, Mr. Eung Kyun Shin, Mr. Jung Ho Hong and Mr. Kwang Hyuck Choi on 10th May, 2013; 13th May, 2013 and 14th May, 2013. Subsequently Ministry of Corporate Affairs had raised several queries on the same which was more of routine nature. Company with the help of consultant had filed the suitable reply on 6th July, 2013 and 12th July, 2013. Company is awaiting the Central Government approval on the same.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion & Analysis of financial condition and results of operation of the Company for the year under review is included in the Management Discussion & Analysis section of this Annual Report.



CORPORATE GOVERNANCE:

As required by the existing Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. The Auditors of the Company have 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.

DIRECTORS' 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 31st March, 2013 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 31st March, 2013 and of the loss of the Company for the year ended 31st March, 2013.
- (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.

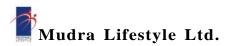
AUDITORS and AUDITORS' REPORT:

The Statutory Auditors, M/s. KCPL & Associates, Chartered Accountants, Mumbai, holds the office till the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956.

The Statutory Auditors have also confirmed their compliance pursuant to clause 41(1) (h) of the Listing Agreement in respect of "Peer Review Certificate" issued by the Peer Review Board of ICAI.

The Board recommends their reappointment.

The observations and comments given by the Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.



COST AUDITORS:

The Company has come under the purview of Cost Audit. Based on the recommendations of the Audit Committee, the Board of Directors has approved the appointment of M/s Rohit & Associates as the Cost Auditors of the Company for the financial year 2013-14, subject to the approval of the Central Government. As required under the provisions of Section 224(1B) read with Section 233B(2) of the Companies Act, 1956, the Company has obtained a written confirmation from M/s Rohit & Associates of their eligibility for appointment as Cost Auditors under Section 233B of the Companies Act, 1956. The cost Audit Report for FY 2012-13 will be forwarded to Central Government as required under law.

RECONCILIATION OF SHARE CAPITAL AUDIT:

In compliance of circular no. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 further amended by Circular No.CIR/ MRD/DP/30/2010 dated 6th 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 Practising Company Secretary and have been submitted to the Stock Exchanges where the Company is listed within due dates.

INDUSTRIAL RELATIONS & EMPLOYEE SAFETY:

Garment Manufacturing Industry is one of the high labour and low capital intensive industries. Like any other organization in the manufacturing sector, garment sector have to sustain intense competition and perpetual changes. Well motivated workforce that performs up to its potential can make all the difference between a successful organization and the one that aspires to be the one of the leading garment manufacturers.

Employee safety is of paramount importance for the Company. All the executives in the Company have a personal objective of ensuring a safe working environment for its employees. The safety performance is analyzed in all important forums.

We strongly believe that trained and motivated people determine the future growth of the Company.

Your Company endeavors to attract and recruit best possible talent and considers the quality of its human resources to be most important.

CAUTIONARY STATEMENT:

Statements in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objective, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking Statements are based on certain assumptions and expectations of future events. 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.

APPRECIATION/ACKNOWLEDGEMENT:

Board of Directors wish to express their gratitude and record sincere appreciation for the dedicated efforts of all the employees of the Company. Directors are thankful to the esteemed shareholder for their continued support and confidence reposed in the Company. 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

-/Sd Mr. Eung Kyun Shin *Chairman*

Date: 12th August, 2013 Place: Mumbai